

Sri Lanka workers: Manpower agencies and the increase in precarious employment

Sunday 14 June 2015, by [COLLURE Anushaya](#), [KADIRGAMAR Niyanthini](#), [PADMASIRI Buddhima](#) (Date first published: 14 June 2015).

As the private sector workers are campaigning to secure the Rs. 2,500 increase to their monthly salaries, manpower workers in public and private sector jobs are faced with a difficult struggle.

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Using manpower agencies to recruit employees has been a common practice in the private sector for filling low-skilled manufacturing jobs and foreign employment opportunities. In recent times, such practice has extended to high-end service sectors, such as telecommunications and banking, and public sector organisations. Consequently, “manpower workers,” as those recruited by the agencies are now identified, make up around 17 per cent and 23 per cent of the workforce in two of the public banks. One third of the workforce in another leading private commercial bank is made up of manpower workers.

A manpower worker employed as bank Office Assistant is paid a monthly salary of Rs. 12,000, when the permanent worker in the same position is paid Rs. 47,000. The manpower agency is able to make around Rs. 18,000 per employee recruited. Manpower workers are excluded from the loan facility, medical care and leave encashment provisions enjoyed by the permanent employees. Furthermore, the manpower worker is recruited as contract labour and with no assurance of continued employment.

Significantly lower salaries, exclusion from benefits and temporary employee status are characteristics of precarious employment faced by manpower workers. Indeed, precarious employment conditions lead to greater levels of exploitation and vulnerability. Employers benefit from such insecurity faced by manpower workers to demand greater productivity and obedience. Often found in the lower strata of professional work, they are subjected to severe supervision. As temporary and contract workers, the constant fear of losing their jobs, hinders them from appealing for better conditions, leading to the deteriorating working environment of manpower workers.

Manpower workers and changing employment practices

In the past, manpower agencies were often depended upon to fill job vacancies with high-turnover and unappealing conditions. Currently, they have become the means for companies to further reduce the costs of labour, evading employment standards and increasing the availability of a flexible work force. Although manpower workers are expected to perform jobs within the core business functions of the company, the management of the workers contracts, payments, benefits and work

arrangements are given over to manpower agencies. The employment relationship is concealed and distorted in this way, and companies have taken advantage of it to avoid responsibilities towards the workers. Some large companies run their own manpower agency as a subsidiary firm, enabling them to benefit as standalone profit centres and from the supply of cheap labour to their businesses.

Discriminatory practices adopted by companies in the treatment of the growing number of manpower workers, are leading to discontent among workers and created a rift between permanent and manpower workers. In certain instances, where the take-home daily wage offered seemed higher than that of a permanent worker, manpower workers have consented to remain in the same position. However, their ignorance of the fact that permanent workers are awarded additional allowances and benefits to salaries may have led to such decisions. Permanent workers have shown some reluctance to take up issues faced by manpower workers.

The challenges faced by manpower workers are emblematic of the changing employment practices affecting larger groups of workers and the increase of precarious labour in the economy. Few trade union leaders see the practice of manpower recruitment as a menace to all workers and stress the broader implications including those to permanent employees.

Keshara Kottegoda, of the Ceylon Bank Employees' Union, commented that permanent employees as well as their trade unions view the problem of manpower workers as irrelevant to them; in reality, the fate of the permanent workers is intrinsically linked to the issue of the manpower workers. He further noted that since the manpower workers engage in core business functions, without their participation in any form of union action, including those focused on securing privileges for permanent workers, the chances of launching strikes and their impact are lessened. Commercial and Industrial Workers trade unionist, Wijepala Weerakoon observed that the actions of some trade unionists hinder the absorption of manpower workers to the permanent workforce. "This is one of the main difficulties we have in working with issues faced by the precarious workers," Mr. Wijepala pointed out. Although efforts are being made to forge a common campaign across sectors, it is yet to materialise. Mr. Kottegoda sees a glimpse of a light in the context of the Sri Lanka Telecom (SLT) trade union working in collaboration with the manpower workers.

Strike actions and promises made by the government

A strike action was launched in December (2014) and in January, by more than 2000 workers at SLT. The manpower agency responsible for recruiting the workers, many of whom are performing jobs including in the core functions of SLT operations, is a fully-owned subsidiary company by SLT. Prior to this, a massive campaign was organised on 17th December 2014, by manpower workers serving in the SLT, Ceylon Electricity Board (CEB) and National Water and Drainage Board, held outside the respective head offices, demanding permanency in their employment. Contract workers at CEB were demanding to implement the promise made by the then Power and Energy Minister that they will be made permanent CEB employees from 1st December 2014 onwards. Those in the present government including Minister of Health Rajitha Senarathna, promised SLT manpower workers' that their problem will be solved if they came into power.

The mini-budget presented by the government in January proposed to make permanent manpower workers who have been employed on contract labour for more than seven years in public sector enterprises. However, the workers are not satisfied as it ignores the proposal made by the previous regime to make permanent those in contract labour for more than 180 days and to restrict the role of manpower agencies. In this context, manpower workers of several government affiliated institutions, including CEB, Water Board, Telecom, Port Authority and other state institutions

commenced another protest in March. The workers are demanding that their plight be addressed in line with pre and post-presidential election promises.

Changes to employment patterns with the proliferation of manpower agencies have had a significant impact however, responses to addressing those changes have been slow. Meanwhile, the number of workers affected by unrestricted manpower recruitment is on the rise. The upcoming parliamentary elections and any new government should consider this serious crisis facing labour in the country.

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P.S.

* The Sunday Times. Sunday, June 14, 2015:

<http://www.sundaytimes.lk/150614/business-times/manpower-agencies-and-the-increase-in-precarious-employment-152920.html>

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