

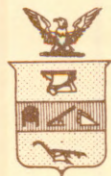
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BLS Report No. 227



LABOR LAW AND PRACTICE IN CEYLON



UNITED STATES DEPARTMENT OF LABOR
W. Willard Wirtz, Secretary
BUREAU OF LABOR STATISTICS
Ewan Clague, Commissioner



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Preface

This report is one of a series being prepared by the Division of Foreign Labor Conditions in the U.S. Department of Labor's Bureau of Labor Statistics. The series is intended primarily to provide background material for United States businessmen and other Americans who may employ local workers in foreign countries. It is hoped that the series will also be useful to persons concerned more generally with labor in foreign countries.

Source material used in preparing this study included Foreign Service despatches, reports, official publications of Ceylon, books, articles, and press reports. Information was also collected by members of the Division's staff through interviews and personal observations in Ceylon. Most of the research was completed in 1961.

The report was prepared by Alice W. Shurcliff with the assistance of Julia E. Hyman, both of the Division's staff.

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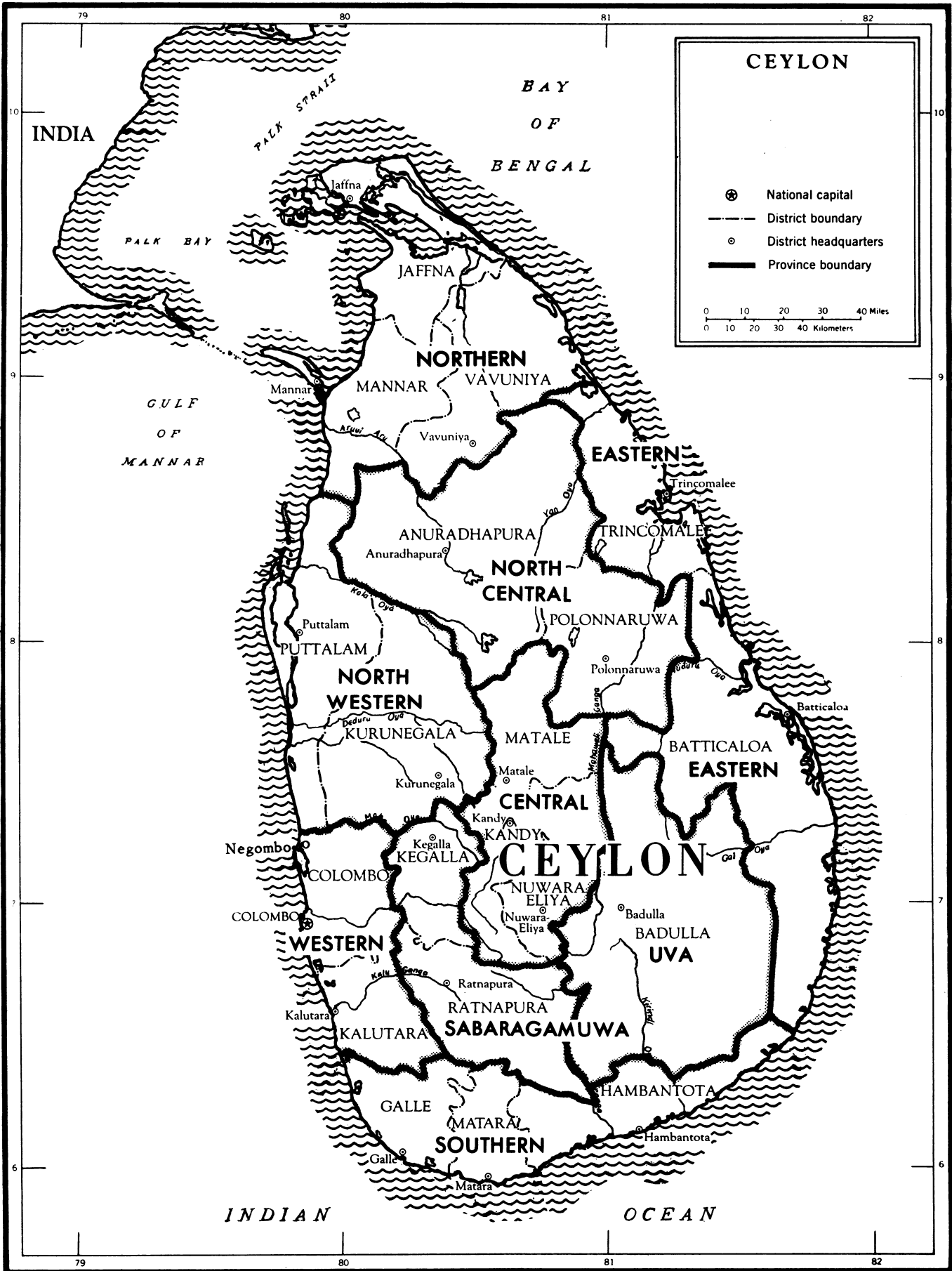
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Labor Law and Practice in Ceylon

Chapter I. The Setting

Geographic Factors

Ceylon is a pear-shaped island about the size of Eire or West Virginia, lying 25 miles off the southern tip of India. Its location on several major shipping routes across the Indian Ocean has long made its bunkering and port facilities of great importance in international commerce.

Ceylon's proximity to India has resulted in an exchange of peoples and cultures over the centuries. During the period of British rule in both countries, when the British in Ceylon had difficulty finding people willing to work on the plantations in the highlands, they recruited Tamils from the Madras area of India for this purpose. Many of these Tamils retained family ties in India and returned there every few years for visits. Following World War II, however, the independent Government of Ceylon made any further influx of Indian labor illegal.

Topographically, the island suggests the shape of a cap. A crown of mountains, rising to peaks of 7,000 and 8,000 feet in the South Central region and covering one-fifth of the island, is surrounded on all sides by a brim of level coastal lands, which are narrow to the east, south, and west but which extend like a visor into a large tapering plain pointing toward India in the north. Numerous rivers radiate from the mountains.

Although Ceylon is close to the Equator, it has a generally pleasant climate. In the coastal areas, the climate is hot and humid but, because of the sea breeze, not oppressive. The hill country of the interior has a cool climate at altitudes of over 2,000 feet.

The country is generally considered to have two climatic areas, the wet and dry zones, distinguished by the difference in the amount of rain received during the two monsoon seasons—the southwest monsoon, lasting from May to about September, and the northeast monsoon, from December through March.

The wet zone consists of the coastal plain and the mountainous area of the southwest quarter of the island, which are very fertile and well watered by the two monsoons. Here are found most of the plantations which constitute the backbone of the economy: coconut plantations in the low country, rubber plantations at low and intermediate altitudes, and tea at all altitudes, the best quality being grown in the highlands. Rice and other food crops are also grown at all altitudes.

The so-called "dry zone" in the north and northeast parts of the country has an annual rainfall of 50 to 75 inches, received during the northeast monsoon; it suffers from a shortage of water storage facilities and lacks sufficient water at other seasons. Rice and tobacco are the main crops in the dry zone.

Seasonal changes in climate are of minor importance in the total labor picture. The workload decreases to some extent in the tea plantations during the dry months, when the tea bushes grow more slowly; it decreases in the rubber plantations during the months when the trees are "wintering" and produce less latex; and it decreases in the rice fields during the months between planting and harvesting, particularly in the second quarter of the year. However, because these slack seasons in the primary sectors of the economy fall in different months there is a sufficiently even flow of production to keep the secondary industries going at an even pace throughout the year.

Economy

Ceylon's economy is dominated by three commercial crops, tea, rubber, and coconuts, which take up two-thirds of the cultivated land and, in 1959, accounted for some 96 percent of the value of total exports¹ and about 30 percent of the

¹ *Ceylon Yearbook, 1960* (Ceylon, Department of Census and Statistics, Colombo, 1962), pp. 116-123, and *Statistical Abstract of Ceylon, 1960*, (Ceylon, Department of Census and Statistics, Colombo 1961), p. 249.

gross national output.² This makes Ceylon vulnerable to the fluctuations of the world prices of these commodities, with consequences which have, at times, been grave. Furthermore, this specialization has been largely at the expense of food production. In 1959, 35 percent of Ceylon's annual expenditures on imports went for food. The most characteristic crops of the small farmer are rice and other foodstuffs grown on holdings which average less than an acre in size. Some cash crops such as rubber, coconuts, cacao, cinnamon, citronella, and tobacco are also grown on these small holdings.

Industrial development has been hindered by Ceylon's lack of coal and petroleum products, and developed hydroelectric power. The only minerals of commercial significance at present are graphite (plumbago), limestone, precious and semiprecious stones, glass sand, ceramic clays, ilmenite, and mica. Industrial production, in 1959, constituted 15 percent of the gross national product. About half of the manufacturing activity was represented by handicrafts. Factories consist of a few moderate-size plants producing salt, sugar, cement, cotton textiles, roofing tiles, pharmaceuticals, soap, shoes, cigarettes, machinery for the tea and rubber estates, glassware, ceramics, beverages, coconut products, paper, and plywood. (See table 9.) A steel rolling mill, a tire and tube plant, and a wheat flour mill are scheduled for construction with the assistance of the Soviet Union.

The "progressive nationalization" policy of the political parties which have been in power since 1956 has led to the nationalization of certain basic industries, namely, bus transport, the Bank of Ceylon, the life insurance business, and Colombo port operations. It also led, in 1962, to the establishment of a government-owned petroleum corporation, most of whose capital assets were obtained by taking over properties from western oil companies, including two American oil companies. The Government, which even before 1956 owned many of the larger factories, is now by far the largest employer of industrial labor.

One of Ceylon's basic problems is that its

² Other major components of gross national output in 1959 were: agricultural production primarily for domestic consumption, 20 percent; industrial production, including handicrafts, 15 percent; trade, services, transport, government, and miscellaneous, 35 percent. Source: *Statistical Abstract of Ceylon 1960*, (Ceylon, Department of Census and Statistics, Colombo, 1961), p. 249.

economy has not been expanding fast enough to provide employment for its rapidly increasing population. This situation has led labor unions to press for increased job security and curtailment of employers' rights to lay off or dismiss workers, and to government-sponsored measures decreasing the use of foreign and resident Indian Tamil labor.

Ceylon has had a number of economic development plans. The Ten-Year Plan, the most recent, which was published in 1959, is to be superseded by a Three-Year Plan, drafted in 1961, which has not yet been published.

Government

National Government. After a period of 443 years of varying degrees of colonial rule, Ceylon attained full independence as a dominion within the Commonwealth on February 4, 1948. During the early part of the colonial period in Ceylon, the people living in the highlands had maintained an independent kingdom and thus some had continuing experience in self-government.

In 1505, the Portuguese formed settlements on the west and south sides of Ceylon, which were taken from them about the middle of the next century by the Dutch. In 1796, the British Government in turn annexed the foreign settlements in Ceylon and made them part of the presidency of Madras (in India). In 1802, the maritime provinces of Ceylon were separated from the Indian jurisdiction and formed into a Crown colony; the Kingdom of Kandy in the highlands was annexed to this in 1816. Passing through various stages of increasing self-government, Ceylon was assured of full independence by Great Britain shortly after the end of World War II. The transfer of power took place without major economic or political upheavals.

From 1948 to 1956, the Government was led by political leaders who promoted the development of the economy mainly through private enterprise, greatly expanded free educational and health services, and represented the interests of all sectors of the population, including those of Indian origin. Since 1956, the political parties in power have continued to expand educational and health services and have taken measures toward establishing a socialist soci-

ety.³ They have also promoted the aspirations of the Sinhalese element (constituting 69 per cent of the population—see p. 6) in regard to preferential job opportunities,⁴ use of the Sinhalese language, the practice of Buddhism, and the observance of traditional (Ayurvedic—see p. 11) medical practices.

The promotion of the interests of the Sinhalese, at the expense of the Tamils who constitute one-fifth of the population, led to civil disorders, including considerable bloodshed in 1958. Communal troubles occurred again in early 1961 and, when the Tamils in the Northern and Eastern Provinces converted their passive resistance campaign against the Government's language policy into a campaign of civil disobedience, the Government declared a state of emergency which has been renewed each month since then. Troops were moved into the trouble areas, the Tamil Federal Party (FP) was banned for about a year, and the FP Members of Cabinet detained for several months. Despite these measures, the basic structure of the Government remains intact. The communal strife, however, has diverted the Government's attention and energies from the pressing need of planning for economic development.

Since Ceylon is a member of the Commonwealth of Nations the constitutional head of state is Queen Elizabeth II who is represented by a Governor General (now a Ceylonese) appointed by her on the recommendation of Ceylon's Prime Minister.

Legislative power is vested in a bicameral Parliament consisting of a Senate and a House of Representatives. The Senate consists of 30 members, 15 elected by the House of Representatives and 15 appointed by the Governor General upon the recommendation of the Prime Minister. Both groups of Senators serve for periods of 6 years, one-third retiring every 2 years.

The House consists of 157 members. Of these, 151 are elected for 5-year terms by citizens aged 18 and over, and 6 are appointed by the Governor General to represent minority groups including the Indian Tamils, 85 per cent of whom fail to qualify for citizenship under existing government regulations.

³ Speech by the Prime Minister, Ratnapura, Ceylon, December 2, 1961.

⁴ W. Howard Wriggins, *Ceylon: Dilemmas of a New Nation* (Princeton, Princeton University Press, 1960). pp. 283-284 and 339.

The Executive Cabinet, headed by the Prime Minister, is collectively responsible to Parliament. When the Cabinet ceases to enjoy the confidence of a majority of Parliament it must resign and ask the Governor General to dissolve Parliament and call a new election.

The number of ministers in the Cabinet is not fixed. The Prime Minister must serve as both Minister of External Affairs and Minister of Defense. The ministers are assisted in their parliamentary and administrative duties by Parliamentary Secretaries appointed from the two houses of Parliament.

The principal administrative bodies are departments staffed by the Public Service (career civil service). Each department is headed by a Permanent Secretary, who, under the general direction and control of his minister, supervises the department or departments of which his minister is in charge. Thus, there is a Permanent Secretary of Labour, whose function is to give policy guidance to the Commissioner of Labour, who heads the Department of Labour.

It is not unusual for the groupings of the departments into ministries to change when new cabinets or new ministers are appointed. This regrouping does not greatly affect the workings of the departments since even when they are in the same ministry, they have almost no lateral channels of communication, communications taking place only at the level of the Permanent Secretary. At present, the Department of Labour is in the Ministry of Labour and nationalized services.

District Government. The programs of the Government are carried out through 21 administrative districts, each administered by a Government Agent, usually a senior member of the Public Service. The Government Agents are subject to the direct control of the Ministry of Home Affairs, but they perform agency functions for other ministries that have no regional organizations. Their offices, known as Kacheries, are situated in the district capitals. These 21 administrative districts have been carved out of the nine provinces into which the island has been divided on a geographic basis. For example, the Western Province comprises the two administrative divisions of Colombo and Kalutara. The 21 districts contain a total of 115 divisions, each under the charge of a Divisional Revenue Officer.

Local Government. Local government is in the hands of 407 village committees, 42 town councils, 36 urban councils, and 7 municipal councils, elected locally every 3 years. These bodies are independent statutory corporations, their constitutions, powers, and duties being defined by ordinances of the Government of Ceylon. The functions of these bodies are broadly the same, namely, to promote the health and welfare of the people and to develop public utilities and roads. (Education and police are functions of the Central Government and not of the local bodies.) Specifically, the local governments are responsible for providing water supplies, electricity, street lighting, housing, secondary roads, dispensaries, milk distribution centers, cemeteries, libraries, parks, and fire stations. They are financed by local real estate taxes, and by loans and grants from the Government of Ceylon.

*Judicial System.*⁵ At the apex of the judicial system is the Queen's Privy Council in England, a body almost never used as cases are usually settled in the indigenous courts. These courts consist of a Supreme Court, a Court of Criminal Appeals, Commissioners of Assize, District Courts, Courts of Request, Magistrates Courts, Rural Courts and Moslem *Kathi* Courts. The administration of all these courts, except the Supreme Court, is the responsibility of the Minister of Justice who is in turn responsible to Parliament.

The Supreme Court consists of a Chief Justice and 10 puisne (associate) judges. In civil cases, the Supreme Court exercises appellate powers; in criminal cases, it has both appellate and original jurisdiction, but only exercises original jurisdiction in cases where grave crimes such as murder are involved. In such criminal cases, the Chief Justice may, and usually does, recommend that the trial be handled

by a commissioner of assize appointed for the purpose and given all the powers of a justice of the Supreme Court. He sets up an assize court consisting of a judge and a jury of seven persons. Appeals from assize courts can be made to a court of criminal appeal which consists of three or more judges of the Supreme Court.

Each of the 21 administrative districts of the country has a district court which tries cases referred to it by magistrates courts. These cases consist of all types of civil cases and those criminal cases where the penalties to be given may not exceed imprisonment of 2 years, fines of Rs1000,⁶ whipping, or a combination of these punishments.

Lower courts consist of 30 civil courts of request, which try to settle disputes regarding petty debts and disputes between landlords and tenants; 28 magistrates courts which summarily try petty crimes and, after inquiry into graver cases (involving punishment consisting of imprisonment over a year, fines over Rs200, or whippings for those under 16 years of age), commit the suspected persons for trial to the district courts or to the Supreme Court; rural courts, outgrowths of traditional Sinhalese village tribunals, which deal with such matters as breaches of village bylaws; and Moslem *Kathi* courts which deal with family and personal relations under Moslem law.

The labor tribunals and industrial courts described on p. 22 operate under the general jurisdiction of the Minister of Labour. The only tie they have with the regular judicial system is at the level of the Supreme Court where appeals on points of law may be heard.

During both Dutch and British periods of rule, personal law was based on local practices. This is still the case. Kandyan laws are applied to the Kandyan Sinhalese, Tamil law to the Jaffna Tamils and Islamic law to the Moslems. The Tamils of the Eastern Province and the Low Country Sinhalese are subject to Roman-Dutch common law as modified by English law.

⁶ One rupee equals US\$0.21 at the official rate of exchange.

⁵ Argus John Tresidder, *Ceylon: An Introduction to the "Resplendent Land"* (Princeton, D. Van Nostrand Company, 1960). pp. 122-125; and I.D.S. and Marguerite I. Weerawardana, *Ceylon and Her Citizens* (Madras, Oxford University Press, 1956), pp. 197-205.

Chapter II. Population

Population

The latest census in Ceylon was taken in 1953, at which time the total population was estimated at 8,097,895.⁷ According to provisional estimates, Ceylon in 1961 had a population of about 10 million, or about five and a half times that of the State of West Virginia. The annual rate of population growth was nearly 250,000 or 2.7 percent in 1959 as compared with 1.4 in the United States. The size of the population has doubled in the last 50 years and, at the present high rate of growth, will nearly double again in the next 20 years.

Population density for the country as a whole was slightly greater in 1953 than that of India (320 and 310 per square mile, respectively.) Almost 70 percent of the population is concentrated in four provinces in the wet zone, Western, Central, Southern, and Sabaragamuwa. Western Province, where Colombo is situated, has a density of 1,559 persons per square mile. (See table 1.)

The people of Ceylon are predominantly rural, only about 15 percent living in cities and towns (municipal and urban council areas). Colombo, the capital, largest city, and principal port, had a population in 1953 of 426,127. (In 1961, the city had an estimated population of about 600,000.) Other important cities are Jaffna, on the northern tip near India, with 77,181 inhabitants; Kandy, in the high country, with 57,200; and Galle, on the south coast, with 55,848. Negombo on the west coast has a population of 38,268 and Trincomalee, the former British naval base on the northeast coast, 26,356.

The age distribution of Ceylon's population is characterized by a high proportion of children and youths and a low proportion of older people. According to population projections for 1960, shown in table 2, 42 percent of the inhabitants were children under 15 years of age (as compared with 31 percent in the United States), and 6 percent were 60 and over (United States, 13 percent). Thus, 52 percent of the population were in the 15-59 age group (United States, 56 percent).

⁷ A new census is scheduled for 1963. All data are from the 1953 census unless otherwise indicated.

TABLE 1. Total and Urban Population and Density per Square Mile, by Geographic Area, 1953

Province and district	Total population		Density per square mile	Urban population	
	Number	Per cent		Number	Per cent
Total	8,097,895	100.0	320	1,239,133	100.0
Western	2,232,276	27.6	1,559	767,465	62.0
Colombo	1,708,726	21.1		709,422	57.3
Kalutara	523,550	6.5		58,043	4.7
Central	1,366,685	16.9	597	125,500	10.1
Kandy	840,382	10.4		90,407	7.3
Matale	201,049	2.5		17,244	1.4
Nuwara Eliya	325,254	4.0		17,849	1.4
Southern	1,129,308	14.0	526	117,999	9.6
Galle	524,369	6.5		66,402	5.4
Matarata	413,431	5.1		40,475	3.3
Hambantota	191,508	2.4		11,122	.9
Northern	570,650	7.0	166	77,181	6.2
Jaffna	491,849	6.1		77,181	6.2
Mannar	43,689	.5		0	0
Vavuniya	35,112	.4		0	0
Eastern	354,410	4.3	92	43,795	3.5
Batticaloa	270,493	3.3		17,439	1.4
Trincomalee	83,917	1.0		26,356	2.1
Northwestern	855,228	10.5	284	42,136	3.4
Kurunegala	626,336	7.7		20,507	1.7
Puttalam	58,820	.7		10,237	.8
Chilaw	170,072	2.1		11,392	.9
Northcentral	229,282	2.8	57	18,390	1.5
Anuradhapura	229,282	2.8		18,390	1.5
Uva	466,896	5.8	142	22,082	1.8
Badulla	466,896	5.8		22,082	1.8
Sabaragamuwa	893,160	11.1	472	24,585	1.9
Ratnapura	421,555	5.2		19,075	1.5
Kegalla	471,605	5.9		5,510	.4

SOURCE: *Census of Ceylon, 1953* (Ceylon, Department of Census and Statistics, Colombo, 1957), Vol. 1, General Report, tables 1 and 2.

Males outnumber females in the population at large, constituting 52.5 percent of the population. In urban areas, the percentage is much higher, because men coming from the villages to take employment are often unable to find suitable housing for their families.

TABLE 2. Population by Age Groups, Estimated for 1960 and 1965

Age group	Number (thousands)		Percent	
	1960	1965	1960	1965
All ages	9,940	11,445	100.0	100.0
14 years and under	4,183	4,784	42.1	41.8
15-29 years	2,429	2,868	24.4	25.1
30-44 years	1,705	1,883	17.1	16.5
45-59 years	1,080	1,229	10.9	10.7
60-74 years	458	576	4.6	5.0
75 years and over	85	105	.9	.9

SOURCE: *The Population of South-East Asia (Including Ceylon and China: Taiwan), 1950-1980* (United Nations, New York, 1958), p. 110.

Ethnic Groups

The principal cultural groups in Ceylon are usually referred to as "communal groups." The bases of the groupings are partly racial, partly religious, partly caste, and partly geographic.

Table 3 shows the relative strength of these groups at the time of the 1953 census.

The Sinhalese, constituting 69 percent of the population, are the descendants of the early Aryan settlers on the island, who intermarried with the pre-Aryan inhabitants, with later Tamil invaders,⁸ and with other immigrants from southern India. Almost all the Sinhalese became Buddhists but, as a residue of their Hindu period, have a caste system which governs certain social and economic relationships. Unlike that of India, it is no longer connected with religious beliefs. (See the section on caste, p. 7.) Apart from caste differences, the Sinhalese are further divided, along lines of geographic origin, between the upcountry or Kandyan group ("kandy" means hill) and the low country Sinhalese. The Kandyans have long been represented by an important group in Parliament.

The Ceylon Tamils are descendants of immigrants who came to Ceylon from southern India centuries ago. The majority of the Ceylon Tamils are Hindu by religion and are of high caste. They live chiefly in the dry zone on the northern and northeast coasts of the island.

TABLE 3. Population by Ethnic Group, 1953

Ethnic group ¹	Number	Percent
Total.....	8,097,895	100.0
Low country Sinhalese.....	3,469,512	42.8
Kandyan Sinhalese.....	2,147,193	26.5
Ceylon Tamils.....	884,703	11.0
Indian Tamils.....	974,098	12.0
Ceylon Moors.....	463,963	5.7
Indian Moors (largely Pakistanis).....	47,462	.6
Burghers and Eurasians.....	45,950	.6
Malays (Malayan or Indonesian origin).....	25,464	.3
Europeans.....	6,508	.1
Others.....	33,042	.4

¹ Based on "original racial stock."

SOURCE: *Census of Ceylon, 1953* (Ceylon, Department of Census and Statistics, Colombo 1957), Vol. I, General Report, Sec. IV, tables 16 and 17.

"Indian Tamil" is the term customarily employed for the Hindus found mainly in the wet zone, who were brought in from southern India in the past century by the British planters to work in the highlands on the plantations (estates) and to do other jobs which the Sinhalese and the Ceylon Tamils did not care to perform. Although the Indian Tamils are racially related to the Ceylon Tamils, and

⁸ From the 10th to the 14th centuries, Ceylon was subjected to periodic invasions of the armies of South Indian dynasts. See Wriggins, op. cit., p. 12.

speak the same language, their geographic separation and; to a certain degree, their caste distinctions have made social intercourse between them rare. Only since 1956 have they been drawn together by common opposition to measures introduced in Parliament by the Sinhalese to lessen the importance of the Tamils in the economic and political life of the country.

As the city of Colombo developed, more Indians migrated from southern India to Ceylon to undertake heavy types of manual labor, such as that carried on in the ports and in the salt-works. Since 1949, those in the more desirable jobs have been gradually replaced by Ceylonese. These Indians are, however, active in low-caste occupations such as street cleaning, laundering, barbering, and trash and sewage disposal. Indians also entered the commercial and financial field, as shopkeepers, as moneylenders, and a few as leading merchants in trade with India. Some 200,000 Indians who are not citizens are estimated to be engaged in nonplantation activities.⁹ (In the census data, they are probably included with the Indian Tamils.)

The Ceylon Moors are descendants of Arab traders who began to appear in Ceylon about the eighth century. About one-third of them are landowners or agricultural workers, while the rest follow a variety of occupations, particularly trading, shopkeeping, and fishing. The so-called "Indian Moors" came from East Pakistan, and are engaged largely in trade.

The Burghers, descendants of Ceylonese who intermarried with the Dutch and Portuguese, are a small but formerly influential middle-class group. The Burghers and Eurasians (descendants of Ceylonese who intermarried with the British) are almost entirely English-speaking and European in culture. Nationalist sentiment arising in recent years against European cultural institutions has led some members of these groups to emigrate.

Europeans include a number of missionaries, and British, French, American, and Canadian businessmen.

Religious Groups

Except in the case of Christianity, religious groupings closely follow ethnic groupings. About 90 percent of the Sinhalese are Buddhist,

⁹ Wriggins, op. cit., p. 214.

the remaining 10 percent being Christians, primarily Roman Catholics. Correspondingly, about 90 percent of the Tamils are Hindus, the remaining 10 percent being Christians, also primarily Roman Catholics. The Ceylon Tamils are somewhat more conservative in their Hindu practices than the Indian Tamils. The Moors and the Malays are Moslems. The Portuguese Burghers are predominantly Roman Catholic, and the Dutch Burghers and Eurasians, Protestant.

Since Ceylon achieved independence, Buddhism has become closely associated with Sinhalese nationalism. Other forms of religion have been deemphasized, particularly in the schools having high academic standards, many of which were founded by Christian missionaries.

The numbers of persons following each religion were reported by the 1953 census:¹⁰

	Number (in thousands)
Total -----	8,097.9
Buddhists -----	5,209.4
Hindus -----	1,610.5
Christians -----	724.4
Moslems -----	541.5
Others -----	12.1

Many of the people who adhere to the formal religions listed above also believe in animism, demonism, and astrology.¹¹ For example, only when the astrological signs and other omens are right do such people undertake planting or harvesting, start a trip, or change jobs. One day in 1962 when the stars were believed to be in an unfortunate relationship to each other, a considerable number of plantation workers stayed home from work. Various good spirits are propitiated at certain times, and bad spirits exorcised. Taboos limit the visiting of houses where there has been death or illness.

Language

Three languages are of major importance in Ceylon: Sinhala, Tamil, and English, the language of the Burghers and European businessmen. English was the official language of the Government until 1961, and is still one of the

languages used in the Government. It is also the language which educated Tamils and Sinhalese often use in speaking to each other. Some 80 percent of the population spoke only one language at the time of the 1953 census. The language ability of the population at that time is shown in table 4.

During the period of British rule, a knowledge of English was a prerequisite for employment in the Public Service and a great help for persons wishing responsible jobs in the professions and the business world. Opportunities for learning English were limited, however, for the most part to attendance at those public and private schools which conducted studies in English; such schools had only a limited capacity.

The Legislature in 1944 considered making both Sinhala and Tamil official languages, replacing English. This idea, however, did not appeal to the Sinhalese, and in July 1956, a law made Sinhala the "only official language of Ceylon," effective January 1, 1961. Since, by 1961, about half the civil servants had not learned Sinhala well enough to carry on their duties the Government has given them a 3-year period of grace. This language policy has been a major cause of communal strife. Some Tamils continue to resist studying Sinhala, believing that the act of studying it would thrust them into a lower position than that of the Sinhalese.¹²

TABLE 4. Language Ability of the Population, Age 3 and Over, 1953

Language ability	Total		Males	Females
	Number	Percent		
Total -----	7,280,987	100.0	3,856,797	3,424,190
Sinhala only -----	4,289,957	58.9	2,110,451	2,179,506
Tamil only -----	1,570,084	21.6	750,585	819,499
English only -----	14,066	.2	7,933	6,133
Sinhala and Tamil -----	719,194	9.9	500,758	218,436
Sinhala and English -----	307,570	4.2	185,136	122,434
Tamil and English -----	146,549	2.0	116,142	30,407
Sinhala, Tamil, and English -----	233,567	3.2	185,792	47,775

SOURCE: *Census of Ceylon 1953*, (Ceylon, Department of Census and Statistics, Colombo, 1960), Vol. III, Pt. I, p. 608.

Caste

Among the Sinhalese, traditional occupations are performed largely by members of certain castes, whereas newer occupations may be

¹⁰ *Census of Ceylon, 1953*, op. cit., Vol. I, appendix 3, table 24.

¹¹ E. R. Saratchandra, *The Sinhalese Folk Play and the Modern Stage* (Colombo, Ceylon University Press, 1953), pp. 25 ff. See also Tresidder, op. cit., p. 171.

¹² Wriggins, op. cit., p. 251.

entered by anyone. Thus, caste has become of much less importance in urban areas than in rural ones, in the low country than in the high country, and among the westernized ("trousered") population than among those who prefer to continue customary ways. An American sociologist, Bryce Ryan, who was employed for several years by the University of Ceylon, summarizes the relationship of occupation to caste as follows:

Despite the breakdown of feudal caste roles in the Low Country, and particularly in the city, not all persons of lower caste have left their traditional vocations even in Colombo. Several of the old caste occupations are maintained as monopolies although it is obvious that not all members of the caste are associated with such work. Since occupations of high status in the urban environment have been dissociated from caste, the retention of such roles is among the lower economic classes. Within the urban economy monopolies are being maintained only by the Karava, Hena and the Berava. Washing and tom-tom beating are strictly inherited vocations. Although the former is today frequently organized capitalistically, both proprietor and his hired laundrymen are of Hena caste. Berava drummers function regularly in funeral processions and temples. Practically all fishermen of the urban area are Karava, as are proprietors of larger fishing boat and netting organizations.

These traditional retentions are less important than the introduction of new vocations utterly unaffiliated with the caste system. The disparity of occupation and caste in contemporary times is not born of intercaste competition for traditional caste roles, but rather in the competition of all castes for new industrial and clerical employments. Only in carpentry has an important vocation once caste-linked become multicasite in its constituency.¹³

Among the Tamils, caste is a greater factor in determining occupations. The Indian Tamils, most of whom are low caste, are employed largely on the plantations and, to a lesser degree, in low-caste jobs. The Ceylon Tamils, most of whom are high caste, are mainly engaged in independent farming or as civil servants or in professional work.

Education and Vocational Training

General Structure of the Educational and Vocational Training System. Ceylon had a literacy rate of 65 percent for the country as a whole at the time of the 1953 census. The Embassy

¹³ Bryce, Ryan, *Caste in Modern Ceylon: The Sinhalese System in Transition* (New Brunswick, Rutgers University Press, 1953), pp. 319-320.

of Ceylon estimated that by 1962 the literacy rate had reached 80 percent. The literacy rate is higher among young people than old, higher in the cities than in the villages, and higher in the villages than on the plantations. Primary education has long been free, and all educational and vocational training from kindergarten through the universities has been free since 1945.

At present, the educational system turns out more white-collar workers than the economy can absorb, and not enough skilled workers and technicians. This is true partly because the Ceylonese greatly prefer white-collar work and academic courses, and partly because it is only within the last 10 years that the Government has made a concentrated effort to expand its vocational and technical training facilities.

Education is compulsory for children from ages 5 through 13 (which would normally be kindergarten through the eighth "standard" or grade), except when there is no school located within a reasonable distance of a child's home. In practice, most children receive only primary schooling (standards 1-5), because the secondary schools are much fewer in number than the primary schools and hence are not near many of the children's homes, and because, in some cases, poverty makes it impossible for children to purchase the books and supplies required, or makes it imperative for them to start helping their parents in their work. (Children are not normally hired separately from the parents in Ceylon.) Some children receive no formal education at all because of the absence of a nearby school.

Children in the primary grades are usually taught in their mother tongue, Sinhala, Tamil, or English, but, starting in standard 3, those who speak Sinhala or Tamil receive some instruction in English.

After the primary grades, the school system offers three alternatives, namely: (a) "collegiate schools," covering standards 6-12, for those wishing to proceed to universities and prepare themselves for professional careers; (b) senior secondary schools, covering standards 6-10, for those wishing to go to a 2-year training college for school teachers or subprofessional technicians; and (c) junior secondary schools covering standards 6-8, for those who plan to take jobs not requiring special skills, or who

wish to go on to an agricultural school or a trade school, where they will receive pre-apprenticeship training eventually leading to skilled employment. This general plan of education is shown in chart. While the Government of Ceylon has adopted a policy of giving instruction in all grades in indigenous languages, this has not yet been put into practice in the collegiate schools nor in some of the senior secondary schools, in both of which English is still used.

Under the Education Ordinance of 1939, as subsequently amended in 1947, every estate is required to provide school buildings (whose rental is paid by the Government), teaching staff, and general educational facilities for workers' children until such time as the Government can provide its own schools. The estate workers' unions have been pressing the Government to take over and directly administer the estate schools. They argue that education in these schools is below the level provided in state-operated schools and hence that the children of estate workers are being discriminated against. On the other hand, the unions are reported to be strongly opposed to a recent recommendation of the National Education Commission that instruction in the estate schools be given in Sinhala rather than in Tamil. By far the majority of resident estate workers speak only Tamil.

Universities. Ceylon has three universities, the University of Ceylon and two Buddhist universities. The University of Ceylon was established in 1942 by the amalgamation of the Ceylon University College organized in 1921 and the Ceylon Medical College organized in 1870. It has campuses both in Colombo, where it was originally located, and at Peradeniya, near Kandy, where a new residential campus was constructed about 1957. The University has six faculties (i.e., schools) and an enrollment of about 3,000 students. It grants degrees at the bachelor, master, and doctoral levels. Enrollment according to faculty, communal group, and religion is given in table 5.

The two Buddhist universities—Vidyalanakara University and Vidyodaya University—were established in 1958 and 1959, respectively. The teaching is largely in Sinhala, and the liberal arts course is given with considerable

emphasis on the Buddhist religion. About a quarter of the students are Buddhist monks.

TABLE 5. Enrollments in the University of Ceylon, by Faculty,¹ Communal Group, and Religion, 1959

Group	Enrollment
All faculties.....	3,177
Oriental studies and arts.....	1,423
Science.....	815
Medicine.....	769
Engineering.....	170
Communal groups.....	3,177
Sinhalese.....	1,983
Tamil.....	1,065
Burgher.....	42
Moor and Malay.....	66
Other.....	21
All religions.....	3,177
Buddhist.....	1,722
Hindu.....	670
Catholic.....	375
Other Christian.....	326
Moslem.....	70
Other.....	14

¹ No data are given for the sixth faculty, namely agriculture and veterinary science, which, according to other sources, had an enrollment of about 30 in 1959.

SOURCE: *Statistical Abstract of Ceylon, 1960*, p. 125.

The Ceylon Law College admits students for training as proctors or advocates who have obtained either a Higher School Certificate or a Senior School Certificate. (See chart 1.) Advocates plead cases in court; proctors give legal advice and prepare briefs but are not qualified to plead in the courts.

Training Colleges. The Ceylon Technical College in Colombo offers 2-year courses in both engineering¹⁴ and commerce. The training is designed to develop (a) subprofessional technicians such as draftsmen, surveyors, junior accountants, building inspectors, and technical supervisors of production, or (b) commercial employees. Enrolled in 1959 were some 960 students in engineering and 675 in commerce.

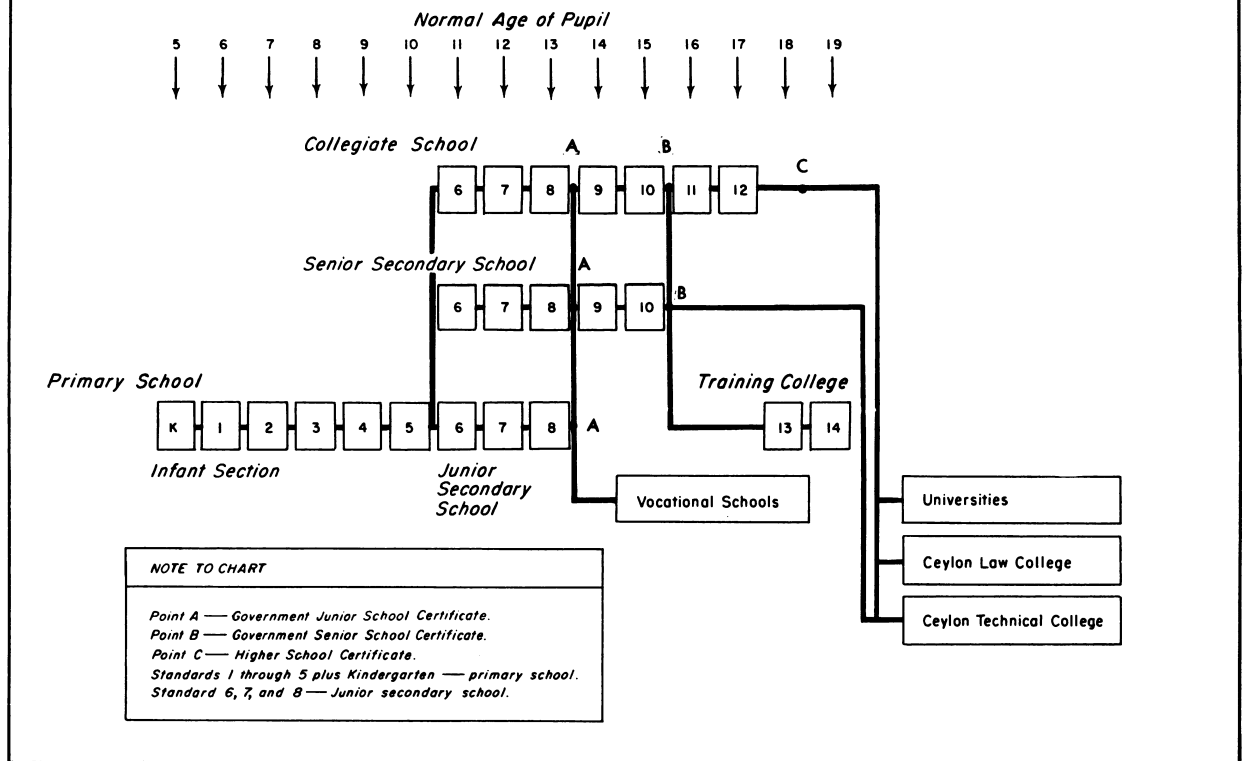
In 1959, there were 25 teacher training colleges in various parts of the country, with an enrollment of 4,457.

The Gal Oya Development Board, which operates a large multipurpose irrigation and hydroelectric project, conducts a Technical Training Institute to educate the subprofessional technicians it needs.

¹⁴ The term "engineering" is used in its British sense in Ceylon, meaning the manufacture and assembly of machines, machine tools, and machine parts, including instruments and associated measuring and control devices. It also includes the installation of these products, general construction of buildings and roads, truck body building, and allied occupations.

Chart 1. AGE AND GRADE SPAN STRUCTURE IN THE SCHOOL SYSTEM

Ceylon, 1961



Adapted from Wallace R. Muelder, *Schools for a New Nation*. K. V. G. De Silva & Sons, Colombo. 1962. p. 147.

Vocational Schools. A new Institute of Practical Technology, operated by the Ceylon Technical College, trains artisans in building, electricity, motor repair, woodwork, metalwork, and printing. It has a capacity of 400 full-time and 900 part-time students. Several similar institutes are planned for the future.

One of the oldest and best known vocational schools in Ceylon is the Basic Technical Training Institute, a residential school at Ratmalana, near Colombo, conducted by the Ministry of Transport and Works. Here some 250 carefully selected youths are given 18 months of practical and theoretical preapprenticeship training in metalshops. Almost all the graduates of these courses are absorbed by the Transport Ministry's railroad workshops.

Training Centers. The Department of Labour, through its Employment Service, provides unemployed workers with short-term courses at training centers located in rented quarters in

various cities and towns. The courses are designed to give the unemployed workers enough training to enable them to find jobs.

One of the major deficiencies in the field of technical training is the almost complete lack of generally accepted standards that would permit classification of a person's competence. To remedy this situation in part, a new Vocational Training and Trade Testing Center is under construction with U.S. aid. This center will, among other things, establish trade tests which will determine the extent and degree of skills which a job applicant possesses.

Public Health

Public health measures have made Ceylon almost free of serious epidemic diseases. There is virtually no cholera, plague, or smallpox on the island. The incidence of malaria, which formerly was a major health hazard, has been greatly reduced by spraying with DDT. The

beneficial results of public health programs can be seen in the dramatic reduction of the death rate from over 20 per thousand before World War II to 9 per thousand in 1959. More recently, considerable progress has been made through a mass program of immunization in reducing the incidence of tuberculosis, which became a major problem following World War II.

Many sorts of debilitating diseases are still common in Ceylon. Contagion results from poor sewage disposal, polluted drinking water, and other sanitation problems, which are aggravated by the crowding of residents in cheaply built houses skirting the urban areas. Common troubles are amoebic and bacillary dysentery, fevers (including typhoid, paratyphoid, and typhus), worms, particularly hookworm, and various forms of respiratory ailments, including influenza. These are the diseases most apt to reduce worker productivity. In addition, most of the ailments found in

the United States are present, as well as small incidences of many other diseases.

Malnutrition, though not prevalent, nevertheless affects many people and augments the effect of some of these diseases. Usually taking the form of protein deficiency, malnutrition results partly from the disinclination of the Buddhists and Hindus to raise animals and poultry for slaughter, to eat meat, or use cattle for anything but draft purposes. The price of meat, fish, eggs, and other high protein foods places them in the luxury category for the worker and his family. Vitamin deficiencies also exist.

Medical care both in hospitals and outside is provided free of charge by the Government. (See the section on medical care, p. 40.) Two systems of medicine are practiced, Western medicine of the European variety, and Ayurvedic medicine, which makes great use of herbs and oils developed by Sinhalese and Tamil religious practitioners.

Chapter III. Labor Force

Number and Distribution of the Employed

The census of 1953 enumerated almost three million gainfully employed, approximately 37 percent of the population. (See table 6.) In Ceylon, gainful employment is specifically defined as "that which was regularly followed and brought the largest income" in the case of

employers, employees, and "workers on their own account," and, in the case of unpaid family workers, jobs (excluding housekeeping) at which the individual worked at least 3 hours a day during the week prior to the census in a business operated by a member of the household.

TABLE 6. Distribution of the Gainfully Employed, by Industry and Employment Status, 1953

Industry group	Total		Employment status			
	Number	Percent	Employer of paid worker	Paid worker	Worker on own account and employer of unpaid family workers	Unpaid family worker
All industries	2,993,349	100.0	93,843	1,832,295	898,156	169,055
Agriculture, forestry, hunting, and fishing	1,584,141	53.0	41,700	899,854	533,319	109,268
Mining and quarrying	13,790	.4	332	10,688	2,198	572
Manufacturing	303,038	10.1	9,375	148,067	126,932	18,664
Building and construction	56,686	1.9	1,423	44,582	9,152	1,529
Electricity, gas, water, and sanitary services	5,280	.2	290	4,543	309	138
Trade	232,633	7.8	22,036	83,681	117,426	9,490
Banking and finance	13,601	.4	2,018	5,745	5,329	509
Transport, storage, and communications	104,292	3.5	1,609	83,453	16,182	3,048
Services	1482,073	16.1	12,032	392,275	62,475	15,291
Inadequately described activities	197,815	6.6	3,028	159,407	24,834	10,546
Percent distribution		100.0	3.1	61.3	30.0	5.6

¹ Of this number, 200,898 were in personal service; 116,202 in government services; and the remainder in community, business, and recreational services. SOURCE: *Census of Ceylon, 1953* (Ceylon, Department of Census and Statistics, Colombo), Vol. IV, Pt. 1, tables 1 and 2.

Ceylon, as the National Wage Policy Commission points out,¹⁵ is much like other economically underdeveloped countries in regard to the large proportion of the gainfully employed in both primary production (53 percent) and government, personal, and other services (16 percent), and in the small proportion of the gainfully employed having professional and technical occupations (4 percent). (See table 7.) Ceylon has relatively few unpaid family workers (6 percent of the gainfully employed) and many paid employees. Ceylon's pattern, in this respect, is like that of the more developed countries, since a substantial proportion of primary agricultural production is derived from large-scale plantations which employ labor on a wage basis, rather than from subsistence farming.

TABLE 7. Distribution of the Gainfully Employed, by Industry or Occupation, and Sex, 1953

Industry or Occupational group	Total		Sex	
	Number	Percent	Male	Female
All groups.....	2,993,349	100.0	2,268,740	724,609
Professional and technical.....	113,586	3.8	81,775	31,811
Managerial, administrative, and clerical.....	132,097	4.4	122,538	9,559
Sales.....	221,210	7.4	197,571	23,639
Farming, forestry, hunting and fishing.....	1,536,085	51.3	1,110,485	425,600
Mining and quarrying.....	14,052	.5	12,536	1,516
Operating transport.....	77,694	2.6	76,285	1,409
Crafts and production processes.....	396,628	13.3	294,748	101,880
Services.....	439,494	14.7	339,834	99,660
Miscellaneous.....	62,503	2.0	32,968	29,535

SOURCE: *Census of Ceylon, 1953* (Ceylon, Department of Census and Statistics, Colombo), Vol. IV, Pt. 1, table 6.

The largest group of wage earners are found on the plantations, which in June 1960 employed some 683,223 workers. Of these, 560,196 were employed on tea, cocoa, cardamon, and pepper plantations; 99,871 on rubber plantations; and 23,156 on coconut plantations.¹⁶ Plantations make considerable use of women workers, especially the tea plantations, where women workers outnumber the men slightly. The ratio of Indian Tamils to Sinhalese is about 4 to 1 on the tea estates, 1 to 1 on the rubber estates, and 1 to 2 on the coconut estates.

Employment by Government departments,

¹⁵ *Report of The National Wage Policy Commission, August 1961*, p. 34.

¹⁶ Plantations raising both tea and rubber are classified as tea plantations by the Government of Ceylon.

schools, local municipalities, and other public authorities in all types of occupations totaled about 246,000 in September 1959. Government jobs are generally considered the most desirable form of employment, because the hierarchies established under both the caste system and the Colonial Government associated high social status with Government employment, even in technical fields. Although this feeling has become recently less universal, employment as a Government engineer would still be considered by most people more desirable than employment as an engineer in private industry. Thus, the Government can attract higher caliber people.

In addition to those in administrative work, the Government employs a large number of persons in industrial and commercial enterprises. The Government (a) generates the electricity, (b) operates the railroads, bus transportation, the airlines, and the postal, telephone, telegraph, and broadcasting services, (c) handles the cargo in the principal port, Colombo, (d) has a monopoly in salt production and in life insurance, and (e) imports and distributes petroleum products. It has nationalized the Bank of Ceylon and operates a group of banks known as "Peoples Banks," (a number of privately owned commercial banks still exist). The government also operates many factories. Many of the enterprises nationalized since 1957 or started since then operate as Government corporations under the State Industrial Corporations Act, No. 19 of 1957.

A census of establishments engaged in the distributive and service industries in 1952 revealed that 229,098 persons were employed in 79,183 establishments. Sixty-four percent of the establishments employed only one or two persons. Only 415 establishments employed more than 20 persons.¹⁷ The Census of Industry of 1952 counted 53,457 persons working in manufacturing and mining establishments which employed five or more workers and used power. (See table 8.) Only 82 of the 692 plants of this type employed 100 or more workers. (See table 9.) The small-scale nature of enterprises in manufacturing, distributive, and service industries makes for great difficulty in enforcing labor laws, and also makes it difficult for most of the workers in them to play a significant role in the trade union movement.

¹⁷ *Ceylon Year Book, 1955*, op cit., pp. 123-125.

TABLE 8. Industrial Distribution of Employment in Manufacturing and Mining, 1952¹

Industry	Establishments	Persons employed
Total.....	692	53,457
Plumbago (graphite).....	8	1,743
Salt.....	12	428
Milk products.....	4	34
Grain milling.....	67	931
Confectionery, canning and processing of fruit and other products.....	22	924
Distilleries and breweries.....	9	464
Aerated and mineral waters.....	32	707
Tobacco.....	3	1,921
Textiles and thread.....	4	1,524
Coir fiber and coir goods.....	130	5,687
Footwear (exclusive of rubber footwear).....	3	190
Plywood and timber sawing.....	56	1,569
Printing, bookbinding, and kindred industries.....	117	5,539
Leather and leather goods (exclusive of footwear).....	6	232
Rubber goods.....	6	598
Fertilizers.....	3	175
Coconut and oil milling.....	75	7,747
Soap, glycerin, and perfumes.....	13	556
Matches.....	5	900
Bricks and tiles.....	11	586
Ceramics, glass, and cement.....	4	1,351
Engineering ²	61	17,954
Jewelry and plastics.....	8	277
Electricity.....	30	1,134
Coal gas, oxygen, and carbon dioxide.....	3	286

¹ The Census of Industry covered mining, manufacturing, construction, electricity, and gas undertakings and was restricted to establishments which (a) had 5 or more paid employees, (b) had capital of at least 3,000 rupees and (c) used mechanical power. Not included were the country's tea factories (some 900) and rubber factories (some 600), as they were regarded as being associated with agriculture. Factories producing coconut oil and associated products were included.

² Of these, 39,870 were employed in Colombo District.

³ See text footnote 14.

SOURCE: *Ceylon Labour Gazette* (Colombo), September 1954, p. 343.

TABLE 9. Industrial Establishments, by Average Number of Employees, 1952¹

Average number employed	Establishments	Total employment
Total.....	692	53,457
5-10.....	176	1,187
11-24.....	172	2,858
25-49.....	149	5,342
50-99.....	113	7,603
100-199.....	41	5,652
200-299.....	16	3,829
300-and over.....	25	26,986

¹ For coverage, see footnote 1, table 8.

SOURCE: *Ceylon Labour Gazette* (Colombo), September 1954, p. 345.

Unemployment

Unemployment and underemployment have increased in the last 10 years because the size of the labor force has increased greatly (about 40 percent), while the economy of the country has been growing more slowly. The gross national product has expanded on an average of about 0.9 percent per capita per year since 1948. The problem is such a central one for the economic planners of the Government of Ceylon that the ILO at their request made a sample survey of unemployment and underemployment in 1959. The results were not released by the

Government. Thus the extent of unemployment at present can only be gauged by reports that many of the high school graduates cannot find white-collar jobs, that the plantations have more resident workers than they can employ effectively, that the employment exchanges can find jobs for only a small fraction of their registrants, that reductions in force and firings precipitate a large number of industrial disputes, and that the Government has adopted measures for ensuring job preferences for the Ceylonese wherever this is feasible.

National Service¹⁸

Ceylon has an Army, a Navy, and an Air Force consisting entirely of voluntary recruits. The Government is considering setting up a voluntary work corps, under a National Service Scheme. There is no form of conscription in Ceylon.

The Army, whose organization was outlined in the Ceylon Army Act, No. 17 of 1949, consists of the Regular Force, the Regular Reserve, the Volunteer Force, and the Volunteer Reserve. There is a military training school at Diyatalawa in Uva province.

The Navy Act, No. 34 of 1950, makes similar provision for the Royal Ceylon Navy, which consists of the Regular Navy, the Regular Reserve, the Volunteer Naval Force, and the Volunteer Naval Reserve. The Navy operates two fleet minesweepers, one seaward defense boat, one ocean tug, and several fast patrol craft. The function of the Navy in peacetime is the prevention of smuggling and of illicit immigration.

The Royal Ceylon Air Force was established in 1951, under the Air Force Act, No. 41 of 1949. The Air Force in peacetime is responsible for (a) air patrols for combatting illicit landings, and (b) medium-range air-sea operations, (c) army cooperation duties, and (d) air survey work.

In times of civil disturbances or national emergency, members of the volunteer reserves are liable to be called up for active duty. When this happens, section 144 of the Army Act requires employers to permit the reservist to render military service and not to penalize him

¹⁸ Based on the *Ceylon Year Book, 1959*, pp. 22-23, and the *Year Book of the Employers' Federation of Ceylon, 1960*, par. 1.

in any way for it. When Government employees are called up, they receive both their civil and their military pay for 2 months, and thereafter, whichever is higher. The Employers' Federation of Ceylon recommends that its members give full pay to called-up workers for 2 months, and thereafter make up the difference between workers' military and civilian pay.

All three services have been used to maintain order during the years 1959-62 in periods of civil emergency and to help load and unload ships during port strikes. The calling up of reserves in this connection has created no noticeable decrease in the labor force available for other purposes. This reflects the small size of the Armed Forces.

In 1959 the strength of the services was reported as follows:¹⁹

	Officers	Other ranks
The Ceylon Army -----	276	5,131
The Royal Ceylon Navy -----	138	1,651
The Royal Ceylon Air Force -----	113	1,124

The Government's intent to establish a National Service Scheme was announced in the Speech from the Throne of August 1960. A special committee which was appointed several months later to study the matter submitted its report to the Cabinet in September 1961. Meanwhile, three pilot projects had been started by the National Service Branch of the Land Development Department. Although the report has not been made public, newspaper reports indicate that the Scheme will be manned by volunteers from trade unions, Government departments, business enterprises, women's groups, and students. Length of service is to be 3 to 4 weeks.

One of the pilot projects has as its objective the settlement of 50 Rodiya families (gypsy-like people) on land not now cultivated. The project involves land clearing, road construction, and the building of cottages and a community center. It is being carried out at present by the voluntary weekend labor of about 250 officers of the Land Development Department.

The second project concerns the restoration of a reservoir. It is being carried out by 100 volunteers.

The third and most ambitious project calls

¹⁹ Report of The Committee on Pay and Allowances for The Armed Services of Ceylon, August 1959, Sessional Paper III, 1962, (Colombo, February 1962), p. 7.

for cutting a 13-mile road through forested, hilly country in order to open up 20,000 acres of virgin land for tea and rubber cultivation by 5,000 landless families. This work is being done, in part, by the Land Development Workers' Union, which voted at its annual convention that members would each contribute a week of work to the project. They sacrifice their annual leave for the project, supply their own food, and cook their own meals, while the Government supplies transportation, accommodations of a work camp, hand tools, and supervisory personnel. According to supervisory officers, the volunteers work at a pace two to three times faster than they do on their ordinary jobs.

Special Characteristics of the Labor Force

Mobility. The rural Sinhalese who own land are attached to their own villages and do not wish to move to other villages, whereas those who are landless move if offered good jobs elsewhere. The landless Indian Tamils are largely immobile, because the large numbers of workers and shortage of housing on the plantations generally militate against their moving from one plantation to another, and because, since they lack citizenship, few jobs outside the plantations are open to them.

Productivity. The Sinhalese are generally considered to be "not naturally inclined toward hard physical labor."²⁰ Even when working on their own rice paddies, the Sinhalese avoid intensive production methods such as transplanting rice (to get more crops out of the same field), intensive weeding, and fertilization—and as a result Ceylon has lower yields than those of Burma, Japan, or Taiwan.²¹ On the other hand, they work very hard when they feel motivated to do so, as for example in the pilot projects of the National Service Scheme described above.

Stratification. The labor force has several major occupational stratifications and a number of minor ones with little opportunity for

²⁰ International Bank for Reconstruction and Development, *The Economic Development of Ceylon* (Baltimore, The Johns Hopkins Press, 1953), p. 523.

²¹ *Agricultural Wages and Earnings of Primary Producers in Ceylon*, (Colombo, Department of Labour, 1950), pp. 7-8.

upward mobility²² and with little social intercourse among the various strata. The major divisions are those associated with (a) the "upper class," consisting largely of the business managers and top government officials, (b) the "upper middle class," consisting of those who have jobs requiring a university education, (c) the "lower middle class," having jobs that require education through the high school level and (d) the "lower class" consisting of those with only a rudimentary education. For example, in government service four major categories are recognized, namely, the administrative and professional class, the technical and allied classes, the clerical and allied classes, and the manual and manipulative classes.²³ As a result of this class consciousness within a single enterprise several unions sometimes coexist. An ILO team, visiting Ceylon in 1959, reported that

Apart from the other reasons for this multiplicity of trade unions, there seemed to be a certain amount of class consciousness and a feeling of diversity of interests, which to the employees' minds, could not be coordinated.²⁴

Attitudes Toward Mechanical and Technical Skills. Young workers, other than those with specialized training, are reportedly not interested in mechanical experimentation or technical processes. Nor have they had much opportunity or encouragement to develop such interests. This situation results from social

²² Wriggins, op. cit., p. 49.

²³ *Report of the Salaries and Cadres Commission 1961*, Pt. 1, table of contents.

²⁴ *Reports on the Visit of a Joint Team of Experts on Labour-Management Relations to Pakistan and Ceylon*, September–November 1959 (Geneva, International Labour Office, 1961), p. 58.

pressures within family life and schools, described by the International Bank for Reconstruction and Development as follows:

In the family, the children are excessively sheltered, especially among the more prosperous classes. Parental discipline is generally unquestioned and submission to the decisions of parents in all matters is taken for granted. Initiative, self-confidence, experimentation, inquiring habits of mind are thereby discouraged from early childhood. Traditions of caste which disparage occupations such as carpentry, pottery-making and fishing breed a distaste for manual skills. Children are seldom encouraged to develop hobbies such as wood-working, model-building and the like which foster a respect for fine workmanship and a facility with tools.

This same neglect of the technical aptitudes and enterprising side of childhood development continues into the educational system. . . . A recent survey exhibits a glaring disparity between ambitions and opportunities among secondary school pupils in Ceylon. Only a quarter show an interest in such productive activities as farming, handicraft work, and skilled labor, whereas nearly two thirds of the gainfully employed are engaged in these fields. On the other hand, over half the pupils questioned aspire to service occupations, while only 15 percent of the population find employment therein.

Although school children of this age group in any country may be expected to express unwarranted optimism in their preferences and to set a goal somewhat above their capacities, such a great disparity between aims and prospects is certainly extreme and probably significant. Among other things, it would seem to reflect a strong desire for the security and status of government employment, which predominates among service occupations in Ceylon. Equally, perhaps, it reflects a dislike of work involving direct contact with the soil or the exercise of manual skills. For too many young Ceylonese, the ideal job consists in sitting at a desk and telling others what to do.²⁵

²⁵ International Bank for Reconstruction and Development, op. cit., pp. 56–57.

Chapter IV. Labor-Management Relations

Trade Unions

Union Strength. The proportion of Ceylon's wage and salary earners who are reported to be organized is comparable to that in the economically developed countries. It is about 32 percent,²⁶ compared with 33 percent in the United States and 40 percent in the Federal Republic of Germany and the Netherlands.

²⁶ *Report of the National Wage Policy Commission* (Colombo, 1961), p. 159. The membership claimed by unions is equal to 40 percent of the paid labor force.

At the end of 1960, there were 900 unions registered with the Government. Of these, 576 submitted membership returns, showing a total membership of 739,000, of whom 589,000 worked in private industry and 150,000 in the Government and in state industrial enterprises. Over half the union membership was in the plantation sector. (See table 10.)

Although the proportion of the workers organized is relatively large, the unions are not

so strong as the size of their membership might imply because they lack solidarity and do not have a strong sense of identity of interests. Some unions, which represent the interests of Sinhalese workers primarily, want job preference for the Sinhalese. Others represent and seek to promote the interests of the Indian Tamils.²⁷ Further divisive forces are (1) political differences among the principal trade union leaders, (2) the lack of social intercourse between clerical and manual workers and between professional and clerical workers, and (3) caste practices found among both Tamils and Sinhalese.

TABLE 10. Claimed Trade Union Membership, by Industrial or Occupational Group, 1960

Group	Number of unions reporting	Claimed membership
Total.....	576	739,000
Plantations and agriculture.....	45	441,000
Industry.....	56	50,000
Commerce.....	21	20,000
Administrative/executive.....	35	3,000
Clerical.....	30	18,000
Professional.....	149	54,000
Transport and communications.....	61	35,000
Others.....	179	118,000

SOURCE: *Administration Report of the Commissioner of Labour for 1960* (Colombo, October 1961), table I.

None of the unions are strong financially. Dues are usually set at one-half rupee a month (10½ U.S. cents), and are usually not paid regularly by members. Unions are rarely in a position to provide welfare or strike benefits.

The original impetus for the formation of trade unions was supplied mainly by political leaders who sought workers' votes after universal adult suffrage was established in 1931.²⁸ These leaders usually organized labor from the top down—first forming a federation and then organizing locals. Each political leader thus became president of a federation and president also of the more important locals, and kept the power in his own hands. Rank-and-file workers were not expected or encouraged to participate in union affairs. Caste and language differences among workers also militated against rank-and-file participation.²⁹

²⁷ See, for example, the *Annual Report of the Ceylon Democratic Congress*, mimeographed, presented at the Nineteenth Annual Sessions, September 19, 1959.

²⁸ Neither citizenship nor literacy was required for franchise rights under the Constitution of 1931.

²⁹ *Summary of the Labor Situation in Ceylon* (Bureau of Labor Statistics, U.S. Department of Labor, 1957), pp. 5-6.

At present (1962), almost all the leaders of the urban trade unions have political ideologies. Even when unions have no direct political affiliation, their leaders have strong political views, which they attempt to implement with union support.

Principal Trade Union Organizations. Each of the main trade union organizations, together with its political affiliation and claimed membership, is listed in table 11. An important union not listed in the table is the Democratic Workers Congress (DWC) which has about 150,000 members. The DWC was first formed in 1955 when it split off from the Ceylon Workers Congress (CWC). The two unions merged again in January 1960, and split again in March 1962. The leader of the DWC is Abdul Aziz. A joint press release issued by Mr. Aziz and Mr. Thondaman, leader of the CWC, in March 1962 when the merger was dissolved, stated that a coordinating body consisting of five representatives of each congress would be established to formulate policies and to plan programs relating to common problems.

The affiliates of each of the federations are given in table 12, with their membership data. Membership is usually assumed if a worker fol-

TABLE 11. Principal Trade Union Organizations, Late 1961

Name and political orientation	Claimed membership
Ceylon Workers' Congress, ¹ associated with the Ceylon Democratic Congress, which is a political party devoted to representing the interest of the (largely disenfranchised) Indian Tamils. Its membership is drawn mainly from the plantations.....	327,000
Ceylon Federation of Labour, controlled by the (Trotskyist) Lanka Sama Samaja Party (LSSP).....	107,396
Government Workers' Trade Union Federation ²	100,000
Public Service Workers' Trade Union Federation (PSWTFU), ² Communist-dominated.....	100,000
Ceylon Trade Union Federation, controlled by the Communist Party of Ceylon.....	35,271
Central Council of Ceylon Trade Unions, controlled by Philip Gunawardena, leader of the radical Socialist-nationalist Mahajana Eksath Peramuna (People's United Front).....	26,047
Sri Lanka Trade Union Federation, led by Lakshman Jayakody and C. Munaweera, Members of Parliaments of the Sri Lanka Freedom Party (SLFP), the party now in control of the Government.....	20,605
Ceylon Mercantile Union, independent, but led by Bala Tanpoe, a member of the Central Committee of the LSSP.....	11,000
Government Clerical Service Union, nominally independent, but its Council of Management is controlled by sympathizers of the LSSP.....	8,000
All-Ceylon Federation of Free Trade Unions, nominally independent, but believed sympathetic toward the United National Party (UNP).....	2,837

¹ This organization is a single union, not a federation of unions. For information on the split which occurred in 1962, see above.

² Officially tolerated but not registered or recognized as the Trade Union Act prohibits federations of Government workers.

³ The membership claimed by the 3 organizations of Government workers listed exceeds the number employed by the Central Government.

SOURCE: Compiled from table 12, The Report of the National Wage Policy Commission, August 1961, p. 162, and the local press.

lows union leadership, whether or not he pays dues. As workers frequently shift their alle-

giance from one trade union leader to another, the strength of any union may change rapidly.

TABLE 12. Affiliates of officially recognized trade union federations,¹ September 1961

Federation and affiliates	Claimed membership
Ceylon Federation of Labour (CFL).....	107,396
Lanka Estate Workers' Union.....	75,965
All-Ceylon United Motor Workers' Union.....	11,182
All-Ceylon Commercial and Industrial Workers' Union.....	6,023
United Port Workers' Union.....	3,447
All-Ceylon Shop and Hotel Workers' Union.....	2,505
Colombo Commercial Co. Workers' Union.....	1,313
All-Ceylon Oil Companies Workers' Union.....	1,025
All-Ceylon Spinning and Weaving Mill Workers' Union.....	858
All-Ceylon Local Government Workers' Union.....	750
All-Ceylon United Printing Employees Union.....	750
G.O.D.B. ² Agricultural Workers' Union.....	741
All-Ceylon Non-Government PWD Road Construction Workers' Union.....	631
North Ceylon Omnibus Workers' Union.....	626
G.O.D.B. United Workers' Union.....	527
G.O.D.B. Explosives Engineering Workers' Union.....	307
All-Ceylon Syces ³ Union.....	256
Gas and Water Company Workers' Union.....	224
All-Ceylon National Milk Board Workers' Union.....	150
G.O.D.B. Electrical Employees' Union.....	116
Ceylon Trade Union Federations (CTUF).....	35,271
Ceylon Plantation Workers' Union.....	10,253
Tea, Rubber and Coconut and General Product Workers' Union.....	7,115
Ceylon Motor Workers' Union.....	4,831
Ceylon General Workers' Union.....	2,872
United Engineering Workers' Union.....	2,138
Ceylon Harbor Workers' Union.....	2,107
All-Ceylon Toddy Workers' Union.....	1,946
Hotel, Bakery and Beverages Workers' Union.....	1,270
Ceylon Press Workers' Union.....	945
Ceylon Cinema Hall and Film Studio Employees' Union.....	500
North Central Province United Workers' and Peasants' Union.....	305
Baurs United Socialist Workers' Union.....	252
United Building Workers' Union.....	225
United Lanka Tiles and Bricks Workers' Union.....	142
Ceylon Tannery and Leather Workers' Union.....	140
United Plumbago Workers' Union.....	140
United Mercantile Employees' Union.....	90
Central Council of Ceylon Trade Unions (CCTU).....	26,047
All-Ceylon Harbor Dock Workers' Union.....	8,452
Samastha Lanka Motor Sevaka Asmithiya (United Ceylon Motor Workers' Union).....	8,238
Eksath Engineru Saha Samanya Kamkaru Samithiya (United Engineers and General Workers' Union).....	4,804
Lanka Jathika Wathu Kamkaru Samithiya (National Plantation Workers' Union).....	3,195
Samastha Lanka Edsath Palathpalana Kamkaru Samithiya (United Ceylon Land Development Workers' Union).....	984
Co-operative Wholesale Establishment Employees' Union.....	301
Dakshina Lanka Palathpalana Kamkaru Samithiya (Eastern Ceylon Land Development Workers' Union).....	73
Sri Lanka Trade Union Federation (SLTUF).....	20,605
Nidahas Karmika Saha Velanda Sevaka Vurthiya Samithiya.....	18,762
Gal Oya Independent Workers' Union.....	467
Sri Lanka Nidahas Watu Kamkaru Samithiya (Sri Lanka Independent Plantation Workers' Union).....	424
Chalmers Granaries United Workers' Union.....	250
Harrison & Crosfield Workers' Union.....	225
Sri Lanka Samupakara Sewaka Samithiya (Sri Lanka Cooperative Workers' Union).....	100
Sanuktha Mandaleeya Kolamba Wadu Kamkaru Samithiya (Advisory Committee of the Carpentry Workers' Union).....	96
G.O.D.B. Sri Lanka Nidahas Kamkaru Samithiya (G.O.D.B. Sri Lanka Independent Workers' Union).....	76
Sri Lanka Waraya Kulee Riyeduru Samithiya (Sri Lanka Port Hiring Car Drivers' Union).....	62
Sri Lanka Jathika Seweka Samithiya (Sri Lanka National Workers' Union).....	50
Eksath Sri Lanka Kamkaru Samithiya (United Sri Lanka Workers' Union).....	41
Sri Lanka Palath Palana Gininiwana Hamuda Seweka Vurthiya Samithiya (Sri Lanka Land Development Fire Brigade Workers' Union).....	37
Lanka Tel Sanukta Mandalaye Swadeena Kamkaru Samithiya (Ceylon Oil Company Workers' Union).....	15
All-Ceylon Federation of Free Trade Unions.....	2,837
Samastha Lanka Upalakana Gotha Gamkarya Sabha Sewaka Sangamaya (All-Ceylon Gotha Village Committee Workers' Union).....	1,065
Ceylon National Union of Clerks.....	695
Ceylon National Union of Workers.....	570
Petroleum Employees' Union.....	378
Kalutara District Arrack Distilleries Clerks and Workers' Union.....	129

¹ Although federations of Government workers' unions exist, they are prohibited by law and are not officially recognized, and hence are not included in this table.

² Gal Oya Development Board.

³ Grooms.

SOURCE: U.S. Foreign Service.

*International Affiliations.*³⁰ The Ceylon Workers Congress is an affiliate of the International

Confederation of Free Trade Unions and of the International Federation of Agricultural and Allied Workers.

The Ceylon Trade Union Federation is affli-

³⁰ *Directory of International Trade Union Organizations.* (U.S. Department of Labor, September 1960, BLS Bulletin 1320).

ated with the (Communist-dominated) World Federation of Trade Unions.

The Petroleum Employees' Union of Ceylon is affiliated with the International Federation of Petroleum Workers.

The Postmasters Union of Ceylon is affiliated with the Postal, Telegraph and Telephone International.

Legal Status. The legal status of unions is governed by the Trade Union Ordinance of 1935 as amended by Act No. 15 of 1948. This ordinance follows the British pattern in many respects but makes registration compulsory. Registered unions incur certain obligations, the more important of these being to keep regular funds separate from political funds, to have workers fill a majority of union offices, and to furnish the Government with information regarding their membership and constitution. At the same time, registration confers on trade unions and their members a certain measure of immunity from civil suits and criminal procedures. A provision of the law which prohibits the federation of unions of Government workers has not been continuously observed. Some such federations exist and bargain with the Government on behalf of their members. Such bodies, however, cannot represent their members before industrial courts or labor tribunals.

The Trade Union Ordinance does not require an employer to recognize unions, to bargain collectively, or to give any union exclusive bargaining privileges. Furthermore, since any seven persons can form a union and register it, the problem of minority status among unions may be multiplied to a confusing degree. The Commissioner of Labour described the situation in his report for 1958, as follows:

The multiplicity of trade unions in a single industry or workplace, their mutual rivalries and the trouble-making militancy of some unions were responsible for a number of disputes that arose during the year. Sometimes demands were made by one union with a view to "overshadowing" the demands or gains made by a rival organization. By such tactics, unions evidently felt that they could maintain or increase control over the membership of employees in a workplace, even at the risk of the industry succumbing to inflationary spirals of wages and costs. On the other hand, a very fair section of both sides of the industry—employers and workers—forsook the road to industrial strife and preferred,

³¹ *Administration Report of the Commissioner of Labour for 1958* (Colombo, 1959), p. 186.

in the national interest, to take full advantage of the machinery set up by the Government for the maintenance of industrial peace.³¹

The provisions of the law permitting minority unions were for a time modified in practice by Government interpretation. For several years, it was the practice in Government enterprises to recognize only unions which comprised 40 percent of the work force of an establishment. In fact, in 1958, a registered collective agreement entered into by the Employers' Federation of Ceylon and the Ceylon Trade Union Federation contained a clause to the effect that the former would negotiate only with unions representing 40 percent of the workers employed in an establishment. Later in 1958, however, the Minister of Labour stated that it was the view of the Government that any lawfully registered trade unions which have membership among an employer's workers should be recognized by him.

Employer Associations

There are a number of employer associations, only two of which focus on labor-management relations. This situation reflects a rather widely held view of management that it is not necessary to have a specialized staff, even in individual enterprises, trained to deal with personnel. An ILO team of experts which studied the matter in 1959 reported:

... A few individual firms and some public undertakings do employ personnel managers or personnel officers. Some others employ "labor officers" or "welfare officers" or "establishment officers" who seem partly to handle personnel management problems. On the whole, the existence of distinct personnel departments and a knowledge of their proper role and functions was rare. However, some personnel managers' officers from private and public undertakings who came to a special meeting with the Team or to the Seminars, showed a good deal of knowledge and understanding of the subject which, the Team felt, may not always be shared by their employers. In the absence of any associations of such officials or institutes handling the subject, they had no opportunity either to increase their own knowledge or exchange views with others or to play their roles effectively. The only educational institution that seemed to provide for a study of personnel management, as a part of management education, is the Ceylon Institute of Scientific and Industrial Research in Colombo. ...³²

³² *Report on the Visit of a Joint Team of Experts on Labour-Management Relations to Pakistan and Ceylon, September-November, 1959* (Geneva, ILO 1961), p. 68-69.

The two employer associations which focus on labor-management relations are the Employers' Federation of Ceylon and the Ceylon Estates Employers' Federation, both of which are registered under the Trade Union Act.³³ The former, which is registered as a trade union federation, is active in the nonagricultural sector of private industry, and the latter, which is registered as a trade union, in the plantation sector.

There are a number of other management associations, including one planters' association and several engaged primarily in promotion, which have only a peripheral interest in labor problems.

The principal employer associations are described below.

(a) The *Employers' Federation of Ceylon—EFC* consists mainly of nine member employer associations which together represent some 100 firms engaged in export-import trade, engineering, and commerce (but not banking). It also has as affiliates a few individual firms. The member associations are:

- Ceylon Engineer Employers' Association
- Ceylon Motor Employers' Association
- General Importers' and Distributors' Association
- Ceylon Fertilizer Employers' Association
- Master Printers' Association of Ceylon
- Ceylon Film Chamber
- Ceylon Stores and Mills Association
- Mercantile Employers' Association
- Association of Port Employers

The EFC represents management on the following wages boards: Printing, cinema, engineering, building, port transport, coconut manufacturing, motor transport, match manufacturing, brick and tile manufacturing, and tea and rubber export trades. The EFC also handles about half the disputes submitted to Industrial Courts, which involve its individual members, and some of the cases heard before labor tribunals and arbitrators. The EFC is a party to most of the registered collective agreements now in force. It is affiliated with the International Organization of Employers.

(b) The *Ceylon Estates Employers' Federation—CEEF* is an arm of the Planters' Association of Ceylon and is in charge of labor relations for the members of that organization. The

CEEF has about 650 members drawn mostly from the larger estates (plantations), principally in the hill country, which employ about 475,000 workers, or about 57 percent of all estate labor. Estates that belong to the CEEF account for 60 percent of the total acreage devoted to tea, 23 percent to rubber, and 2 percent to coconuts.

In each estate district, the CEEF works through its District Convener and its District Labour Officer of the Department of Labour to a senior planter who gives his services free of charge, while the latter is a full-time salaried employee of the CEEF. The Convener's job is to arrange meetings between union representatives and estate superintendents whenever there are signs of labor trouble and try to work out some solution without asking the District Labour Officer of the Department of Labor to intervene. The CEEF District Labour Relations Officer offers legal advice, writes reports to CEEF headquarters on labor disputes in his area, and drafts correspondence to unions on behalf of CEEF members.

The CEEF represents employers on the wages boards for the tea growing and manufacturing trade and the rubber growing and manufacturing trade. The CEEF also represents the interests of its individual members in cases coming before industrial courts and labor tribunals.

The CEEF is a member of the Overseas Employers' Federation, an organization which has its headquarters in London and includes in its membership groups from several countries with large plantation interests. It is also a member of the International Organization of Employers.

(c) The *Low Country Products Association* is the spokesman of the wealthier Ceylonese estate owners of the low country. These estate owners are engaged primarily in the production of coconuts—an industry which requires much less labor than the tea and rubber industries do, as coconut trees need very little care. Representatives of this organization present their point of view before various Government bodies, including the National Wage Policy Commission, although the Association does not have special staff engaged in labor matters and does not sit on wages boards. Member organizations however do. Some members of the

³³ In Ceylon, Great Britain, and some other countries, both employer and employee associations are called "trade unions" in some of the laws.

Association are also members of the CEEF and get CEEF help on labor problems.

(d) *Chambers of Commerce.* There are three major chambers of commerce: the Ceylon National Chamber of Commerce, which derives its membership from Ceylonese business interests; the Ceylon Chamber of Commerce, which derives its membership from business interests owned or formerly owned by the British; and the Indian Mercantile Chamber of Commerce, which, as its name implies, relates to Indian-owned business houses.

There are nine other chambers of commerce and industry which serve sectional interests: the Ceylon Merchants Chamber, All-Ceylon Trade Chamber, Ceylon Moor Chamber of Commerce, Ceylon National Council of the International Chamber of Commerce, Ceylon Textile Chamber, Chettiar Chamber of Commerce, Sinhalese Merchants Chamber, Ceylon Chamber of Industries, and the Ceylon National Chamber of Industries. None of these play a direct role in labor-management relations and as organizations they are therefore not important in the labor picture.

(e) *The Ceylon Association of Manufacturers,* with about 60 members in the leading private manufacturing establishments, promotes industrialization and investment in Ceylon and assists local manufacturers in regard to new products and new techniques. Accordingly, the Association as such has little if any significance in the labor field. The Association is affiliated with the Ceylon Chamber of Commerce.

Collective Bargaining

Before the Second World War, in the period when collective bargaining between trade unions and management was permitted by law, trade unions were so small and weak that management usually established conditions of work unilaterally. The first intensive growth of trade unions took place during the war, when labor was in short supply and prices were rising rapidly. During this period, as free collective bargaining was replaced by compulsory arbitration and wages boards' decisions, the trade unions did not have the opportunity to learn how to bargain on their own strength.

For a period of 10 years—1947 through 1956—there was no compulsory arbitration, but considerable expansion of wages boards activities. Then came the implementation of the Industrial Disputes Act of 1950, which was designed to encourage collective bargaining, although providing recourse to compulsory arbitration. Employers and trade unions were more interested in the latter than in the former, and once again looked to the Government to settle their differences.

The multiplicity of small, weak trade unions was the main reason for union unwillingness to bargain collectively. These unions have not been able to bargain on the basis of their own strength, and therefore have preferred to use Government machinery to bring negotiations to a favorable conclusion.

Many employers of Ceylon have been reluctant to negotiate directly with unions. In his 1958 Administration Report, the Commissioner of Labour said:

Employers were more and more disposed to recognize trade unions and to deal with them though that same willingness was not evident in some instances in the matter of conducting negotiations in a realistic manner and coming to terms with trade unions.³⁴

On the other hand, some employers, willing to bargain in good faith if the unions would do likewise, have not done so for fear that the union intends subsequently to ask for arbitration and will use the employers' concessions as a new "base" for compromise.

There were only about a dozen collective agreements registered under the Industrial Disputes Act by the end of 1960, and none of them covered large groups of workers. In late 1961, however, an important agreement was signed by the Ceylon Mercantile Union and the Employers' Federation of Ceylon (see the section on regulation of conditions of employment, p. 26). Although collective agreements, especially for the determination of wages, are still the exception rather than the rule, increasing interest has been shown by the stronger unions in this method of settling disputes.

The Minister of Labour has only rarely used the provision of the Industrial Disputes Act which enables him to broaden the coverage of a collective agreement. This provision states

³⁴ *Administration Report of the Commissioner of Labour for 1958* (Colombo, 1959), p. 185.

that in the case of a collective agreement entered into between organizations of employers and of workers in an industry, the Minister of Labour may issue an order extending its provisions to the entire industry, if he considers the organizations negotiating the agreement sufficiently representative of the entire industry. Or he may extend the agreement to a class of employers within the industry, or to the industries within a given district, if he considers the organizations representative within these limits.

Settlement of Industrial Disputes

Both organized labor and management place a high degree of reliance upon governmental machinery for settling collective and individual disputes. This does not mean that labor and management do not argue for their respective points of view, but that they often do so before a third party appointed by the Government, rather than work out compromises directly with each other.

There are at present legal provisions establishing five procedures for settling collective disputes, namely, free collective bargaining, conciliation, arbitration by a single arbitrator, arbitration by an industrial court, and action by wages boards. Individual grievances regarding terminations and terminal pay are usually settled by labor tribunals.

Conciliation. Conciliation may be called into use whenever there is an industrial dispute, whether the dispute concerns bargaining for a collective agreement or the protection of individual workmen from alleged unfair action. The steps in the conciliation procedure outlined by the Minister of Labour in 1958 are as follows:

(1) A trade union must submit its demands in writing to the employer and wait a reasonable length of time for a reply. Normally 6 days are considered a reasonable period.

(2) If the employer does not grant the demands, the union must try to negotiate with him. If the negotiations turn out to be fruitless, the union may either take strike action or ask the Commissioner of Labour for conciliation proceedings. In the latter case, the Commissioner must arrange for conferences with the

employer and the trade union within 2 weeks.

(3) Even though neither the trade union nor the employer asks the Commissioner of Labour to enter a dispute, he may on his own initiative take the necessary steps to try to reach a peaceful settlement through conciliation. In practice, the Commissioner often does take such initiative.

(4) Negotiations start under the leadership of the Commissioner of Labour or an officer appointed by him. This conciliator tries to bring the parties closer together, with the aim of achieving a peaceful settlement. During these negotiations, both strikes and lockouts are forbidden. Within a month after the opening of the conciliation procedure, the negotiations must come to an end—unless the Commissioner of Labour extends the period.

(5) If the negotiations do not result in a settlement, the conciliator prepares a report of the dispute and of the steps he has taken to settle it. This report and the conciliator's recommendations as to how the dispute should be settled are transmitted to the Commissioner of Labour and to the two parties involved in the dispute.

(6) The trade union and the employer have a period of 14 days in which to inform the Commissioner of Labor in writing whether they accept or reject the settlement recommended by the conciliator. If the settlement is accepted, either by positive response or by failure to reply, the Commissioner of Labour publishes the settlement in the *Gazette*. The settlement may state how long it shall last. If it does not, either party may repudiate it by written notice to the Commissioner of Labour. When such notice has been given, the settlement ceases to have effect from the end of the following month.

(7) If the trade union or the employers' organization rejects the recommendation of the negotiator, the trade union normally either calls a strike or asks for arbitration. To avoid such a strike, the employer will usually ask for arbitration.

The Commissioner of Labour may wish to bring public opinion to bear on the disputants and may therefore decide to publish the conciliator's report and recommendations in the *Gazette*, together with a statement to the effect that the recommendations have been rejected.

Arbitration by a Single Arbitrator. The Industrial Disputes Act of 1950 makes provision for both voluntary and compulsory arbitration. When the parties agree voluntarily to submit their dispute to arbitration, they have the right jointly to nominate the arbitrator. If they cannot agree on an arbitrator, the Commissioner of Labour appoints one or refers the dispute to a labor tribunal. (A labor tribunal consists of one person. The tribunal sits continuously, not being appointed to hear only a single case. The first tribunals were established in 1959.)

If the parties do not agree to arbitration, the Minister of Labour may nevertheless refer the dispute to arbitration. He has the right to refer minor disputes to labor tribunals or to single arbitrators appointed by himself, and to refer any dispute to an industrial court. In practice, the Minister has become increasingly selective about referring disputes to industrial courts; only 29 disputes were referred to them in 1960, compared with 135 the previous year. Some 3,500 applications were received by the three labor tribunals in 1960, compared with 1,400 in 1959. Arbitration by the labor tribunals is often many months in arrears.

The steps taken in arbitration by a single arbitrator are the same whether arbitration is voluntary or compulsory, and whether the single arbitrator is appointed for the one case alone or is a member of a labor tribunal.

The Commissioner of Labour informs the arbitrator in writing of the matters in dispute between the parties. The arbitrator then makes such inquiries into the dispute as he thinks necessary. Both parties are asked to plead their cases. The arbitrator then makes an award and transmits it to the Commissioner, who publishes it in the *Gazette*.

In both voluntary and compulsory cases, the award is binding on the parties for a minimum period of a year, and until repudiation thereafter, unless the award itself specifies a time limit.

After 1 year, any party bound by an award may repudiate it by giving written notice to the Commissioner of Labour. The award ceases to have effect at the end of 3 months after the month in which the Commissioner received the notice.

If more than one trade union, or employer (or employers' organization) is bound by an award, the award ceases to be binding only for the union or employer (or employers' organization) that repudiates it.

Arbitration by Industrial Courts. An industrial court normally consists of three persons (but may consist of only one person) appointed by the Minister of Labour. The Minister must make his appointments from a panel of outstanding persons selected by the Governor General.

Arbitration by an industrial court is similar to arbitration by a single arbitrator, except that there is no limit on the duration of an award unless the award specifies one, and that the awards often apply not only to the parties to the dispute but also to labor and management in other enterprises of the same industry.

Any party bound by an award may ask the Minister of Labour to terminate or change the award. The Minister refers the application to an industrial court for consideration. Normally, the parties must wait a year after the effective date of an award to apply for a change. However, an application can be made earlier if the Commissioner of Labour states that a change in economic and labor conditions warrants reconsideration of the award. The industrial court which reviews an application to terminate or change an award may: confirm the award, set aside the award, set aside the award and make a new award in its place, or modify the award. The industrial court sends its decision to the Commissioner of Labour, who has it published in the *Gazette*.

Wages Boards. Wages boards are the most important instrument for determining pay scales, hours, and other conditions of work for some 800,000 workers in the main industries of the country, as shown in table 13. In these matters, the boards play a far greater role than either free collective bargaining, arbitration, or the industrial courts. The wages boards function pursuant to the Wages Boards Ordinance of 1941, as amended.

The wages boards are composed of trade union representatives, employers' representatives, and "nominated" members representing neither group. The representatives of trade

unions and the representatives of employers must be equal in number. Whereas several years ago three from each side were usually appointed, more recently about 13 employer and 13 worker representatives have been appointed in order to give more opportunity for active workers and plant managers to participate. The "nominated" members are always three in number. A new wages board for each trade is appointed every 3 years.

TABLE 13. Industries and Workers Covered by Wages Boards, 1961

Wages boards	Workers
Tea growing and manufacturing.....	} 555,000
Cocoa, cardamom, and pepper growing.....	
Rubber growing and manufacturing.....	101,000
Coconut growing.....	22,000
Coconut manufacturing.....	16,000
Engineering.....	24,000
Printing.....	7,000
Cigar manufacturing.....	2,000
Match manufacturing.....	1,000
Toddy, arrack, and vinegar production.....	5,000
Beedi manufacturing ¹	1,000
Motor transport.....	23,000
Dock, harbor, and port transport.....	15,000
Tea export.....	6,000
Rubber export.....	2,000
Plumbago.....	1,000
Cinema.....	2,000
Building.....	4,000
Cinnamon production.....	(²)
Baking.....	(²)
Brick and tile manufacturing.....	(²)
Coir mattress and bristle fiber export.....	(²)
Ice and aerated water manufacturing.....	(²)
Estate conductors ³	5,000

¹ A Ceylonese type of cigarette.

² Information not available.

³ This category covers head foremen of estates.

SOURCE: *Ceylon Labour Gazette*, various issues.

All members of a wages board are appointed by the Minister of Labour. In practice, the Minister asks the trade unions and the employer organizations involved to nominate their candidates. In appointing "nominated" members, the Minister usually draws upon the faculty of the University of Ceylon or the ranks of retired civil servants. The Commissioner of Labour or his representative presides at all meetings, but does not have the right to vote.

Each board is expected to establish a basic minimum pay rate, a premium rate for overtime, and a "cost-of-living allowance" to be adjusted to accord with changes in the cost-of-living index. The board determines the manner of making the adjustment. The board may also fix the intervals at which wages are to be paid, the hours of work, the weekly day of rest, the amount of annual leave, and related conditions of work. A board's decisions on rates of pay

are worked out in great detail, specifying rates for men, women, and children, for various levels of skill, etc.

Matters for wages board action come up by way of resolutions from the workers' or employers' groups. A wages board may make its own investigations to get at the facts of a case. Its chairman has the power to require the attendance of any person, to examine him under oath, and to require him to produce any relevant document. These powers, however, are rarely needed or used.

The proceedings within a board resemble arbitration proceedings. The workers' representatives and the employers' representatives each put forward their arguments, with an eye to winning over the nominated members, who decide in the end, since all decisions are made by a simple majority of the members.

If a board so desires, it may appoint District Wages Committees, to serve as advisory and reporting bodies on any matters referred to them by the board. So far no board has made use of this power.

Before a decision of a wages board is signed by its chairman, the decision is published in the *Gazette* and in three newspapers, one Sinhalese, one Tamil, and one English, together with a notice that the board will consider objections submitted within a specified period. The wages board meets again to consider any objections and to confirm or modify its earlier decision.

The board's final decision, together with any report the Commissioner of Labour wishes to make, goes to the Minister for his approval. The Minister may approve a decision or refer it back to the Board for reconsideration. After approval by the Minister and publication in the *Gazette*, a wages board decision has the force of law.

The task of enforcing the decisions made by wages boards lies with the Labour Officers of the Department of Labour, who visit workplaces to check on wages paid, holidays granted, and hours worked. (See p. 27.) In 1958, 3,565 workplaces were visited.

Labor Tribunals. The one-man labor tribunals have two functions under the Industrial Disputes Act: they act as arbitrators in minor

disputes as previously described and as informal courts to which any workman (or his trade union on his behalf) may apply for relief if he believes he has been unfairly treated in connection with either the termination of his services or the granting of terminal benefits. A provision of this act authorizing the Minister of Labour to prescribe other matters for action by labor tribunals had not been used by the end of 1961.

The labor tribunals have the same power as industrial courts to investigate the cases before them and to make binding decisions. The decision of a labor tribunal is called an "order," to distinguish it from the "award" issued in connection with arbitration proceedings. The order of a tribunal can be appealed only to the Supreme Court and only on points of law.

Strikes

In the plantation sector and in some other industries, workers often go on unannounced strikes to promote redress of some grievance, such as their dislike of a foreman, or their belief that the firing of one or two workers was unfair. Such strikes are usually referred to as "lightning strikes" and often occur without the knowledge of trade union leaders. The grievance is usually investigated by a representative of the Department of Labour or of management, and the issue settled fairly quickly or referred to a labour tribunal.

Strikes called for economic gains or for quasi-political purposes, which are often of long duration, have long plagued the economy of the country. For this reason, there are a number of legal provisions devised to prevent crippling strikes. In practice, these laws have been flouted by some important politicians who are also trade union leaders.

Limitations on the right to strike are contained in the Trade Union Act, the Industrial Disputes Act, and the Public Security Act, No. 25 of 1947, as amended by Act No. 8 of 1959.

Under Part IIIa of the Trade Union Act, which deals with Government employees, one clause states that unions of Government employees may not have "any political objects", and another clause states that union registration may be withdrawn by Court order if—

. . . The union, or any of its officers or agents on behalf of the union, has promoted, organized, aided, or financed any strike of any of its members intended in the opinion of the Court wholly or partly for the purpose of influencing or overawing the Government on any political issue not affecting public servants in their capacity as such, or wholly or mainly for the purpose of supporting workmen, other than public servants, in any strike or trade dispute.

Under the Industrial Disputes Act, strikes are illegal in (a) "essential" industries unless 21 days' notice has been given or (b) in any industrial dispute which has been referred to an industrial court. Under the act, services in the port of Colombo were declared essential in 1956.

Under the Public Security (Amendment) Act of 1959, the Prime Minister may declare any industry an essential industry "for the duration of the Emergency." The list of industries declared to be essential during the recent period of Emergency has grown to include all activities connected with the production, manufacture, and distribution of tea, rubber, and coconut; virtually all banking, mercantile,³⁵ and commercial services; and public transportation services. Under the same act, the Government prohibited the publication of news about "any proposed action or opinion relating to any strike or lockout."

In spite of these regulations, strikes have continued to occur. In late 1961 and early 1962, the Government assigned Army, Navy, and Air Force units to help unload ships during a prolonged (51-day) port strike in Colombo. In protest, the unions then called a general strike on January 5, 1962, throughout the island.

The question of secondary boycotts is not dealt with in any legislation, but in January 1960 it was ruled upon by an industrial court. In this case, when truckdrivers employed by the Standard Vacuum Oil Co. refused to make deliveries to a station where members of another union were on strike, the Court declared:

The workmen concerned (truckdrivers) continue in their employment and draw their wages (from Standard

³⁵ In 1961, a special committee set up by the Government to make recommendations regarding mercantile employment defined a mercantile worker as a salaried employee whose work is generally of a nonmanual character in a shop, restaurant, eating house, residential hotel, theater or any place of entertainment, or an establishment which carries on the business of advertising, commission, forwarding or commercial agency or which is a clerical department of a factory or industrial undertaking or which is an insurance company, joint stock company, bank, broker's office or exchange or such other establishment which the Minister may by notification declare to be a mercantile establishment.

Vacuum). It is the undoubted duty of these employees while they are so employed and receive their wages to obey all lawful orders and carry out the instructions of their employer in the performance of their normal duties. Refusal to do so is subversive of discipline and will amount to misconduct. An employer can, therefore, take disciplinary action for such misconduct against his employee. . . . It is legitimate for a body of workmen to go on strike and refuse to work and during that period draw no salary or wages, the strike being considered a legitimate weapon to obtain satisfaction of their demands. But it is an unfair labor practice amounting to misconduct for a workman to draw his pay and decide for himself what portion of the duties assigned to him he will perform and what he will not.

. . . A strike by one union in sympathy with another union of which they are not members is illegal. . . . Upon a consideration of all the facts and the principles applicable to the determination of the matter in dispute, we find that the refusal by the employees of the Standard Vacuum Oil Co. Workers' Union to assist in the transportation of petroleum products to Mr. J. S. A. Fernando (the gasoline station operator) is an unfair labor practice amounting to misconduct and not justifiable in the circumstances. We would therefore make our award accordingly.³⁶

"Go slow" action taken by workers in order to force employers to yield to their demands has also been declared an unfair labor practice by an industrial court (in May 1960). The court condoned the discharge of such workers. Until that time, unions with insufficient funds to support a strike frequently resorted to "go slow" action. Such action was also often used by plantation workers to force estate superintendents to hire workers' sons and daughters.

Joint Consultation

There is little discussion of common problems between labor and management at any level, plant, industry, or national. A mission of the International Labor Organization sent to Ceylon in 1959 to study labor management relations reported:

In the seminars held . . . , it appeared that a number of participants made no distinction between collective bargaining machinery and what has been called joint consultation machinery. Personal grievances or demands of minor importance were also handled by the trade union officials as proper subjects for collective

bargaining. The mix-up of joint consultation and collective bargaining leads to labour disputes on relatively unimportant issues. The individual grievances of one single worker very often cause a major "industrial dispute" and may even give rise to rioting.

Joint consultation exists to a very limited extent. It is successful in the case of the Joint Council of Ceylon Estates Employers' Federation and Ceylon Estates Staffs' Union which is also a collective bargaining body. It is also successful in a few individual establishments when it has been tried seriously such as in the D.I. Leather Products Corp. In this case, joint consultative bodies are purely advisory and yet a great majority of their decisions have been put into effect. On the other hand, the Team was informed that in some cases an attempt to operate joint consultative bodies failed, due to the supercilious attitude of the management. This was expected in the absence of any programs of training for management.

One difficulty in the way of the establishment of joint machineries was the existence of several unions in the same industry or undertaking. As long as they were rivals with changing membership and reluctance to cooperate, it was impossible to select workers' representatives to the joint body on a satisfactory basis . . .

On the estates, joint consultation is even less except in the case of the Estates Staffs' Union mentioned above. The Team was informed that traditionally a system of "panchayats"³⁷ had existed on the estates which was a form of satisfactory joint consultation. However, it was said that due to political influence the system broke down and was replaced by the existing system of "minute books" which are maintained by the Superintendents of the estates and on which the workers' representatives are allowed to write down their complaints. The Superintendent then writes his reply in the minute book. The Team felt that this system prevented the growth of real consultation between the parties and seemed degrading to the workers. The point was raised during separate discussions with organizations of estate workers and employers and each side said that the other was responsible for the introduction and continuance of the system. . .

The convening of joint meetings at the national level was a rare thing in Ceylon. There was no permanent tri-partite national advisory body of the type that existed in several Asian countries. As and when occasion arose, the Ministry of Labour consulted employers' and workers' organizations, but this was normally done separately and jointly . . .

The Government had also attempted to encourage joint consultation by sending out appeals and model constitutions to the parties concerned, but this measure did not produce any appreciable results.³⁸

³⁷ Five-member council of elders.

³⁸ *Report on the Visit of a Joint Team of Experts on Labour-Management Relations to Pakistan and Ceylon, September-November 1959* (Geneva, ILO 1961), pp. 65-67.

³⁶ Source. U.S. Foreign Service report.

Chapter V. Regulation of Conditions of Employment

Legal Basis

Some of Ceylon's labor laws provide minimums for labor standards, while others provide for minimums to be set within established ranges, by decisions of the wages boards. Labor standards are also set by awards of the industrial courts, and by registered collective agreements, all of which have the force of law.

For the 24 industries for which wages boards have been set up, the relevant decisions of the boards set the minimum conditions of employment for the 800,000 workers covered in regard to wage levels, job classification, hours, holidays, and leave. (See table 13.) These wage levels usually also become the going levels both for workers covered by the decisions and for those in similar types of work not covered.

For mercantile workers in small establishments, conditions of employment are regulated by the Shops and Offices Employees Act of 1954. For such workers in larger establishments, a collective agreement signed in late 1961 is now the major binding instrument. The collective agreement is between the Ceylon Mercantile Union (CMU), which claims 11,000 members, and the Employers' Federation of Ceylon (EFC), which represents 55 firms engaged in the export and import trade, engineering, and shipping. The agreement covers supervisory and clerical staff of these EFC affiliates in regard to pay rates, promotion procedures, overtime pay, holidays, vacations with pay, casual and sick leave, and disciplinary procedures, including provisions for the voluntary arbitration of disputes involving dismissals. The agreement is binding on both parties until December 31, 1962, and thereafter will require 6 months' notice by one of the parties in order to be terminated. The agreement replaces the Canekeratne Award of 1956, the first award of the Industrial Court, which expired in March 1960.

Many of the patterns of job classification contained in the award of 1956 were retained in the collective agreement of 1961. The award in turn was an outgrowth of the Roberts and Steuart (Bank Clerks) Award of October 29, 1944, the George Steuart Award of September 24, 1945, and the subsequent Walkers, Row-

lands, and Port Awards. An employer wishing to develop a detailed knowledge of the conditions of work in mercantile firms would need to be familiar with the collective agreement of 1961 and the previous awards. If, as in the past, most of the larger mercantile firms not in the EFC follow the wage scales stipulated in the agreement, the terms of employment of 4,000 to 7,000 additional workers will be influenced by the agreement.

In the State Industrial Corporations, pay levels and many other conditions of work are determined by the Department of Industries. In general, these levels are equal to or slightly better than those established by wages boards and awards of industrial courts, according to a special survey of the National Wage Policy Commission, made in 1958. Skilled workers of the Port Corporation, however, receive considerably more than the going rates elsewhere.

The Factories Ordinance governs the physical conditions of employment in factories, electric power stations, docks, wharves, quays, warehouses, ships, building and construction projects, and establishments other than factories which process lead. (See p. 36 for further details.)

The labor laws which are discussed in the ensuing topical sections are listed in chronological order in table 14, for ready reference. In appendix A, a more detailed list is given which includes the amendments adopted since 1956, the year in which all existing amendments were consolidated and published by the government of Ceylon in the *Legislative Enactments of Ceylon*.

Labor Administration

The Department of Labour has been the agency responsible for the administration of labor laws for the past 30 years.

The labor laws generally give to the Commissioner of Labour, who heads the Department of Labour, and to those to whom he delegates such powers, the right to visit places of work, examine workers, inspect records, etc. Each labor ordinance or act defines the powers that the Commissioner's representatives may exercise under its provisions.

TABLE 14. Major Labor Laws in Effect in 1961

Date of enactment ¹	Number	Short title ²	Chapter in the Legislative Enactments of Ceylon ³
1863	7	Merchant Shipping	367
1865	11	Service Contracts	72
1871	28	Registration of Domestic Servants	137
1889	13	Estate Labor (Indian)	133
1912	9	Medical Wants	226
1913	10	Diseases (Laborers)	225
1921	43	Tundu ⁴ Prohibition	134
1923	1	Indian Immigrant Labor	132
1934	19	Workmen's Compensation	139
1935	14	Trade Unions	138
1937	13	Mines (Prohibition of Female Labor Underground)	130
1939	30	Poor Law	141
1939	31	Education	185
1939	32	Maternity Benefits	140
1941	27	Wages Boards	136
1942	18	Public Service Provident Fund	434
1942	45	Factories	128
1947	8	Public Security	40
1947	55	Mines, Quarries, and Minerals	210
1948	20	Immigrants and Emigrants	351
1950	43	Industrial Disputes	131
1953	17	Labor Inspections (Maintenance of Secrecy)	51
1954	19	Shops and Offices Employees	129
1956	47	Employment of Women, Young Persons, and Children	
1956	37	Fee-Charging Employment Agencies	
1958	15	Employees' Provident Fund	
1959	6	Employees' Holidays	
1961	59	Local Government Service Pension (Special Provisions)	

¹ Most of the laws have been amended many times since enacted. They are, however, usually referred to by the enactment date.

² Laws enacted during Ceylon's colonial period are called "ordinances." Those enacted since independence are called "acts."

³ The most recent revision of the *Legislative Enactments of Ceylon* has renumbered the laws as chapters and incorporated all amendments up to June 30, 1956.

⁴ A tundu was a payment in advance to a worker which bound him to whatever employer had or bought his tundu note.

SOURCE: Compiled by the U.S. Department of Labor.

The Department of Labour has six divisions: Employment Division, Factories Division, Enforcement Division, Industrial Relations Division, Medical Office, and Administration Division. The Department is relatively well staffed, employing some 50 administrators (largely Deputy and Assistant Labour Commissioners), 150 labor inspectors and technicians (called Labour Officers), and several hundred clerks. It has 12 district offices to ensure that its services are available within a reasonable distance in all parts of the island. The offices occupied by the Ministry in Colombo are scattered and inconvenient of access, but in the Districts they are consolidated. The salary levels are high enough to attract staff of a quality respected by both employers and workers. Some high caliber people, however, in the last 3 years have left the Department for private employment offering higher salaries.

The Employment Division operates the Employment Service, with its employment ex-

changes and vocational training facilities, and arranges for the physically fit who are unemployed to obtain jobs on work relief projects. (See the section on public assistance, p. 40.) In addition, it collects employment data on the types of skilled labor in short supply and publishes some employment and unemployment data.

The Factories Division's main function is to enforce the safety and sanitation provisions of the Factory Act. It also enforces the sanitation provisions of the Shop and Offices Employees Act of 1954.

The Enforcement Division is concerned mainly with the enforcement of the decisions of the wages boards in regard to wage levels, hours, holidays, etc., and the enforcement of those provisions of the Wages Boards Ordinance which apply to all enterprises.

The Industrial Relations Division deals mainly with the provisions of the Industrial Disputes Act. It tries to settle grievances and disputes informally where possible and otherwise provides the machinery and procedures called for by the act.

Under the aegis of the Department of Labour, but not a part of it, are the Wages Boards, the Labour Tribunals, the Labour Courts, and the Industrial Courts. (These are described in the section on the settlement of industrial disputes, p. 21.)

The compilation and issuance of labor statistics, formerly functions of the Department of Labour, are now responsibilities of the Department of Census and Statistics.

Inspections regarding sanitary and medical arrangements on estates are carried out by the Department of Health in the Ministry of Health.

Administration of the Workmen's Compensation Law, formerly a function of the Department of Labour, is now the responsibility of the Department of Social Services, currently in the Ministry of Industries, Home and Cultural Affairs. The Department of Social Services, like the Labour Department, is headed by a Commissioner. Aspects of workmen's compensation are administered by three Deputy Commissioners of Social Services.

Chapter VI. Pay

Wage Protection and Periods³⁹

The Wages Boards Ordinance of 1941 deals comprehensively both with wage protection and wage periods. Two older ordinances, the Service Contracts Ordinance (1865) and the Estate Labour (Indian) Ordinance (1889), also contain provisions regarding wages. Where the older directives are inconsistent with the Wages Boards Ordinance, the latter prevails.

Part I of the Wages Boards Ordinance, which is applicable to all trades, contains general provisions regarding the payment of wages. All wages are payable in legal tender directly to the worker, subject to authorized deductions made with his consent. Weekly wages must be paid within 3 days, fortnightly wages within 5 days, and monthly wages and wages for longer contracts within 10 days of the end of the respective periods.

Part II of the Shops and Offices Employees Act of 1954 requires that each employer should fix the period, not to exceed 1 month, in which remuneration is payable. The employee must be informed of the remuneration period fixed, and the period must be recorded on the salary register.

The Service Contracts Ordinance, 1865, states that wages of a servant engaged orally, except where the work is usually performed by the day, the job, or the journey, are payable monthly. The ordinance also contains detailed provisions in regard to the computation and payment of wages in the event the contract is terminated during the course of a month.

The Estate Labour (Indian) Ordinance of 1889, which governs the employment of Indian laborers on estates in Ceylon, requires every employer to pay all wages agreed upon or earned by the laborers in any month, on or before the 10th day of the following month. Facilities are given to workers in the matter of suing for recovery of wages. Provision is also made in the ordinance for authorized deductions from wages in accordance with the provisions of any written law in force.

The value of payments in kind, in the form of food, by estates is regulated by the Mini-

³⁹ Based largely on *Asian Labour Laws* (New Delhi, International Labor Office, 1951), pp. 47-48.

imum Wages (Indian Labour) Ordinance of 1927. At the end of 1960, 78 estates were authorized to distribute free meals and 1,122 to issue free foodstuffs. Other provisions of this ordinance have been superseded by the Wages Boards Ordinance.

Compliance with wage legislation is generally good in the establishments covered by the decisions of the wages boards and by the Shops and Offices Employees' Act.⁴⁰ Enforcement is a matter of prime concern to the Ceylon Department of Labour, which has been able to inspect annually 25 to 30 percent of the 10,000-15,000 establishments involved. In addition, the Department checks on complaints submitted to it.

The provision of the law requiring payment in legal tender is not considered enforceable in all sectors of the economy. In 1950, a report of the Department of Labour stated:

... This provision is enforced only in trades which have been brought under the operation of Wages Boards constituted to fix minimum wages. The law is not at present enforced in other trades. The practice in most agricultural operations is to pay wages in cash except in paddy cultivation. In this the long standing practice has been to pay wages in cash for preliminary tillage operations, and in kind for harvesting and incidental operations, and the present scarcity of rice has strengthened the demand for payment in kind from the workers. . . . As payment in kind is acceptable both to the employer and the employee, it is well that legal recognition should be given to this practice.

Coconut pluckers are also paid in coconuts in small gardens, usually one nut for each tree plucked; the bigger lots of over 10 acres come within the purview of the Coconut Trade Wages Board and payment in cash is enforced in such holdings. Payment in kind in the cultivation of other cereals, pulses, and vegetables is very rare, and, for all purposes, is negligible.⁴¹

Withholding and Deductions from Wages

The same report of 1950 stated as follows:

Regulations framed under the Wages Boards Ordinance permit deductions from wages for the provision of specified supplies and services and by way of fine for specific offenses. All these deductions are subject to the overall requirement that they can be made only with the

⁴⁰ *Report of the National Wage Policy Commission, 1958*, op. cit., p. 158.

⁴¹ *Agricultural Wages and Earnings of Primary Producers in Ceylon*, op. cit., pp. 26-27.

consent of the worker. Deductions which are not permitted by the regulations are illegal. Automatic deductions are not recognized by Ceylon law as the consent of the worker is necessary in all cases. The only exceptions are 'deductions authorized by the Income Tax Ordinance or other written law or the retention of any money in pursuance of an order or decree of a Court of Law' which may be made without such consent.

There is no provision for deductions in respect of damages for bad work or neglect of work, but deduction as fines for the following offences is permitted by regulations:

Absence from work without reasonable excuse.

Late attendance at work without reasonable excuse.

Causing damage to, or causing the loss of, goods or articles belonging to the employer, where the damage or loss is directly attributable to negligence, wilfulness, or default of the worker.

Slacking or negligence at work.

Sleeping on duty.

Wilful failure by the worker to comply with any lawful order given to him in relation to his work.

Theft of goods or articles belonging to the employer, or fraud or dishonesty in connection with the employer's business.

Intoxication during working hours.

Wilful insubordination and wilful breaches of discipline.

Incivility or causing inconvenience to any member of the public who attends the employer's premises for the transaction of business.

False or misleading statements.

Malingering.

Interference with any safety devices installed in the employer's premises.

Distribution or exhibition inside the employer's premises of handbills, pamphlets, or posters, without the previous sanction of the person in charge of the premises.

Violation of instructions given for the maintenance of cleanliness in the employer's premises.

Smoking in a prohibited area.

The law also requires that these deductions on account of fines should be employed for some useful purpose on behalf of the laborers. In certain specified trades like the tea growing and manufacturing, rubber growing and manufacturing, and coconut growing and manufacturing trades, employers are authorized to make deductions up to a maximum of 75 percent of wages while in the other trades deductions should not exceed 50 percent in the aggregate.⁴²

The Wages Boards Ordinance provides that authorized deductions should include deductions in respect of money advances by the employer to the worker . . . According to regulations such advances may be deducted from wages only where they have been made under prescribed circumstances. So far no circumstances have been prescribed but in actual practice deduction from wages in respect of money advances is permitted.⁴³

⁴² The Shops and Offices Employees Act limits deductions from salary to 60 percent.

⁴³ *Ibid.*, pp. 29-30.

All employers must deduct a 4-percent National Development Tax from the earnings of employees whose take-home pay exceeds 300 rupees a month. The Government also deducts a withholding tax from the wages of its own employees for income tax purposes. The tax is a graduated one, depending on the worker's salary or earnings and the number of his dependents. The Government does not require private employers to make similar deductions. (Regarding deductions for the Provident Fund, see the section on the Provident Fund, p. 39.)

While the checkoff for union dues is legal, and is customary in the civil service, it is not compulsory or usual elsewhere. The Employers' Federation of Ceylon has advised its members not to undertake the collection of dues on behalf of unions.

Wage Determination

Wage levels are fixed by decisions of the wages boards, by determinations of remuneration tribunals, by negotiations between labor and management, or by arbitration of disputes, and, in the remainder of the cases, by market factors.

Every wages board is required to determine a minimum wage rate for piecework, a guaranteed time rate for pieceworkers, and an overtime rate. Such minimum wage rates usually consist of a basic rate and a cost-of-living allowance (sometimes called a "dearness allowance"), the latter varying with changes in the official index of the cost of living. The boards' determinations are transmitted to the Minister of Labour and have the effect of law when approved by him and published. Decisions of wages boards under the ordinance take precedence over the provisions of any written law.

In the types of employment covered by the Shops and Offices Employees Act (sec. 28), the Commissioner of Labour, with the Minister of Labour's approval, may appoint remuneration tribunals. The first remuneration tribunal, whose findings were promulgated in 1958, dealt with clerks employed by notaries and advocates. In the next 3 years, remuneration tribunals made findings on wages for employees in hotels and restaurants in Colombo, and with those in large retail stores in that city.

Regular Rates of Pay

The regular earnings of wage and salary earners in the Government consist of two or three components: (1) the basic wage, related to the level of education or skill required for the job, and the number of years which the employee has been in his salary grade, (2) a cost-of-living allowance, and (3) in the middle and upper white-collar jobs, a "special allowance." The cost-of-living allowance was introduced as a temporary wartime measure in 1942, and applied only to basic pay levels up to a certain amount. It thus benefited primarily the workers in the lower pay brackets. The "special allowance" was introduced in 1950 to help alleviate hardships that had developed in the middle and upper pay groups in the public service. The special allowance is not linked to the cost-of-living index. It is graduated in scale, and benefits mainly employees receiving a basic monthly salary between 100 (US\$21) and 500 (US\$105) rupees a month. The special allowance for married employees is twice as much as for unmarried ones. The structure of earnings in private industry is much the same as that found in the government.

Although it has been suggested by many committees outside and inside the Government that these components of earnings should be merged, as price levels are unlikely to go down to those prevailing before the war, this has not been done. The reason is that the cost of some fringe benefits, which are now calculated on basic pay rates only, would be greatly increased by such a merger. In the lower income brackets, basic pay rates now consist of less than half of a worker's total earnings. Pay data published by the Government of Ceylon usually include all such regular allowances, and thus correspond to U.S. data on "regular earnings."

Average daily earnings of adult workers in 1960 were 2.40 rupees (US\$0.50) in the plantation sector,⁴⁴ and 4-9 rupees (US\$.84 to US\$1.89) in other sectors, as is shown in table 15. It is believed that wage rates have increased slightly since that date. Wage rates are usually higher for men than for women, even for similar work, and in urban areas than in rural areas.

⁴⁴ The plantation sector covers workers in tea, rubber, cocoa, cardamon, and pepper growing and manufacture.

The National Wage Policy Commission, which made a special survey of wages and fringe benefits, reported in 1961:

The general conclusion that emerges from our survey of the existing wage structure is the lack of uniformity in rates of remunerations payable to employees in different fields of employment. Unskilled workers were paid varying rates in different industries even where they came under Wages Boards. . . . In skilled grades too, there appeared to be a considerable amount of unequal pay for equal work. All these differences could not be explained by differences in job requirements or relative scarcities of skills.

* * *

The lack of uniformity in the wage structure, especially in the private sector, has to be explained largely by the fact that there has never been a consistent set of principles which those in charge of determining wages could have followed.⁴⁵

TABLE 15. Average Daily Minimum Wage Rates, Earnings, and Hours Worked in Principal Industries, 1960

Industry	Average minimum wage rates (rupees ¹ per day)	Average earnings (rupees per day)	Average hours worked
All industries.....	2.28	2.75	8
Plantations.....	2.16	2.40	8
Tea.....	2.11	2.36	8
Rubber.....	2.38	2.57	8
Coconut.....	2.20	2.30	8
Manufacturing.....	3.58	6.02	9
Coconut processing.....	3.17	4.66	9
Engineering.....	3.63	7.10	9
Printing.....	4.71	7.62	8
Matches.....	2.85	4.44	8
Transport.....	4.08	8.75	9½
Motor.....	5.32	8.70	9½
Dock, harbor, etc.....	2.58	8.80	9½
Commerce.....	3.53	6.06	9
Tea export.....	3.60	6.36	9
Rubber export.....	3.44	5.68	9
Entertainment, cinema.....	3.86	5.08	8
Building and construction.....	3.73	4.34	8

¹ 1 rupee=US \$0.21.

SOURCE: U.S. Foreign Service.

Premium Pay Rates

All overtime pay rates, excepting in agriculture, are now (1962) one and one-half times ordinary rates. In agriculture, they are one and one-fourth times ordinary rates.

Nighttime rates (7 p.m. to 7 a.m.) are usually one and one-half times ordinary rates, except in agriculture, where the early morning work, such as tapping rubber trees, is paid at ordinary rates. No work is done after sunset.

A worker who is required to work on a holi-

⁴⁵ Report of the National Wage Policy Commission (Colombo, August 1961), p. 83.

day is usually paid time and a half and given another day off instead, or is paid double time for the whole day, or double time for the first 4 hours and triple time thereafter.

Annual Increments

Annual increments (ingrade pay increases) for white-collar employees are usually provided for in collective agreements, in arbitration awards, and in the established pay scales of most establishments. An award of an industrial court directed:

... that increments should be given and stoppage of increments by employers should be only by way of punishment for general inefficiency, or other reasonable ground. A permanent employee against whom disciplinary action of this nature is proposed to be taken, should be informed of the allegation against him and he should be called upon to give his explanation, if any.¹⁰

The effect of annual increments on a worker's earnings is shown in table 16.

TABLE 16. Approximate Average Total Monthly Earnings¹ in Most² State Industrial Corporations, by Stage of Career, 1958 [In rupees³]

Degree of skill	Start of career	Midpoint of career	End of career
Skilled, grade I.....	219.46	247.77	268.56
Skilled, grade II.....	152.86	183.76	214.48
Semiskilled, grade I.....	128.94	150.46	196.25
Semiskilled, grade II.....	121.42	141.06	160.90
Unskilled.....	113.74	127.06	142.94

¹ 26 days' work.

² The definition of "most" was not given in the source.

³ 1 rupee=US \$0.21

Source: Report of the National Wage Policy Commission, (Colombo, August 1961), p. 77.

Annual Bonus

Until about 1955, annual bonuses were paid on an entirely voluntary basis, when profits permitted, and then usually only to managerial personnel, and in rarer instances to technical personnel. In more recent years, unions have been demanding bonuses. In 1959, an industrial court decided that although bonus demands could not be sustained as a method of profit sharing except where there was an express agreement on the subject, such demands could be sustained if workers needed higher income to maintain themselves and their families in "reasonable comfort and decency," and if the firm could afford such payments. Since then, bonuses have been granted in an increasing number of firms. The amount granted is usually equal to 1 month's pay and allowances.

Severance Pay

There is no law requiring the provision of severance pay. Nevertheless, custom and the awards of industrial courts often dictate that prosperous firms should give 15 days' pay to staff paid monthly and 2 weeks' pay to staff paid weekly for each year of service up to 5 years. This payment, called a gratuity, is given only when an employee retires or when he is laid off through no fault of his own. It is not given to employees leaving for personal reasons.

¹⁰ Paragraph 70 of The Industrial Court Award (Canakeratne Award) of 1956 as reported in paragraph 31 of the 1960 Year Book of the Employers' Federation of Ceylon (Colombo 1960).

Chapter VII. Hours, Holidays, and Leave

Daily and Weekly Hours⁴⁷

The length of the regular workday and of the workweek in Ceylon differs for the various categories of workers. Manual workers have an 8-hour day and a 5½-6-day workweek, making a regular workweek of 45-48 hours. (The so-called half day on Saturday is generally 1 hour longer than half the normal workday.) Persons engaged in retail trade usually work 8 hours a day, 5½ days a week, making a total of 45 hours a week. Office workers generally

work 6½ to 7 hours a day 5½ days a week, making a total of 35½ to 39 hours a week.

On plantations, because of rain and overstaffing, workers usually put in less than their established hours of work. Workers in ports, where most operations are carried out on a shift basis, earn considerable overtime and welcome this opportunity for earning at premium pay rates.

In practice, overtime at premium pay rates is expected of workers if management requests it; refusal to work a "reasonable" amount of overtime is considered misconduct, unless the

⁴⁷ Based on ILO, *Asian Labour Laws* op. cit., pp. 66-67 and on the *Yearbook, 1960*, Employers' Federation of Ceylon, par. 48ff.

worker can give his employer an acceptable reason.

Detailed information on the laws regarding hours of work for various categories of workers follows.

Plantations and Industrial Establishments. Wages boards have usually set the workweek at the maximum allowed by the Wages Board Ordinance, namely 6 days a week and 8 hours a day plus a rest period of at least an hour. A shorter week has, however, been prescribed in some cases, as, for instance, in the engineering trade, in which the hours of work are limited to 45½.

Wages boards may also declare a specified day in each week as a holiday to all workers. Sunday has been declared as the weekly holiday in all trades so far.

Commercial Establishments. Under the Shops and Offices Employees Act of 1954, the normal working period is 8 hours a day and 45 hours a week, exclusive of any interval for rest or any interruption permitted under the act. Regulations may be issued prescribing the periods and conditions under which persons may be employed overtime, varying periods of work for different occupations, and the circumstances under which interruptions may be permitted. Intervals for rest or for a meal must be allowed to all employees in accordance with the regulations in the schedule to the act. The Minister of Labour may and in practice does issue "closing orders" for shops, specifying the hours or days per week that shops must be closed to customers.

*Women and Young Persons.*⁴⁸ Special limits on the hours of work for women and young persons are provided by the Employment of Women, Young Persons and Children's Act, No. 25 of 1956.

The act provides that women and young persons under 18 years of age may not be employed during certain prescribed hours of the night in public or private undertakings.

The law enables the Minister of Labour to issue regulations for the employment of young persons in regard to hours of work, rest inter-

vals, and leave. These regulations may distinguish among young persons of different ages or sex, and among different localities, industries, occupations, and circumstances.

The Minister of Labour may also make exceptions under a number of circumstances specified in the law.

Holidays

Holidays are determined by executive action under the Holidays Ordinance of 1928 (Chapter 117). These "statutory holidays" include both "bank holidays", when banks are permitted to close their doors to the public, and "public holidays" on which certain public services are permitted to close. There are two more bank holidays than public holidays, the two extra days being June 30 and December 31, the end of the semiannual periods when the banks must balance their books. In 1958, under the Holidays Amendment Act of 1957, the list of holidays was shortened from more than 20 to 7. Since then 7 more have been added, making a total of 14. A list of public holidays is given below:

Tamil Thai Pongal Day¹
Sinhalese Duruthu Full Moon Day
Independence Day (February 4)¹
Sinhala and Hindu New Year's Day¹
Good Friday
May Day (May 1)¹
Full Moon Day of the Sinhala Month of Wesak¹
Wesak—Second Day (The day after Full Moon Day)¹
Birthday of the Prophet Mohammed¹
Poson Day
Christmas Day (December 25)¹
Deepavali Festival Day
Ramazan Day
Bandaranaike Commemoration Day (September 26)¹

¹ Holidays for workers covered by the Shops and Offices Employees Act.

The designation of certain days as statutory holidays does not of itself make them days of rest for workers in private enterprise, but private employers are required by various legislative acts to give some of the statutory holidays to their workers. These acts are:

(a) The Shops and Offices Employees Act of 1954, which authorizes the Minister of Labour to establish holidays as actual days off each year. In 1962, 9 of the public holidays were so listed;

(b) The Wages Boards Amendment Act of

⁴⁸ Based largely on *Industry and Labor* (Geneva International Labor Office, Vol. XVII, No. 12, June 1957), pp. 492-494.

1957, which allows each wages board to designate the statutory holidays that shall be days of rest. By the end of 1960, the wages boards had granted from 4 to 8 paid holidays to workers in 9 of the 20 trades covered by wages board findings;

(c) The Employees' Holiday Act, No. 6 of 1959, which gives the Government the right to specify which of the public holidays must be granted to workers not covered by the two laws mentioned above.

The holidays actually observed may differ from the list given. For example, the collective agreement in effect in 1962 between the Ceylon Mercantile Union and the Employers' Federation of Ceylon includes the following days not on that list: January 1, Holy Saturday (half day), Christmas Eve (half day), and Boxing Day (December 26). Deepavali and Ramazan, according to this agreement, are not granted to all employees. Instead, Moslem employees are entitled to take annual leave, or unpaid leave, on Ramazan Day and Hadji Festival Day, and Hindu employees may have annual leave on Deepavali Festival Day.

Paid Leave

Sick and Casual. In Ceylon one of the most common types of leave granted is called casual leave. This can be used for personal or family reasons as well as for sickness and vacations. All types of employees are eligible for casual leave, while not all are eligible for sick leave or annual leave as such.

Shop and office workers are entitled to 21 working days of sick leave and 7 working days of casual leave per annum under the terms of the collective agreement in force in 1962 between the Ceylon Mercantile Union and the Employers' Federation of Ceylon. Sick leave under the terms of the agreement may accumulate over the years to 90 days. These amounts are considerably greater than 7 days for both

casual and sick leave required by the Shops and Offices Employees Act.

Workers in engineering and in the export trade are entitled to 7 days' sick leave a year and, at the discretion of the employer, 7 days more, according to a collective agreement of 1959 applicable to these sectors. Government workers receive 21 days of annual casual leave, but no sick leave as such.

Workers injured in accidents making them eligible for workmen's compensation are usually paid full wages during the 7-day waiting period prescribed. If, however, their disability lasts less than 7 days, the period is counted as sick leave.

Annual. A shop or office employee earns annual leave at the rate of 14 days per year. No leave is granted during the first year of continuous employment, thus making the employee eligible for 28 days of leave in the second year. At least 7 days of an employee's annual leave must be taken consecutively. If he resigns without having taken all the leave due him, he must be paid for it.

In the trades covered by wages boards, annual leave is determined by the decisions of the boards and usually amounts to between 2 and 3 weeks.

Government employees receive 2 to 3 weeks of paid annual leave.

Military. The Ceylon Army Act, No. 17 of 1949, requires an employer to permit absence from employment to any employee who is a member of the active volunteer reserve, for the purpose of attending annual military training camps. Such absence must be counted as paid duty leave and must entail no detriment to any other leave to which the employee is entitled or to other terms of employment.

Maternity. (See the section on maternity protection, p. 40.)

Chapter VIII. Hiring, Separations, and Promotions

Restrictions on Hiring

To lessen the unemployment problem and to help educated Ceylonese to obtain more posi-

tions of importance in the economic life of the country, the Government has implemented a program of job preference for Ceylonese. The program is directed primarily at replacing the

Indians, who hold many of the lower paid jobs, and Europeans, who hold the higher paid jobs, and is implemented more through administrative decisions and pressures than through legislation. The immigration of new workers from India has been virtually stopped and the temporary permits of a large number of Indian Tamils have not been renewed. Those already working on the estates, however, have been permitted to remain and are not required to have temporary residence permits; such residence permits are required of other foreigners. In 1960, a tax of 400 rupees was imposed on each residence permit granted.

Preference is given to the employment of Ceylonese in all Government undertakings, even if the Ceylonese workers must be trained in the required skills and demand higher wages than those normally paid Indian Tamils. No method has been devised, however, to increase significantly the job opportunities for the Ceylonese on the large estates although many Ceylonese would now welcome this type of work. The obstacle is that the estates' resident populations of Indian Tamils have a rate of natural increase which provides more labor than is needed on the estates.

Preemployment Inquiries

Employers usually do not make extensive preemployment inquiries, but judge workers by their performance on the job during a brief probationary period. Before the end of this period (usually specified in arbitration decisions as 3 months for manual workers, and 6 months for white-collar workers), a worker may be dismissed with only 1 day's notice.

In the case of domestic servants, the references of those who have been working for foreigners can be easily checked by means of the "pocket registers" which the servants must have under the Registration of Domestic Servants Ordinance of 1871. The ordinance requires each domestic servant to have a pocket workbook in which are recorded the dates of his employment with each employer and the circumstances under which his employment was terminated. The registration is handled by registrars of servants, who are officers of the Police Department and are appointed on the recommendation of the Minister of Labour. The

ordinance is in operation only in the cities of Colombo, Kandy, Nuwara Eliya, Matale, Hatton, Trincomalee, and Badulla. About 3,000-4,000 entries are made in the pocket registers each year. It is stated that domestic servants employed by Ceylonese families generally do not observe the law, and that employers do not attempt to make their servants comply with it.

Public Employment Service

The first public employment exchange was established in Colombo in 1938 by the Department of Labour as a part of a program to alleviate unemployment. In 1945, with the large-scale demobilization of military personnel and the discharge of workers from emergency departments, the Government established a network of exchanges, patterned after the British system, to facilitate the placement of workers. Because the employment exchanges had so few good jobs to offer, in view of the saturation of the labor market, the Government decided to increase the job openings available through the exchanges by requiring that all Government jobs (including those in Government corporations) paying less than 150 rupees (US\$31.50) a month be filled through these employment exchanges. This requirement has kept the Employment Service (a part of the Department of Labour) alive, and accounts for many of the registrations. Because Government jobs have high social status, many good applicants for clerical, transport, communications, and service jobs are registered in the exchanges.

The network of employment offices at the end of 1960 consisted of 20 area exchanges, 2 branch exchanges, and 25 registration centers. These offices handled 133,430 job registrations and 8,162 job placements in 1959. The small number of placements mainly reflects the shortage of job opportunities in the Ceylon economy.

Private employers usually do not hire through the Employment Service, preferring to advertise for help, or find workers through personal contacts or labor contractors.

Skill-testing facilities requisite to good placement practices will soon be provided through the operation of trade testing centers which the Department of Labour is building with United States aid. The Colombo center is scheduled for completion in 1962.

Fee-Charging Employment Agencies

The few private employment agencies which exist handle domestic servants. Their operations are regulated by the Fee-Charging Employment Agencies Act, No. 37 of 1956, which authorizes the Commissioner of Labour to limit the fees charged, prohibits recruitment to and from foreign countries without special authorization, and requires the operators of such agencies to be licensed and to keep records of their transactions.

Labor Contractors

Instead of hiring workers directly, certain large-scale enterprises employ part or all of their unskilled labor through labor contractors. Plantations, construction firms, and stevedore firms are among those commonly hiring some labor in this fashion.

There are, generally, two types of labor contractors, the *kangany* and the independent contractor. The *kangany* usually functions more or less as a foreman, and receives regular pay for his services in this respect as well as "pence" money for the workers he provides.

The independent contractor, whose services are used mainly by the low country and mid-country estates, lives outside the estate or work compound and hires his workers from among the villagers. He is usually entrusted with a certain task, such as getting all the coconuts on an estate picked.

Most but not all labor legislation applies to workers hired through such labor contractors; management, rather than the contractor, is responsible for compliance.

Employment Contracts⁴⁹

Legislation on employment contracts constitutes some of the oldest labor legislation in Ceylon. It was aimed, not at ensuring job tenure, but rather at preventing bondage arising out of long contracts which could not be broken. The laws thus do not govern job tenure.

The Service Contracts Ordinance of 1865, which is applicable to "workers in domestic

⁴⁹ Based largely on *Asian Labour Laws*, (International Labor Office, New Delhi, 1951), Pt. I, pp. 17-18.

service, to labor classes generally and to journeymen artificers," provides that, except in the case of work usually "performed by the day, or by the job, or by the journey," a verbal contract, unless otherwise expressly stipulated, must be regarded as a contract for hire and service for 1 month. Any contract may be terminated at any time without any notice, by the misconduct of either party. Contracts for longer periods must be in writing, stating clearly the terms and conditions, and must be signed or acknowledged by the parties in the presence of a Magistrate or a Justice of the Peace. The maximum length of such contracts is 3 years for private employers and 5 years for those employed by the Government. A written contract is terminable on the expiration of the stipulated period, unless the contracting parties, by mutual consent, elect to terminate it earlier. Any servant who falls ill is entitled to food and medical care at the expense of the employer.

The Estate Labour (Indian) Ordinance of 1889, as amended, which governs the employment of Indian laborers on estates in Ceylon, extends to them the above provisions of the Service Contracts Ordinance of 1865. Under the Indian Immigrant Labour Ordinance of 1923, any contract of service between an employer and an Indian immigrant laborer may be terminated on 1 month's notice.

Notice Periods and Separations

Although the laws require 1 month's notice for monthly paid workers, 1 week's notice for weekly paid workers, and 1 day's notice for casual workers, longer notice periods are usually given when the worker is separated through no fault of his own. Sometimes, in such cases, the longer period is required by awards of the industrial courts. Three months' notice is usually given to managerial personnel, 1 to 3 months for other white-collar personnel, and 1 month to manual workers, whether permanent, temporary, or casual, if they have been employed by the company for some time. Workers fired for cause may be given the shorter notice periods or pay instead.

In reductions in force, the workers hired last are generally the first to be laid off within narrow job classifications, this practice being

reinforced by several collective bargaining agreements. An industrial court in 1961 held that the employer cannot be forced to apply the

last-hired first-to-go principle on a plantwide basis since he has the right to determine the structure of his labor force.

Chapter IX. Industrial Safety, Health, Housing, and Other Special Employee Services

Safety, Health, and Housing⁵⁰

Factories and Commercial Establishments. The Factories Ordinance of 1942, which did not come into force until January 1950, requires all factories to be registered and to meet standards set by the Labour Minister in regard to cleanliness, light, ventilation, fencing of machinery, drainage, sanitary conveniences, medical supervision, and many other matters. The law also provides guidelines for the Minister in setting the standards. In addition, the law places certain restrictions on the conditions of employment for women and young people in order to safeguard their health and welfare.

The Shops and Offices Employees Act of 1954 requires employers to provide seats for women workers, suitable facilities for those shop-workers who may eat meals in the shop, and toilet and washing facilities for all workers. No employees, other than members of the family, are allowed to reside in the shop.

Some of the more progressive establishments in the cities have inside plumbing. Washing facilities often consist of a faucet and a drain on the outside. In view of the hot climate and high standard of personal cleanliness, workers like to bathe two or three times a day and usually do so at whatever faucet or shower may be provided.

Practically all the larger industrial and commercial establishments and Government installations have medical dispensaries of some type. They range from those staffed by one or two attendants, by an apothecary (a man who has completed the first 3 years of the 5-year course required for the M.D.) and attendants, to larger ones staffed by one or more doctors and helpers.

Some factories provide housing for manual workers and their families. This housing is

usually referred to as "lines," because the accommodations consist of lines of apartments, one story high, and one or two apartments deep. Each apartment usually consists of one small living room and a kitchen. Piped water and toilet facilities are provided outside each line. A worker often has in his home not only his immediate family but other relatives as well; this leads to overcrowded living conditions. Employers find it difficult or impossible to prevent workers from bringing extra relatives to live with them. While employers interviewed said that they would like to get rid of company housing and its attendant problems, an overall housing shortage has made the unions wish to have the present system continued. Housing is occasionally provided for technical and managerial personnel and consists of self-contained small houses, with pleasantly landscaped grounds.

Mines. The Mines and Machinery Ordinance of 1896 deals with such safety requirements as adequate means of ascent and descent, precautions in the use of explosives, protection of pit openings, use of proper signaling methods, care of hoisting and winding ropes, use and testing of brakes, supply of good timber, protection of old workings, and use of safety lamps. Notices must be sent to the Inspector of Mines on the opening and reopening of mines and on the stoppage of work whether normally or from any danger arising from gases, overhanging rocks, loose earth, deficient timber, or actual or prospective inflow of water.

Accidents must be reported. Where a fatal accident has occurred, no work may be undertaken, other than pumping water and excavation for rescue purposes, until government permission has been granted.

The ordinance authorizes the Government to issue rules for keeping mines and their surroundings in a clean and sanitary condition.

⁵⁰ Based largely on *Asian Labour Laws* (International Labor Office, New Delhi, 1951), Pt. I, pp. 156-159 and Pt. II, pp. 120-326.

*Estates.*⁵¹ Extensive provisions regarding the medical needs, housing, and welfare of workers resident on estates are contained in the Medical Wants Ordinance of 1912, and the Diseases (Labourers) Ordinance of 1913. The former provides for the establishment by the Government of hospitals and dispensaries in planting districts and for the limited free supply, and unlimited supply at cost price, of medical drugs to hospitals maintained by estates. It imposes several duties upon employers, including that of summoning medical aid in case of sickness of workers and seeing that children under 1 year of age resident on the estate receive care and nourishment. The administration of this ordinance is financed by an export duty on plantation products. Where an employer provides all medical facilities at his own expense to the satisfaction of the Director of Medical and Health Services, he may be granted a rebate on the duties levied on the produce of his estate.

The Diseases (Labourers) Ordinance deals mainly with infectious diseases, and requires Government medical officers to inspect infected estates, direct remedial measures, and to draw up rules to prevent the development of unsanitary living conditions and polluted water supplies.

These two ordinances and the rules issued under them also require employers to ensure proper sanitation of workers' quarters and to provide facilities for water supply and bathing. An amendment made in 1941 to the Estate Labour (Indian) Ordinance of 1889, requires estate employers who provide housing to provide separate room accommodation for each married couple and their children. A Medical Wants Committee of officials and nonofficials advises the Government in the administration of the ordinances.

A report on labor conditions in Ceylon issued by the British Colonial Office in 1943⁵² stated that sanitation was generally good on the larger estates but poor on some smaller properties. The water supply was good in most cases, particularly in the hills with numerous streams. The provision of bathing facilities, other than those formed by rivers or streams, was rare. Facilities for washing clothes usually consisted

of a standpipe or, failing this, the nearby river. Medical requirements were well provided for. The excellent road system ensured that medical aid was readily available in all employment areas, even on the smaller estates with only modest equipment. This description seems to be still true to the writer, who visited the plantations in 1957.

During 1958, some 1,567 estates, with a population of a million, were listed under the Medical Wants Ordinance. In that year, 108 hospitals and 360 dispensaries were maintained by the estates, in addition to the 66 hospitals and 116 dispensaries maintained by the Government in the "estate medical districts";⁵³ 673 estates had crèches for children. In the same year, returns from 1,542 of the total of 1,647 estates employing Indian labor showed that there were, in all, 222,545 dwelling rooms for the workers. Of these, 203,398 were permanent rooms, of which 10,019 were below standards approved by the authorities; 14,492 were semi-permanent rooms, of which 1,911 were below standard; and 4,655 were temporary rooms, of which 2,261 were below standard.

Employee Services

Lunchrooms. Many of the larger as well as some of the smaller industrial and commercial establishments and Government establishments have lunchrooms for their workers. The type of facility varies greatly. Some installations provide free meals and free tea, prepared in their own kitchens or brought in under contract by establishments specializing in this field. For example, the Colombo (Port) Cargo Corporation distributes to its workers a package prepared under contract containing approximately 3 cups of a fish curry and vegetables, wrapped in green banana leaves. The Corporation has, however, started construction of several buildings to house a number of lunchrooms and its own kitchens. Practically all meals served to workers consist of a curry, the dish generally preferred, and vegetables on the side. Some installations have a canteen, where food and tea are sold to the workers; in some cases the workers themselves own the canteen. The latter is true of the railroad repair shops in Colombo;

⁵¹ Based closely on *Labour Conditions in Ceylon* (Geneva, International Labor Office, 1949), pp. 35-36.

⁵² G. St. J. Orde Browne, *Labour Conditions in Ceylon, Mauritius and Malaya* (London, 1943).

⁵³ So designated under the Medical Wants Ordinance.

profits in such cases are used for recreational programs.

Cloakrooms. Cloakrooms are not usually needed or required. As the climate is warm, no special outdoor clothing is worn, and workers wear their work clothes to the job. In cases where lockers are provided, they are similar to the metal lockers in public schools in the United States.

Stores. There is no legal requirement that any employer must maintain a store to provide supplies for his workers. But on the tea and rubber estates the legal requirement that immigrant labor must be provided with rice at a fixed price has led many employers to run small general stores on their estates. Some other employers, whose enterprises are far from a village, also operate such stores.

Under the Wages Boards Ordinance of 1941, the employer is allowed to deduct from a worker's wages the value of articles of food, clothing, etc., sold from his store if the worker consents and if a representative of the Commissioner of Labour has inspected the store and approved the prices charged and services rendered.

Some estates and other large employers allocate space on their land for small private entrepreneurs to operate "boutiques," small eating houses that sell both cooked food and soft drinks and alcoholic beverages. These "boutiques," like English pubs, function as clubs for working people, being social centers where they can meet and converse in a leisurely fashion.

Transportation Facilities. People who do not live within easy walking distance of their jobs usually travel to work by bicycle, bus, commuter train, or private car. Government employees receive tickets at reduced rates for the busses and trains.

The commuter trains operate mainly within a 35-mile radius of Colombo and are utilized extensively by those in the middle-income brackets. Few people who can afford cars utilize the busses or trains during rush hours.

Some workers in the lower pay brackets who work far from the villages where they live and do not wish to commute daily, may travel back to their village only on weekends or holidays, and at other times sleep in the railroad stations.

In general, Ceylon has an extensive network of public transportation and adequate busses and rolling stock.

Vehicle Parks. Parking space on company premises is often provided at plants for the few officials who own cars. Bicycle racks are generally provided for parking the bicycles ridden by workers.

Bulletin Boards. To make workers aware of the legal and other protections offered to them, legislation gives the Department of Labour the right to require employers to post such documents as the Department decides are advisable. These postings must be made in a conspicuous place, sometimes specified as near the workers' entrance, and must be made usually in three languages, Sinhala, Tamil, and English. The types of documents required change from time to time and differ from industry to industry but usually include one or more of the following: (a) a copy of the collective agreement or decision of the wages board, in force at the time; (b) the names and addresses of the nearest labor inspector and company doctor; (c) the location of the specific clock which gives official company time; (d) special regulations regarding the restrictions on hours and types of work permitted for women and young people, (e) work rules, (f) particulars of any shop committees, and (g) technical pamphlets on health and safety issued by the Department of Labour.

Chapter X. Social Security

Workmen's Compensation

Accident compensation in Ceylon is governed by the Workmen's Compensation Ordinance of 1934, which is modeled closely on the

Workmen's Compensation Act of India.

The ordinance, as amended in 1957, provides for the payment of compensation to workmen who sustain personal injury by accident arising out of, or in the course of, covered employment.

Important categories of workers are excluded from coverage, namely, casual workers, persons earning wages of more than 400 rupees (US\$84) a month, clerical and commercial employees, employees of factories with fewer than 10 employees, employees of mines and estates with fewer than 10 workers (unless power is used), and persons not engaged in the 42 types of employment listed in the ordinance as amended in 1957.⁵⁴

It is not obligatory for covered employers to carry insurance. The large concerns usually do, the smaller ones often do not and are sometimes excused from paying compensation if they insist that they cannot afford to pay it.

Compensation is not payable for injuries which do not disable for more than 7 days, nor for accidents due to the influence of drink or drugs or the wilful disobedience or neglect of safety regulations or devices, where such accidents do not result in death. Compensation is payable under the ordinance as amended if a worker contracts any of 14 industrial diseases listed.⁵⁵

Maximum benefits in case of death usually equal from 1.5 to 6 years' earnings of the worker, the maximum being only 700 rupees (US\$147). Benefits for disabilities are proportionately lower and given in a lump sum. Injured workers thus have limited resources for use during their period of incapacity.

The staff administering the program consists of only eight men for the whole country.

Provident Fund

The Employees' Provident Fund Act, No. 15 of 1958, provides for joint employer-employee financing of lump-sum payments to workers when they retire, or become invalids, or, upon death, to their survivors. The Act requires concerns covered by it either to join the Fund or to operate a provident fund approved by the Commissioner of Labour. The rate of contribution is 4 percent of total earnings for the employee and 6 percent for the employer. (These earnings exclude overtime pay and commission earnings.) The administration of the Fund is in the hands of the Commissioner of

⁵⁴ Mainly industries known to be dangerous, such as blasting, building, automobile transport, etc.

⁵⁵ The list is that recommended by the ILO.

Labour, while the Monetary Board handles the accounts and other financial matters.

Coverage extends to all employees of Government corporations and to almost all wage and salary earners in the private sector. The only workers still excluded from coverage are those in establishments employing less than 3 to 5 workers, agricultural workers employed on properties less than 10 acres in area, and persons engaged in domestic service, in charitable and religious institutions, and in social service organizations. At the end of 1960, about 900,000 persons employed in some 16,000 establishments had been registered with the Fund. Contributions made from the inception of the Fund to the end of 1960 totaled 55 million rupees (US\$11.55 million). The enrollment of such a large number of employees within such a short period resulted in a number of enforcement difficulties. Evasion of payments by small enterprises remains a major problem.

A lump sum is paid (a) on retirement of the worker at the age of 55 (age 50 for women), (b) when a worker leaves Ceylon permanently or must leave his job because of permanent total incapacity, or (c) in the case of a female worker, if she leaves her employment on marriage. If an employed person dies, the amount is paid to his designated beneficiary or legal heir. The payment is equal to the total contributions paid by the employer and employee to the credit of the employee's individual account, plus a minimum of at least 2.5 percent accrued interest.

Private provident funds and pension plans which existed when the act came into effect have been allowed to continue if they provide benefits at least equal to those specified by the act and their operations are approved by the Government. At the end of 1960, 183 such funds had been approved; approval was pending on 165 others, and approval had been refused on another 183.

Pensions of Government Workers

Government employees, are excluded from the provisions of the Employees' Provident Fund Act. There are separate pension systems for four categories of employees, namely, (1) permanent salaried civil servants, (2) non-permanent salaried civil servants, of both the

Government of Ceylon and local governments, (3) daily paid (manual) nonsalaried employees of the Government, and (4) permanent employees of municipalities and other local governments. Under these plans, retirement is permitted at age 55 and is compulsory at age 60. Premiums paid by the Government and the employees (permanent Government employees make no contribution) are somewhat higher than under the Employees' Provident Fund plan, and benefits consist of monthly payments instead of a single lump sum. Disabled manual employees (whether or not the disability is job connected), who can no longer work, receive a lump-sum gratuity of 1 month's pay for each year of service. Widows and children of deceased civil servants are eligible for pensions, if the civil servant was a contributor to the Widows' and Orphans' Pension Fund. Dependents of noncontributors to the Fund also receive a pension if the death is job connected, or a lump-sum payment if it is not.

The laws covering pensions for civil servants and their dependents are: Public Service Fund Ordinance, No. 18 of 1942 (Ch. 434); Local Government Service Ordinance, No. 43 of 1945 (Ch. 264); and Widows' and Orphans' Fund Ordinance, No. 2 of 1947 (Ch. 431).

Maternity Protection

The Medical Wants Ordinance of 1912, as amended, requires every superintendent of an estate to provide all women laborers, resident on the estate and giving birth to children, with medical care and with food and lodging free of cost for 1 month after the confinement. The employer is also required to ensure that women laborers do not work for 1 month after confinement. The employer is exempted from obligation under the ordinance if the woman is granted benefits under the Maternity Benefits Ordinance of 1939.

The Maternity Benefits Ordinance of 1939, as amended, makes provision for the payment of maternity benefits to women workers employed in any mine, factory, or estate in which five or more workers are employed. It does not apply to casual employment. The ordinance prohibits the employment of women for 4 weeks after confinement and gives them the right to 2 weeks' absence from work before confinement.

It also requires the payment of maternity benefits at prescribed rates by the employer during the 2 weeks before, and the 4 weeks after, confinement. The rates prescribed since 1957 have been full pay, but in no case less than 1 rupee (US\$0.21) a day. The qualifying period of employment is 150 days within a period of 1 year immediately preceding the date of the confinement. In lieu of the regular maternity benefits, the ordinance permits employers, on production of a certificate from the Commissioner of Labour, to provide certain prescribed alternative maternity benefits to resident women workers and to such nonresident women workers as elect, prior to their confinement, to accept these alternative benefits. Notice of dismissal, without sufficient cause, within 5 months of the confinement does not deprive the woman worker of her right to maternity benefit.

An amendment to the Shops and Offices Act of 1954 makes similar provisions for the women covered by that act.

Medical Care

Medical care is available through programs carried out by the Department of Health of the Ministry of Health. That Department at the end of 1960 was operating 411 hospitals with 31,000 beds and 895 health centers. Inpatient care is provided free to all persons earning less than 50 rupees (US\$10.50) a month. A patient earning more must pay a nominal charge of 0.30 to 0.50 rupees (US\$0.06 to \$0.105) a day. A few hospitals have wards at higher rates. The outpatient departments of all hospitals and dispensaries also provide free care but make nominal charges for home visits to those earning over 50 rupees (US\$10.50) a month. Every patient who needs care can get it, but in some cases there is overcrowding in hospitals, and there are long lines of people awaiting outpatient care. Patients can choose between Western-type medical treatment and Ayurvedic (traditional) treatment.

Public Assistance

For fit persons, a work relief program has been in operation since 1949. The number of persons employed in this program is usually about 5,000. In 1956, however, when farmers

suffered from a serious drought, the number increased to 135,000. In December 1960, the number employed was 2,641. The nature of the work performed is usually road construction, land grading, and the cleaning out of irrigation ditches and reservoirs.

For persons unable to maintain themselves, the Department of Social Services, in the Ministry of Industries, Home, and Cultural Affairs operates the following programs :

(1) *Public Assistance*. This is the most extensive form of assistance and is administered through the granting of monthly allowances to the sick and distressed.

(2) *Casual Relief*. This provides for the payment of grants to relieve distress resulting from damage to houses and implements of trade.

(3) *Financial Assistance to Tuberculosis Patients and Their Dependents*. This is given in coordination with the Anti-Tuberculosis Institute of the Department of Health Services.

(4) *Relief of Widespread Distress*. Such aid is provided when there is need which is due to crop failures, floods, droughts, storms, and other exceptional causes.

(5) *State Homes for the Aged*. Four homes for the aged are operated by the Department of Social Services. A few other homes are operated by voluntary agencies, which receive financial assistance from the Department of Social Services.

(6) *Services for the Deaf and Blind*. These services consist of a "sheltered workshop" with residence accommodation for 160 persons.

(7) *Services for Orthopedically Handicapped Persons*. A special division has been set up, under the supervision of an Assistant Director of the Department of Social Services, to deal exclusively with the care, welfare, and rehabilitation of these persons. This division was organized with the advice and guidance of an ILO expert. The Superintendent of Vocational Training, assigned to help these handicapped persons, together with personnel of the Orthopedic Clinic of the Department of Health Services, has organized a series of 6-month to 3-year courses of training in likely trades.

(8) *House of Detention and Home for Vagrants*. The Department of Social Services operates one House of Detention with accommodation for 300 persons, and one Home for Vagrants. The inmates of these two institutions are trained in useful trades.

(9) *Probation and Child Care Services*. The Department of Social Services meets part of the expenses of the Commission on Probation and Child Care Services, which is in charge of destitute children in registered orphanages.

These programs are organized on a regional basis, with a total staff of 18 administrative assistants, 52 social service officers, and 15 welfare officers who form the field organization of the Department of Social Services.

Chapter XI. Records

The regulations issued under each law relating to conditions of work usually require the employer to keep detailed records for each employee on wages, hours, leave, etc. Specified forms printed by the Department of Labour are usually issued to covered employers and must be submitted annually or monthly. A summary of what is required for several of the more comprehensive laws is given below for illustrative purposes. Employers wanting full information on the subject may obtain the most recent schedules for a particular industry from the Ceylon Department of Labour.

Under the Employees' Provident Fund Act of 1958, covered employers must report in detail every month on each worker in regard

to age, hours worked, wage rates, bonuses, allowances, earnings, and leave.

Under the Wages Board Ordinance of 1961, both employers covered and employers not covered by wages boards must keep a clear and accurate record in writing, showing all wages paid to workers, the deductions made, and the dates on which such wages were paid. The employer must produce these records for inspection whenever required to do so by the Commissioner of Labour or his representative. Employers using home workers ("out workers") must keep prescribed records on these workers and payments made to them. Employers in industries which are covered by wages boards must keep registers giving (a) the name, sex,

and (if a female under 21) the age of each worker, (b) the "class" or kind of work performed, (c) wages paid, (d) regular hours worked, (e) hours of overtime, (f) the dates when wages were paid, (g) leave allowed, and (h) maternity benefits paid.

Under the Factories Act of 1942, the employer must keep particulars regarding (a) young people employed, (b) the washing and painting of factory walls, (c) accidents, (d) exceptions granted in regard to required facili-

ties, and (e) means of escape in case of fire.

Under the laws regarding estate labor, equally detailed information must be submitted on the workers employed as well as additional material on housing, health, and births and deaths of workers and their dependents.

Under the Workmen's Compensation Ordinance of 1934, the employer must submit a return annually, listing injuries for which compensation was paid and the amount of the compensation.

Appendix A. Labor Laws and Amendments

(For laws and amendments passed before 1956, reference is provided below to the pertinent chapter in the *Legislative Enactments of Ceylon* (L.E.C.) 1958, which contains all laws as amended.)

Employment Contracts and Recruiting

- Contracts for Hire and Service Ordinance, No. 11 of 1865 (L.E.C. Ch. 72).
- Registration of Domestic Servants Ordinance, No. 28 of 1871 (L.E.C. Ch. 137).
- Tundu Prohibition Ordinance, No. 43 of 1921 (L.E.C. Ch. 134).
- Fee-Charging Employment Agencies Act, No. 37 of 1956.

Conditions of Work

- Mines and Machinery Ordinance, No. 2 of 1896 (L.E.C. Ch. 210).
- Holidays Ordinance, No. 1 of 1928 (L.E.C. Ch. 177).
- Employment of Women in Mines Ordinance, No. 13 of 1937 (L.E.C. Ch. 130).
- Wages Boards Ordinance, No. 27 of 1941 (L.E.C. Ch. 136).
Amendments: Act No. 27 of 1957.
- Employees' Holidays Act, No. 6 of 1959.
- Factories Ordinance, No. 45 of 1942 (L.E.C. Ch. 128).
Amendments: Act No. 54 of 1961.
- Employment of Women, Young Persons and Children Act, No. 47 of 1956.
- Shops and Office Employees (Regulation of Employment and Remuneration) Act, No. 37 of 1956 (L.E.C. Ch. 128). The Regulations were published on October 15, 1954, in the *Ceylon Gazette*, No. 10,724.

Industrial Relations

- Trade Union Ordinance, No. 14 of 1935 (L.E.C. Ch. 138).
Amendments: Act No. 15 of 1958.
- Industrial Disputes Act, No. 43 of 1950 (L.E.C. Ch. 131). (A consolidation of the law with all existing amendments was published in 1960. Consolidated regulations are contained in the *Gazette Extraordinary*, No. 11,688 of March 2, 1959.)
- Public Security Act, No. 25 of 1947 (L.E.C. Ch. 40).
Amendment: Act No. 8 of 1959.

Social Security

- Workmen's Compensation Ordinance, No. 19 of 1934 (L.E.C. Ch. 139).
Amendments: Act No. 31 of 1957.

Social Security—Continued

Maternity Benefits Ordinance, No. 32 of 1939 (L.E.C. Ch. 140).

Amendments: Act No. 26 of 1952.

Port of Colombo Labour Reserve (Gratuities) Act, No. 47 of 1961.

Public Service Provident Fund Ordinance, No. 18 of 1942 (L.E.C. Ch. 434).

School Teachers Pension Act No. 23 of 1957.

Amendments: Act No. 38 of 1961.

Employees' Provident Fund Act, No. 15 of 1958.

Estate Labor

Estate Labour (Indian) Ordinance, No. 13 of 1889 (L.E.C. Ch. 133).

Medical Wants Ordinance, No. 9 of 1912 (L.E.C. Ch. 226).

Amendments: Act No. 46 of 1957 and Act No. 35 of 1958.

Diseases (Labourers) Ordinance, No. 10 of 1913 (L.E.C. Ch. 225).

Indian Immigrant Labour Ordinance, No. 1 of 1923 (L.E.C. Ch. 132).

Appendix B. Sources of Information Regarding Labor in Ceylon

General

Data on labor are published regularly, in English, by three agencies of the Government of Ceylon, namely, the Department of Labour, the Department of Census and Statistics, and the Central Bank of Ceylon. In addition, the Government of Ceylon publishes much useful information on labor in the reports of special commissions appointed to study various aspects of the labor situation. Publications of both types, regular and special, may be obtained from the Government Printer at the Ceylon Government Press in Colombo.

(1) The Department of Labour publishes (a) the *Ceylon Labour Gazette*, monthly, which contains special articles, summaries of important decisions of the Industrial Court and of the wages boards, lists of new trade union registrations, cost-of-living and wage indexes, and data on employment exchange registrations, strikes, and minimum pay rates, and (b) an annual *Administration Report of the Commissioner of Labour*, which contains a description of the work of each major division of the Department, including law enforcement activities, and tables on the subjects also covered by the *Ceylon Labour Gazette*, as well as on other aspects of the labor situation in general and estate or plantation labor in particular.

(2) The Department of Census and Statistics publishes (a) the *Ceylon Year Book*, an annual which contains general textual and statistical information on, *inter alia*, the administration, economy, and social structure of the country, and on the status of programs operated by each Government department; and (b) the *Statistical Abstract of Ceylon*, an annual compilation.

(3) The Central Bank of Ceylon publishes (a) a monthly *Bulletin*, which contains occasional articles on economic aspects of labor matters as well as some wage and price indexes, and (b) occasional special studies which contain data on employment, unemployment, and worker income and expenditures.

Data on general aspects of labor in Ceylon will also be found in the following sources:

Ceylon, Commission of Inquiry on the Working of the Commercial Sector of the Port of Colombo. *Report*. Colombo: 1957.

—, Department of Labour. *25 Years of Labour Progress in Ceylon*. Colombo: Ceylon Printers Ltd., 1948.

International Labour Office. *Labour Conditions in Ceylon*. Geneva: 1949.

Orde Browne, G. St. J. *Labour Conditions in Ceylon, Mauritius and Malaya*. London: 1943.

Rasaratnam, S. "Labour Administration in Ceylon" *Indian Labour Journal*. March 1961.

U.S. Department of Labor, Bureau of Labor Statistics. *Summary of the Labor Situation in Ceylon*. Washington: 1957.

Consumption

Data on the consumption of goods and services, consumer income and expenditures, and related matters will be found in the following sources:

- Ceylon Central Bank. *Report on the Sample Survey of Ceylon's Consumer Finances*. Colombo: 1954.
- Ceylon, Committee To Revise the Cost of Living Index Report. Colombo: 1959. (Sessional Paper XI).
- , Department of Census and Statistics. *Report on a Dietary Survey of Upper Income Households in the City of Colombo*. Colombo: 1957. (Monograph 11).
- , Department of Labour. *Social Survey of Shopping Habits*. Colombo: January 1957.
- Reid, Margaret C. "Survey of Ceylon's Consumer Finances," *American Economic Review*, December 1956.

Economic and Social Conditions and Policy

- Data on economic and social conditions in Ceylon and on the Government's economic policies will be found in the following sources:
- Colombo Plan Bureau (Colombo). *The Colombo Plan*. Monthly.
- International Bank for Reconstruction and Development. *The Economic Development of Ceylon*. Baltimore: Johns Hopkins University Press, 1953.
- , *The Economic Development of Ceylon*. Baltimore: Johns Hopkins University Press, 1952. A preliminary shorter version of the foregoing.
- Morgan, Theodore. "The Economic Development of Ceylon". *Annals of American Academy of Political and Social Science*, May 1956.
- "The Ten Year Plan from the Labour Point of View." *Ceylon Labour Gazette*, September 1959.
- Thorogood, C. E. *Ceylon*. London: Her Majesty's Stationery Office, 1955.
- Ryan, Bryce. *Caste in Modern Ceylon: The Sinhalese System in Transition*. New Brunswick, N.J.: Rutgers University Press. 1953.
- United Nations, Economic Committee for Asia and the Far East. *Economic Survey of Asia and the Far East*. Bangkok. Annual.
- Wriggins, W. Howard. *Ceylon: Dilemmas of a New Nation*. Princeton: Princeton University Press, 1960.

Employer Organizations

The *Year Book* of the Employers' Federation of Ceylon (Colombo: Mortlake Press) contains detailed information on personnel practices which prevail among or are recommended for members of the Federation.

Labor Force and Population

The Department of Census and Statistics has published the results of the regular population censuses taken in 1921, 1946, and 1953 as well as the following special censuses: *The Unemployment Census of 1949*; *The Census of Industry of 1952*; and *The Census of Government and Local Government Employees of 1951*.

Other reports of special interest are: *The Population of South-East Asia (Including Ceylon and China: Taiwan) 1950-1980*, United Nations, Report III, New York, 1958; "The Need for Vocational Training," *Ceylon Labour Gazette*, August 1959; and "Some Relationships Between Population Growth, Capital Formation and Employment Opportunities," *Bulletin of the Central Bank of Ceylon*, November 1956.

Information on the school system and on its relationship to vocational and technical training is presented in Wallace R. Muelder's *Schools for a New Nation: The Development and Administration of the Educational System of Ceylon* (Colombo: K. V. G. De Silva and Sons, 1962).

Labor-Management Relations

This subject is covered by the International Labour Organization's *Report on the Visit of a Joint Team of Experts on Labour-Management Relations to Pakistan and Ceylon*, September-November 1959 (Geneva: 1961; ILO Labour-Management Relations Series No. 10).

State machinery for dealing with industrial disputes is discussed in the *Ceylon Labour Gazette*, January 1960.

Labor Legislation, Awards, and Collective Agreements

The *Government Gazette*, a daily publication, publishes (a) the laws (formerly ordinances), (b) the regulations and rules issued under a law, (c) the awards, orders, and decisions of the industrial courts, labor tribunals, and labor courts, and (d) registered collective agreements.

The labor laws are from time to time revised and consolidated in accordance with their amendments in *The Legislative Enactments of Ceylon*. The last such consolidation was published in 1958. A list of the major labor laws, amendments, etc., appears in appendix A.

The more important labor laws are also published by the International Labour Office in its *Legislative Series*. Texts of important laws enacted up to 1950 as well as summaries of provisions of the laws relating to specific subjects are contained in the ILO's publication *Asian Labour Laws* (New Delhi: The Caxton Press, 1950). Summaries of important laws are usually given in *Industry and Labour*, which, until December 1961, was published semimonthly by the ILO.

Labor Organizations

Special articles on this subject appear once or twice a year in the *Ceylon Labour Gazette*, e.g., "Trade Union Movement and Its Membership in 1959," in the May 1960 issue, and "Growth and Development of Trade Unionism in Ceylon," March 1958.

For a list of the organizations, with names of officers, membership totals, etc., see chapter 9, on Ceylon, in U.S. Department of Labor, *Directory of Labor Organizations in Asia and Australasia*, February 1958 (Washington: Government Printing Office, 1958). A revision is now in process.

The principal Ceylonese trade union publications written in English are: *CMU*, monthly newspaper of the Ceylon Mercantile Union; and *Red Tape*, journal of the Government Clerical Services Union.

The *Report to the Government of Ceylon on Workers' Education*, published by the ILO (Geneva: 1960; Report ILO/OTA/Ceylon/R 17), gives a brief statement on the trade union situation in Ceylon and makes recommendations as to how a comprehensive labor education program could be set up.

Social Security

Data on social security in Ceylon will be found in the following sources: United Nations. *Assistance to the Needy in Less Developed Areas*. New York: 1956.

"The Employees' Provident Fund Scheme, What It Is, And How It Works," *Ceylon Labour Gazette*, November 1958.

Ceylon. Commission on Social Services. *Report*. Colombo: 1947.

"Assistance to Disabled Persons in Ceylon," *Industry and Labour*, September 15, 1956.

Wages and Fringe Benefits

Special commissions have prepared several major reports on Government salaries in Ceylon published as Sessional Papers. The Sessional Papers are a 1953 and a 1961 *Report of the Salaries and Cadres Commission*; the 1957 *Report of the Salary Anomalies Commission*; the 1962 *Report of the Committee on Pay and Allowances for the Armed Services of Ceylon*, and the 1961 *Report of the National Wage Policy Commission*. The last-mentioned report contains considerable information on other aspects of the labor situation also.

Agricultural Wages and Earnings of Primary Producers in Ceylon was prepared by the Ceylon Department of Labour with the help of several other departments and issued as Sessional Paper II (1950).

A shorter study, "The Structure and Movement of Earnings and Incomes of Workers on Plantations in Ceylon" appears in the *Bulletin* of the Central Bank of Ceylon, November 1960.

The Division of Foreign Labor Conditions has also issued—

Labor Law and Practice in Honduras (September 1961—BLS Report 189)

Labor Law and Practice in Venezuela (December 1961—BLS Report 212)

Labor Law and Practice in Colombia (November 1962—BLS Report 217)

Labor Law and Practice in Bolivia (October 1962—BLS Report 218)

Labor Law and Practice in Costa Rica (October 1962—BLS Report 220)

Labor Law and Practice in Iraq (November 1962—BLS Report 221)

Labor Law and Practice in Guatemala (October 1961—BLS Report 223)

