THE POLICY BRIEF

Informal employment with a focus on domestic workers in Sri Lanka

Background

Domestic workers in Sri Lanka have been a significant part of the paid care eco-system, and have long suffered from poor working conditions caused by many economic and social barriers. Prior to the establishment of specialized child care and elderly care agencies which are still limited to urban Sri Lanka, domestic workers made up almost all of the paid care sector in the country. According to the 2022 Labour Force Survey, there are currently 66,677 domestic workers recorded in the country. It is also worth noting that as of 2022, 89% of the domestic workers were females.

It is clear that unpaid care work is an issue both in terms of being a barrier that prevents women from entering the workforce, and being an additional burden on those who do. According to the 2022 Labour Force Survey, 58.8% of economically inactive females cited housework as the reason for being unemployed or being unavailable for work. This is the main reason for economic inactiveness among women, while being engaged in studies or being retired were also cited as reasons but remain at much lower percentages. Domestic care burden has been discussed at length over the years and became a subject of public discourse in 2021 as research conducted during the pandemic and immediately following the critical lockdown period, provided evidential emphasis on circumstances worsening the double burden of unpaid care work and paid work and the deterioration of female well-being (Chauhan, 2020).

Understanding the importance of the paid care sector in the context of reducing the unpaid care burden on the female population could clarify its place in policy priorities and bring attention to the struggles faced by domestic workers in the industry.

It is interesting to note that as of 2021, an average domestic worker’s income stands at Rs. 26,865.08 while the average informal employment income is Rs.20,808.92. This value is also significantly higher than the stipulated monthly minimum wage of Rs.12,500, which highlights urban households’ high demand for paid care and their ability to afford such paid services.

Barriers to Decent Work

Domestic workers are not only economically disadvantaged but are socially marginalised due to class and racial implications which stem from the colonial era. As per the Labour Force Survey, highest informal employment contributors amounting to 90.3% have the lowest education level of Grade 5 or below which was also seen in the sample of domestic workers we interviewed for this policy brief as well. Their inability to acquire education or skills which provide them access to formal employment, have left them with no choice but to take up domestic work. Despite the fact that domestic work is a necessity in a two income household where women do not take up housekeeping chores as traditionally expected of them, it is not considered a respectable occupation in Sri Lanka. The lack of formal education further contributes to the prejudice faced by domestic workers, and limits their bargaining power when it comes to the terms of their employment and working conditions.
The above chart illustrates the fluctuations in the domestic workers industry over the past seven years. It’s important to note that the lowest number of domestic workers was recorded during the pandemic, indicating a significant level of job insecurity. Domestic workers’ ability to perform their job is reliant significantly on their ability to travel to and from their place of work. The absence of much required legislature and social protection which formal employees are privy to leads domestic workers to depend greatly on the goodwill of their employers.

Below are the elements which make domestic workers a segment of informal employment:

- Absence of a written legally binding contract.
- Absence of a laid-out leave policy, and maternity benefits.
- Absence of an employer and employee contribution to social security funds.

While this informality affects both men and women who are employed in the informal sector, this disproportionately affects women since the majority of domestic workers are women.

The International Labour Organisation (ILO) recommends various steps to provide a sense of formality to the informal nature of domestic work. These include a legal landscape which identifies the relationship between the employer and the domestic worker as a legal relationship, legal framework for the provision of social security rights and benefits to the workers, and formal employment practices such as signing of formal employment contracts between the two parties and that being stipulated by the law as a requirement, and provision of payment slips.

In 2011, the ILO published the Domestic Workers Convention, 2011 (No. 189) which provided a framework for providing decent work conditions for domestic workers. Subsequently the ILO published various reports gauging the adoption of the convention, how the legislative landscape has changed, and if there has been consequent improvement in working conditions for domestic workers. While there has been conversation around the convention, many South Asian nations employing a significant number of domestic workers including Sri Lanka have not ratified the convention (John, 2021).

Similarly, Goal 8 of the Sustainable Development Goals stresses the importance of decent work while promoting sustainable and inclusive economic growth with the aim of trickling down the benefits of that growth to all communities and addressing labour market inequalities (UNICEF).
Policy Recommendations

(1) Stepping into decent work: Formulate and establish the necessary laws

The informal aspects of the paid care sector have previously been explored by various policy research agencies and represented heavily by the Domestic Workers Union (DWU) in its requests for changes in the legal landscape to bring an element of formality to the sector. Globally, 95 out of 108 states assessed by the ILO recognise domestic work in their labour laws. While the DWU has been pushing for the same in several rounds of negotiation with the Ministry of Labour, the newly proposed draft labour legislation Act has failed to include and recognise domestic workers. Recognising domestic workers as formal employees through inclusion in labour law provides statutory protection to domestic workers by regulating their working hours, ability to demand at least a minimum wage and providing social security benefits. A significant policy milestone required to bring in elements of formality to the domestic workers are legal provisions as detailed below post our conversations with DWU President Sathyapani Sarasagopal which she has previously highlighted as well:

- Inclusion of domestic workers within the Wages Board ordinances
- Inclusion of domestic workers in the EPF/ETF
- Enrollment of domestic workers in the minimum wage law and gratuity
(Sarasagopal, 2022)

The above legislative changes require the support of the Minister of Labour in order to be included in the draft bill proposed to the Parliament, followed by contribution of the Parliamentary stakeholders to convert the draft bill into legislation.

2) Ensuring decent work: Establishment of intermediary agencies

Policies which have been previously proposed to improve paid care working conditions include provision of a stable work schedule and training, travel allowance for care workers to reduce commute time, and guidelines to build a healthy relationship between the caregivers and the recipients (Arslan, Alam, Floro, Cha, & Kang, 2022, 29)

While the care provider might not be able to bargain for such aspects of decent work in the Sri Lankan context, well-regulated and established agencies could look into domestic workers’ well-being and ensure their interests. The DWU have formulated a sample contract which domestic workers can use either when entering into a new role with a new employer or formally contracting with the current employer.

The responsibility of up-skilling and reskilling could be carried out by intermediary agencies who educate the domestic workers on carrying out their responsibilities and duties, while also educating them on their rights. Formally skilling the domestic workers will have multi-faceted implications. This not only provides the domestic workers a formal educational background which then educates them sufficiently to hold bargaining power beyond the collective bargaining power exercised by the DWU, it also allows them the ability to eliminate the prejudiced lens with which domestic workers are eyed in Sri Lanka. This recommendation is also strongly endorsed by the DWU which aims to skill their workers before allocating them to various households who have requested such professional support.
In addition, the agencies should ensure the quality of services provided by the domestic worker and be a bridge in ensuring that needs of both parties are fairly met. Matching suitable employers with those registered with the agencies looking at specifics such as travel time from their homes, work hours allocated, negotiating and formally noting down a job description along with a contract which specifies days of leave and contribution to social security benefits, and negotiating salaries could be carried out by the agency.

However, a concern in implementing the above policy recommendation could be that this labour market arrangement of matching demand and supply might result in further exploitation of the domestic worker. This can be due to unfair power dynamics which might prioritize the needs of the employer over the needs of the domestic worker. In order to resolve that concern and ensure that an unfair fee or commission is not charged by the intermediary at the detriment of the domestic worker, regular monitoring of the agencies by the Ministry of Labour and the Ministry of Women and Child Affairs is of utmost importance.

Conclusion

While historic, cultural, and racial elements have created an intersectional lens of unequal treatment for domestic workers in Sri Lanka, international conventions such as ILO’s decent work and the UN’s SDG for decent work, and change in legal landscape would not eliminate the social ramifications of class inequality that domestic workers grapple with. Therefore, this requires cross and upskilling the workers through formal vocational training and providing them with educational certificates which consequently builds a background that most formal sector employees possess. Therefore we have detailed above two policy recommendations that address both the legal and social aspects of change that needs to be brought about to ensure decent work for domestic workers in Sri Lanka.
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FOOTNOTES

3. This sample consisted of approximately 10-15 randomly selected domestic workers.

REFERENCES


