

# e-Survey on private sector establishments affected due to 'COVID-19'

Phase 2 - March 2021 - Survey Report

Department of Labour  
Sri Lanka

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# e-Survey on private sector establishments affected due to 'COVID-19' - Phase II

March 2021

## Survey Report

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## PREFACE



Since December 2019, the world has had to adopt almost every step taken in a way to assist the control mechanisms of COVID-19. With severe implications for the Labour market, Sri Lanka continues to experience the aftermath of first wave of COVID-19, whilst battling with continuous imposing of mobility restrictions which cripple employment in the country. Recognizing the depth of the evolving crisis, Department of Labour conducted the first e-survey to assess the situation in April 2020, becoming one of the first institutes to conduct an e-survey to investigate the impact of COVID -19. Being the responsible body of securing the industrial peace of the country, the effort of conducting the e-survey phase I attracted the attention of various stake holders. Here we are launching the report on e-Survey phase II which was carried out during the end of February 2021 at the time Sri Lanka was combating with the second wave of the pandemic. The Department utilized its own human resource to conduct and complete the survey, and in compiling this report.

It is a pleasure to express sentiments of gratitude to the 916 participants of the survey for investing their priceless time which enabled the department to produce this much needed insight into the labour market of the country. The Department is working together with the government to consider the outcomes of the two e-surveys in terms of formulating policies to cope with the demanding dynamics of the Labour Market owing to this new atmosphere.

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B.K Prabath Chandrakeerthi  
Commissioner General of Labour

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## EXECUTIVE SUMMARY

COVID-19 continues to baffle the mankind since its outbreak in December 2019. The resulting impact has already led both the academia and the practitioners to conclude that the world will be battling COVID-19 and its impacts at least for the next ten years. These two years have reversed many advancements mankind has made to assure decent living for all its population.

COVID-19 and the respective preventive policy measures governments are adopting are continuously changing the playing field for all stakeholders in varying degrees. The global employment has decreased for the first time since 1900, rate of unemployment increased, and inequalities have widened further. The vulnerable groups of the society including women and children, the terminally ill and differently abled have been disproportionately affected.

Sri Lanka has been no exception, whilst the experts predict that recovery for nations like Sri Lanka will be longer than that would be for the developed nations. The impact of COVID-19 has been severe in Sri Lanka whilst measures taken to arrest the spread of COVID-19 has negatively impacted the shop floor irrespective of the sector. The evolving situation was beyond the control of the parties to the employment relationship, which questioned the application of labor law for the resulting disputes.

Conducting the first e-survey on establishments in April 2020, Department of Labour reported that 53% of the establishments were closed, whilst only 3 % of the establishments functioned in 'full capacity'. An alarming 39.21% of employers has responded that they would not be able to pay salaries to their employees. Employment terminations had already commenced, with casual workers being terminated at first.

Rising to the challenge the tripartite constituents formed a special task force under the leadership of the Hon. Minister of Labour and arrived at a tripartite consensus to protect the employment in May 2020. The consensus allowed employers to pay either 50% of the basic salary or 14500 LKR, whichever is higher to all employees who were made to stay home without work. This decision was reviewed in June 2021, reverting to the pre-pandemic salary payment mechanisms, exceptions being for the tourism sector.

Establishments in the tourism sector can apply this relief upon the approval of Commissioner General of Labour on a case-by-case basis.

As the situation evolved and changed, the need of a sequel study was identified, which led to the design and implementation of the second phase of the e-survey.

The second phase reaffirms the severe impact COVID-19 has had on the world of work and indicate that most establishments have not been able to reach to the pre-COVID-19 employment levels. 916 establishments had responded to the second phase of the survey, and 61.6 % of establishments have indicated that they were operating in full capacity. 3.3 % of establishments have permanently closed their business. The status of business operation indicates a very strong correlation with the 'lockdown' status of the country, whilst the size of the establishment has indicated a significant correlation with the ability of a business to continue its operations and diversify businesses. Total employment continues to be reduced resembling the forecasts and estimates of both the Central Bank of Sri Lanka and the Department of Census and Statistics. Female employment has decreased further, whilst employment levels have decreased in the Information and Communication sector contrary to the forecasts of the phase 1.

COVID-19 is threatening both the current and future employment of Sri Lanka, indicating the need for a comprehensive policy approach to address the altering labour market conditions. Reforms or amendments in the Labour sector have always been difficult and time consuming, arriving at a consensus by the tripartite constituents have not been a frequent occurrence. The study indicates the need to adopt to the situation and to take and implement comprehensive policy decisions, with room for flexibility as the next step of COVID-19 cannot be predicted.

At the time of writing, 50 % of the population has been vaccinated against COVID-19 whilst the number of countries that have relaxed the travel restrictions to and from Sri Lanka is also increasing. Yet, the country is continuing the 'lockdown' it entered in to on 20<sup>th</sup> August 2021 beyond 20<sup>th</sup> September 2021, requiring labour sector to be reassessed and its strategies to be revisited.

# CHAPTER 1: BACKGROUND SITUATION

## The global COVID-19 response -Situation in July 2021

Forecasting on COVID-19 is becoming extremely complex, after almost 18 months into the initial outbreak in Wuhan. The global statistics indicate that an estimated 227.5M people have been infected with this virus, whilst claiming the lives of 4.67M across the globe as at 16.09.2021(*Coronavirus Graphs: Worldwide Cases and Deaths - Worldometer, n.d.*). By April 2021, approaches for vaccine development have led to successful introductions of vaccinations, of which 9 were approved to be used by different countries, under emergency use (Kumar et al., 2021). The prevailing global situation indicates the difficulties faced in combating the disease successfully in the forceable future. It is noted that countries are adopting varying mechanisms to arrest, and control spread of pandemic, from imposing snap national lockdowns to promoting vaccination against COVID -19. Interestingly, it is also observed that populations react to these mechanisms in varying degrees as well. It has been reported that certain communities do not obtain the vaccination even with monetized incentives (Shah, 2021), whilst certain communities demand access to vaccines (Torjesen, 2021). Similarly, certain populations refused to be under mobility restrictions, whilst certain cohorts of communities' demand for mobility restrictions to curb the spread of COVID-19.

### Total Cases (worldwide)

"Total Cases" = total cumulative count (228,587,449). This figure includes deaths and recovered or discharged patients (cases with an outcome).

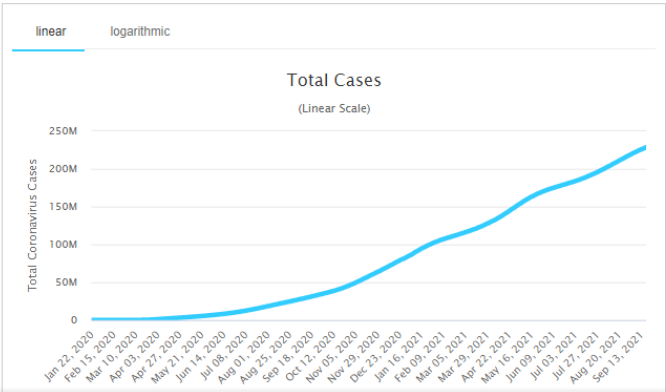


Figure 1: Total cases- global as at 17.09.2021

In this chaotic situation, the only certain observation is the continuous rise in the number of infections, and the corresponding deaths, at changing rates, as shown in the graph above. The statistics do not indicate of any slowing down or flattening of the curve as at present, despite continuous and varying efforts of combating the disease which range from mobility restrictions of varying degrees to vaccination. The Spanish flu pandemic which is considered as one of the gravest pandemics recorded in the written history is said to have claimed 24.7 M to 39.3 M lives whilst infecting during the period 1918 -1919 (Patterson & Pyle, 1991). In comparison, we may still be experiencing the tip of the iceberg of COVID-19.

Borio(2020) reaffirms that COVID-19 is unique due to many factors, and that the crisis resulted from a policy decision taken ‘tackle’ a health emergency through containment. Borio continues to state that the crisis is exogenous, uncertain, and global. The consequences are both short term and long-term. As reported by Jackson et al.(2020) the pandemic has ‘negatively affected global economic growth in 2020 beyond anything experienced in nearly a century’. The crisis has resulted in contracted global Gross Domestic Product (GDP) for the year 2020, whilst the impact of the crisis varied from country to country (Asare Vitenu-Sackey & Barfi, 2021). The resulting socio- economic crisis is threatening the achievement of Sustainable Development Goals whilst reversing the attainment levels in relation to multiple goals. Forecasting the fastest recovery from a recession to occur in the year 2021, the World Bank (2021) reports that this recovery will be uneven, the disparities are confirmed to be wider than the pre-pandemic status. The ‘global economy is heading for a decade of dissapointing growth outcomes’ unless substantial and effective reforms are adopted (World Bank, 2021).

Echoing the sentiments of the World Bank, the International Labour Organizarion estimates a staggering loss of 8.8 % of total working hours globally for the year 2020, which is equivalent to hours worked by 225 million full-time workers in a year (ILO, 2021). The rippling effects of the pandemic has already upsetted the global labour market. Reportedly, 114 million direct job losses have taken place in 2020 with the numbers being significantly high in 2021 and the working poverty rate has slumped back



to the 2015 rates again. The 100 million jobs which are to be created are not sufficient to undone the wrath made in 2020 (ILO, 2021).

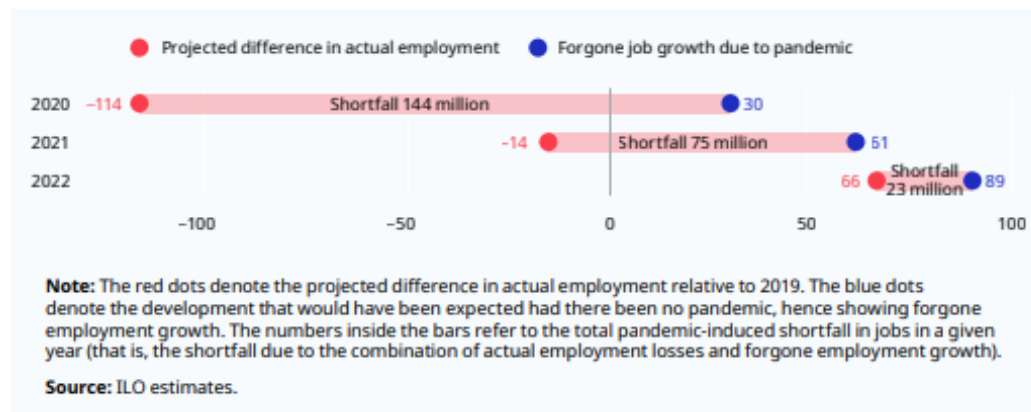


Figure 2: Pandemic- induced global shortfall in jobs, relative to 2019 (millions) Source: ILO, 2021

The latest forecasts of ILO predict the global unemployment levels to revert to the figures in 2013; to 5.7 percent in 2022. ILO (2021) further reports that the job losses amongst the waged and salaried workers to be twice the number recorded for self-employed. The global labour force decreased for the first time since 1900 and stood at 3.386 billion in comparison to the 3.468 billion recorded in 2019, even though the global population continued in its increasing trend in 2020, reaching 7.753 billion. These figures correspond to a global unemployment rate of 6.47% for the year 2020, in comparison to 5.37 % in 2019 (World Bank, 2021). The very disparities and inequalities that were being targeted to be eradicated by 2030 through the achievement of Sustainable Development Goals have been increased further, widening the gap between the global north and south, varying socio-economic status, and skill levels. The realization of decent work for all seems a far-off target as at present. The negative impact of COVID-19 has a gendered aspect, with more women losing jobs whilst 90 % of women who lost their jobs exiting the labour market (ILO, 2021).

Harman et al.(2021) restates the gendered nature of pandemics akin to COVID-19 regarding care responsibilities, security against violence and economic change, decision making whilst Kaur & Byard (2021) indicate that the prevailing situation has the potential to reverse the achievements the world has made towards elimination of child labour. Studies further indicate varying scenarios across the geopolitical regions. One unifying observation and forecast seems to be the widening gap between economic and

social divides. Reportedly, this divide along skill levels, education, income, and gender bases is observed in OECD countries as well, increasing the inequalities at many fronts. The unemployment rate for women in OECD countries recorded 7.0% whilst the rate was 6.6% for males (*Unemployment Rates, OECD - Updated: March 2021, 2021*). These are the very disparities that the Sustainable Development Goals (SDG) which were unanimously adopted and aimed to eliminate by the UN general assembly in 2015. The COVID -19 has been successful in reversing multiple progressions countries had made in combating these inequalities both individually and collectively(Kaur & Byard, 2021).

### Sri Lanka and COVID-19

On 20.08. 2021, Sri Lanka entered a yet another 10-day lockdown in a bid to arrest the rapid spread of the COVID-19 virus amongst the population, the lockdown status is currently being extended continuously. As at 19.08.2021, the total number of infected has surpassed the 500,000 marks, with 12022 deaths being recorded (<https://www.hpb.health.gov.lk/en>). The vaccination program which commenced in March 2021, has now reached the 50% of the population, which is a magnanimous achievement of the country. As the crisis evolved, the government policy has changed from treating all COVID-19 patients in hospitals to home management of patients with the surge of cases being reported. The country is currently reporting its highest number of daily cases and deaths.

In 2019, Sri Lanka recorded an economic growth of 2.3 (year on year), which was a negative 3.6 for the year 2020 (Annual report of the Central bank). Calculations of the Central Bank of Sri Lanka indicates that this figure had been at negative 1.8 in the 1<sup>st</sup> quarter of 2020, whilst it was at negative 10 in the second quarter. The rates reversing and stabilizing at 1.3 in the third and fourth quarters suggest strong correlation of the economic growth of Sri Lanka with the level of mobility restrictions that prevailed in a certain quarter.

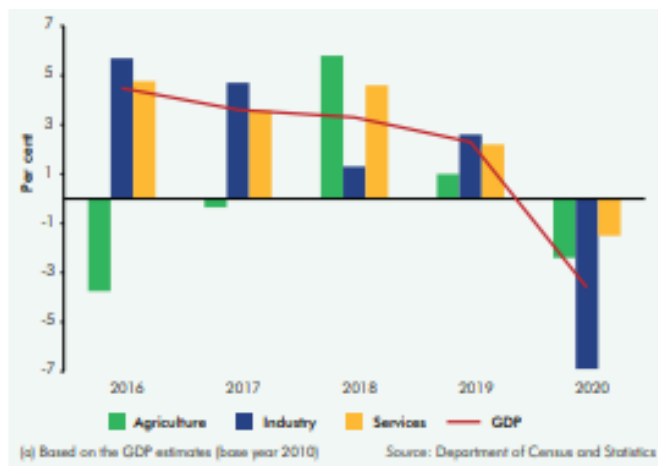


Figure 3 Annual Gross Domestic Product (Central Bank, 2021)

These calculations reflect the status of industries that were identified through the first phase of this study. The stringent measures taken during this period, determined the level of economic activity, in March - April 2020; most industries were either non-functioning or in partial operation. Less than 15 % of establishments across industries recorded were ‘in full operation’ status according to the findings of the phase one. The negative impact of mobility restrictions was observed across all industries, including in the agriculture sector, which was allowed to function throughout the year, disregarding the mobility restrictions.

### Labour Market of Sri Lanka since January 2020

The consequences of COVID-19 have been severe, though it is not visible to the naked eye. Estimates of the Department of Census and Statistics (DCS) indicate that in the 4<sup>th</sup> quarter of 2019, the economically active population was at 8.6 million, with 64.5 % males and 35.5 % females. 46% of this cohort belonged to the services sector, whilst a further 37% were in the industries (*Sri Lanka Labour Force Survey, Annual Bulletin 2020*, n.d.).

In 2020, the unemployment has risen to 5.5 percent, with the rate of labour force participation decreasing to 50.6 from 52.3 percent. A significant job loss and a contraction of the labour force is thus observed in the year 2020 (*Annual Report 2020, The Central Bank of Sri Lanka, 2020*). The statistics of the labour force survey conducted for the fourth quarter indicate that the major contribution to the fall of the

labour force participation rate has been from the urban sector. The gendered aspect of the unemployment is also reflected through the statistics, which may be attributed to the long-term closure of schools and childcare facilities, which requires the caregivers of young children to select between employment and household responsibilities. The female labour force participation rate had reached 31.7 in the fourth quarter, an alarmingly low rate for the country, with a significantly high percentage of educational attainment. It is interesting to note that 8.7 percent of the employed had not worked at least an hour during the fourth quarter of 2020, which was at 31.5 percent during the 2<sup>nd</sup> quarter of the year. This clearly indicates the significant number of potential work hours Sri Lanka has lost due to COVID-19, as this has averaged around 5 percent during the period from 2016- 2019.

Indicator	Year							
	2013	2014	2015	2016	2017	2018	2019	2020
<b>Labour force participation rate</b>								
<b>By Gender</b>								
Total	53.7	53.2	53.8	53.8	54.1	51.8	52.3	50.6
Male	74.9	74.6	74.7	75.1	74.5	73.0	73.0	71.9
Female	35.4	34.6	35.9	35.9	36.6	33.6	34.5	32.0
<b>By selected age Group (Year)</b>								
Total	53.7	53.2	53.8	53.8	54.1	51.8	52.3	50.6
Urban	47.7	48.7	48.6	49.8	50.5	49.6	50.2	47.0
Rural	54.9	54.1	54.8	54.6	54.8	52.3	52.7	51.3
<b>Unemployment Rate</b>								
<b>By Gender</b>								
Total	4.4	4.3	4.7	4.4	4.2	4.4	4.8	5.5
Male	3.2	3.1	3.0	2.9	2.9	3.0	3.3	4.0
Female	6.6	6.5	7.6	7.0	6.5	7.1	7.4	8.5
<b>By selected age Group (Year)</b>								
20 – 29	13.1	13.6	14.2	14.2	13.5	15.0	15.3	18.1
20 – 24	19.3	19.9	19.7	19.9	17.8	20.1	20.3	25.2
25 – 29	7.6	8.2	9.4	9.2	9.5	10.4	11.0	12.0
<b>By selected educational level</b>								
<b>GCE A/L and above</b>								
Total	8.7	8.2	9.2	8.3	8.1	9.1	8.5	9.8
Male	5.7	5.4	4.7	4.7	5.0	5.1	5.0	6.2
Female	11.8	11.1	13.5	11.9	11.3	13.2	11.9	13.6

Table 1 Selected labour force indicators 2013 -2020 - Sri Lanka (DCS, 2020)

The above table published in the Annual bulletin 2020 by DCS indicates the clear drop in employment during the year 2020.

The statistics of Central bank indicate that the rate of unemployment has risen to 5.7 in the first quarter of 2021 indicating the continuing impact of the negative economic environment from 2020, despite the mobility restrictions being relaxed in the first quarter of 2021. These contrasting changes have been attributed to the job losses that occurred during the year due to the contractions in the economic activities, mobility

restrictions and other related phenomena that occurred. Reversing the minute advancement made in female employment in its long journey toward gender parity, Labour Force Participation Rate has dropped significantly, whilst number of employed females decreased by 189,148 in 2020, whilst 64% of the increase in the economically inactive persons were attributed to women (*Annual Report 2020, The Central Bank of Sri Lanka, 2020*). The widened gender gap, continued closure of schools, and deep-rooted gender norms are expected to continue this negative trend further.

Sri Lankan statistics closely resemble the global trends in relation to employment. These statistics indicate the long-term vulnerabilities and the structural issues of the labour market of Sri Lanka.

### COVID-19 and working from home

With the onset of pandemic, the government took multiple measures to arrest the spread of the highly contagious virus. Promotion of 'Working From Home' (WFH) and mandating all public sector institutions to commence WFH is one key initiative with this regard. Accordingly, 2020 will be recorded as the year in which formal acceptance of WFH in the Sri Lankan 'workplaces' took place. Whilst the public sector institutions were directly instructed to carry out WFH where possible at maximum level, the private sector was requested to adopt WFH practices to minimize travel for purposes of employment.

Until 2020, flexibility in employment has been discussed but introducing workplace flexibility through remote working was not formally accepted. Thus, when the labour force was instructed to WFH, the standards or norms for the same were not in existence. Whilst WFH was formalized in the public sector through administrative directives, the vacuum of labour legislation to determine the terms of employment for WFH created uncertainty in application of the same in the private sector, leaving space for the exploitation of the WFH status by both the employer and the employee. It is also noted that Sri Lanka can achieve further improvement in the context of WFH as statistics by DCS indicate that 8.7 % of employees had not worked at least an hour during the reference period.

## Measures taken to protect the labour force of the country

Measures taken to prevent the spread of COVID-19 in Sri Lanka impacted the employment relationship severely. Employees were not able to report to work due to the mobility restricts imposed by the government, whilst employers were also not able to call in employees due to a reason beyond their control. Thus, as was reaffirmed by Samarakoon et al. (2020), the legislation of Sri Lanka was inadequate to address the situations arising in this scenario. In May 2020, the tripartite constituents of the National Labour Advisory Council coming together at this critical juncture, arrived at a consensus to pay 14500 LKR or half the salary whichever amount is higher for employees who had to be kept home without work. This decision was taken to secure employment protection and the business sustainability.

The guarantees assured through this scheme did not offer coverage for self-employed, casual, or for daily wage workers, who were not in an employment relationship with the employer as specified in the labour legislation. Addressing this need, the short-term monetary benefits distributed by the government which amounted to 5000 LKR were provided to unemployed, self-employed, and other categories of the community who had lost their daily income. It is reported that for the month of April 2020, 1.7 million persons have been given the allowance of 5000 LKR allowance based on loss of income, also implies the loss of livelihood of 1.7 million Sri Lankans as well.

Recognizing the need to protect the vulnerable employment groups; pregnant and breast-feeding employees, public sector institutions were requested to keep these cohorts of employees at home. Similarly, the Department of Labour requested from employers to grant relief to vulnerable categories.

Despite severe economic constraints, a large-scale recruitment to the public sector was also carried out during this period. Unemployment rising despite this measure is a clear indication of the vulnerabilities and the job losses that had taken place in the private sector.

Assessing the situation, it can be summarized that the measures taken to mitigate the impact on the labour market has not been successful, as the key labour indicators forecast the continued downward trend in the first quarter of 2021.

## CHAPTER 2: ASSESSING THE ACTUAL SITUATION OF THE LABOUR

### The first e- survey on private sector establishments affected due to ‘COVID-19’

Continued mobility restrictions that were being implemented in March-April 2020 created multiple issues in the labour market, which required to be assessed to take appropriate remedial measures. The increased number of complaints, requests for relief and the need to understand the labour force fluctuations drove the Department of Labour to conduct the first e-survey on the private sector establishments in April-May of 2020. The survey attracted responses from 2674 establishments, covering all administrative districts and all industry types.

In summary, 1465 establishments were fully closed during this period, with 52.15 % of such establishments recording less than 15 employees. The results indicate the severe impact on small and micro establishments as the results portrayed the strong inverse-correlation between the size of the establishment and the ability for the establishment to be in operation.

Size of the establishments by No of employees	Fully Closed		Operations with Under capacity		Operations with Full Capacity		No of Establishments Responded	
	Number	%	Number	%	Number	%	Number	%
01 -15	764	52.15%	302	25.06%	45	47.87%	1111	40.20%
16-50	382	26.08%	278	23.07%	15	15.96%	675	24.42%
51 -250	233	15.90%	332	27.55%	24	25.53%	589	21.31%
251 -500	47	3.21%	103	8.55%	3	3.19%	153	5.54%
More than 500	39	2.66%	190	15.77%	7	7.45%	236	8.54%
<b>Total</b>	<b>1,465</b>	<b>100%</b>	<b>1205</b>	<b>100%</b>	<b>94</b>	<b>100%</b>	<b>2,764</b>	<b>100%</b>

Table 2 status of establishments (Department of Labour 2020)

The data captured hinted at the rising unemployment levels and concerns regarding job security, whilst reflecting the strong will of establishments to continue business as the situation stabilizes. The revelation that terminations of employment had already commenced and is being further planned highlighted the necessity of income assurance

of the unemployed, the possible need to retrain, reskill and reemployment. As shown below, the highest number of terminations had occurred in the probationary level.

Employees in establishment	Permanent	Probationary	Contract	Part-time	Casual	Total
0-15	188	134	198	164	147	831
16-50	159	255	332	104	220	1070
51 -250	188	660	707	95	601	2251
251 -500	80	860	118	114	515	1687
More than 500	1027	6475	942	116	277	8837
Total terminated	1642	8384	2297	593	1760	14676
Total expected to be terminated	18721	13700	3936	568	201634	238559

Table 3: Status of Termination of employment

It is noted that even by May 2020, 42.48% of the employees working in the responded establishments were being either terminated or being considered for termination by the respective establishments.

Essentially, of the total of 596022 employees employed in the responded establishments in February, 2020 only 213011 were in employment by May 2020. Manufacturing sector had reported the highest number and the percentage of loss of employment.

The survey proposed both short term and medium-term proposals to protect both employment and businesses of Sri Lanka.

The full report is accessible from

[http://labourdept.gov.lk/images/PDF\\_upload/notices/survey%20report%202020.pdf](http://labourdept.gov.lk/images/PDF_upload/notices/survey%20report%202020.pdf)

#### Need for regular assessment of the labour force

Economic activities in the country resumed with the gradual easing of mobility restrictions towards the end of the year, which required appropriate assessment. It is further noted that as the pandemic continues to impact the population continuously, it



is essential that assessment of the labour market is also continued, which will assist in gauging the real scenario of the labour force fluctuations.

The second phase of the e-survey was thus designed with the objective of assessing the trends and forecasts of the labour market in Sri Lanka, and the manner the establishments were weathering the impact of COVID-19 as the country welcomed 2021, alongside COVID-19.

## E-survey on employment and private sector business - Phase II

### Objective

Covid 19 pandemic steered the national and international academia to work on fresh knowledge to formulate the novel policies to mitigate the issues raised in vast array of fields. The Department of Labour conducted an e-survey being a pathfinder in the field of labour in Sri Lanka.

The second phase of the e-survey was designed in a way to re-assess the labour market and employment situation and to understand the dynamics of the labour force. The survey was opened for both the establishments that had responded to the first e-survey, and the establishments that had not responded.

This phase was aimed to identify the operational progress of the business ventures, the consequences those had directly influenced the businesses as a result of Covid 19 pandemic and measures and strategies used by the institutions to recover. Furthermore, forecasting the trends of the labour market and employment situation and proposing recommendations to cope the gap of the existing policies in the relevant fields were amongst the scope of this survey.

### Survey Methodology

Upon an extensive literature review, which continued to the time of survey finding analysis and to writing, due to the continuously evolving nature of the situation, the questionnaire was designed and distributed via online platforms. As was followed in the first phase, data was gathered following the International Standard Industrial Classification of All Economic Activities (ISIC), the United Nations industry classification

system to ensure easy data comparability. Adopting the above classification for data collection allowed for data comparability, which enabled the Department to forecast and make appropriate recommendations. It is also noted that the survey did not gather responses from the public sector establishments.

The survey was also made accessible in trilingual, to avoid the language limitation experienced in the first phase of the survey. A questionnaire validation was also conducted prior to the distribution.

The survey questionnaire comprised of 32 questions, with questions requiring direct answers, yes/no answers, ranking, and time-lapse answers. These queries gathered demographic and geographic data of establishments, the level of operation at the time of survey, the status of the establishment during four given time periods during the year 2020, the status of employment during different time intervals during the year, planned and expected terminations, and the level of employment creations.

The questionnaire was distributed as a 'google form' to the;

1. The 2674 respondents of the e-survey by direct emails
2. Other establishments by making the questionnaire available through the official website of the Department of Labour.

Data was collected from 14.01.2021 to 22.02.2021, over a longer time period, attracting responses from a total of 916 respondents. The data was analyzed using both the descriptive and statistical analysis using SPSS, by the Statistical unit of the department.

Survey findings were then compared against national labour statistics, results of the first e-survey and against both local and global forecasts.

Annex 1: Survey questionnaire

### Survey limitations

The second phase of the survey had limitations, as was in the first instance. It is also noted that these limitations are common to most e-surveys.

1. Level and skill of internet usage - Even though wide publicity was given to the survey through both print and online media, the response of establishments

depends on the ability to access and complete the survey link on the website of the Department. Therefore, the level of IT literacy and the internet usage is one salient limitation in this survey. The disparity of the IT literacy and the internet connectivity may explain the low level of responses from certain geographical locations.

2. As a convenient sampling method was adopted to select the responders, under or over representation of employers, employees can occur as the spread of sample is not proportionate across the industries.
3. The employers' reluctance to reveal the actual situation, and the status of employment in their establishments which may have led to both over and under representation of the current scenario and receiving biased data threatening the accuracy of the estimates and the relevance of the recommendations.

The preventive measures adopted to contain the spread of COVID 19 did not allow or promote physical movement for data collection activities during the survey design or data collection period. Therefore, online survey was the only feasible method of data collection. Thus, it was decided to compare the data gathered with the available secondary data prior to making recommendations.

## CHAPTER 3: FINDINGS OF THE SURVEY

### Responder description - Geographical Spread

In total, 916 establishments had responded to the survey, with 50.2% of the responses (460 in numbers) being received from Colombo district, followed by 17.8% from the Gampaha District. The contribution of the Western province to the GDP was estimated to be at 38.6% in 2018 (*Annual Report 2020, The Central Bank of Sri Lanka, 2020*). Hence, a significantly high number of establishments responding from the two districts is justified. The responses resemble the pattern of responses in the phase one as well.

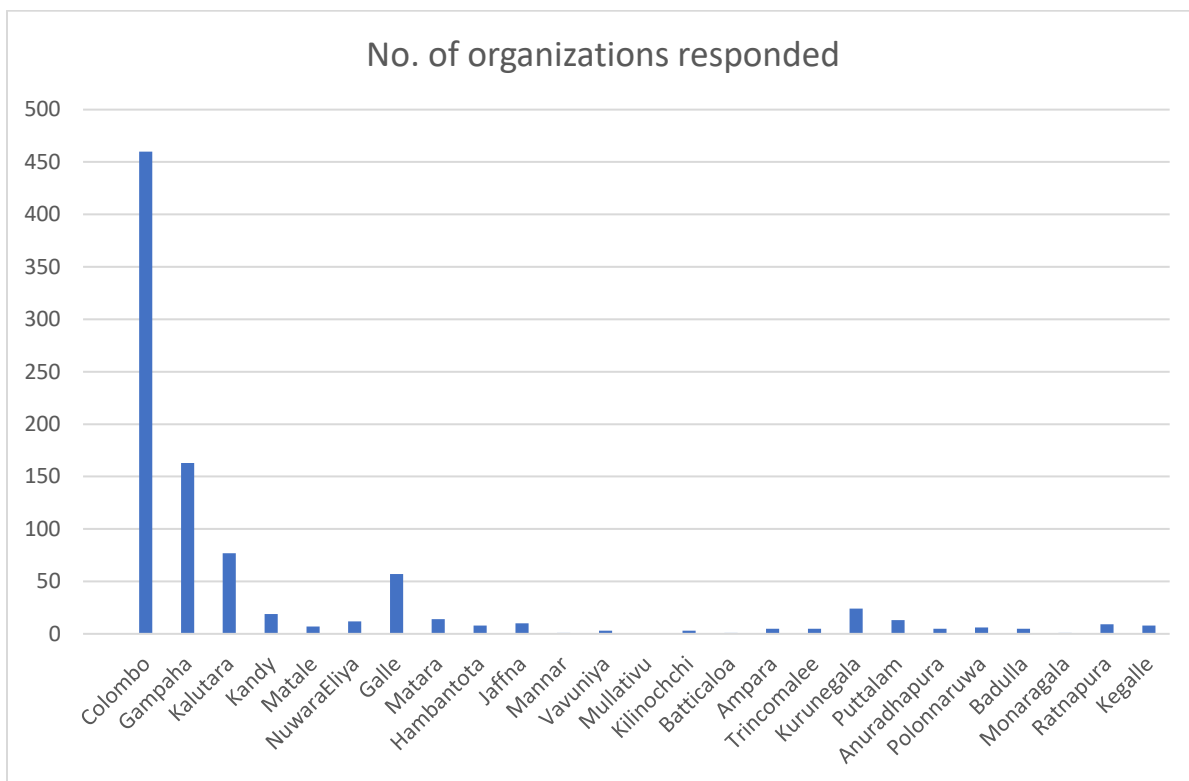


Figure 4: Distribution of establishments

It is noted that 63.55 % of the respondents have indicated that they had responded to the phase one of the survey. Hence it is justifiable to say that the survey reflects the status of these establishments during the year 2020.

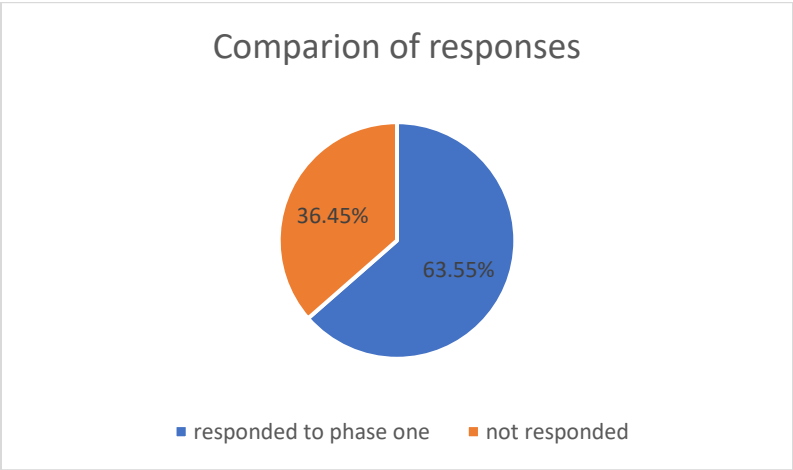


Figure 5 Comparison of responses between the phases

Yet, the statistical panel comparison could only be carried out for 155 establishments as the minute details of the establishments varied, eliminating such establishments from further comparison.

**Responder Description: by industry**

As shown in table 4, all 21 types of industries have been captured through this survey as well. Yet, statistical comparisons in many industries are not possible due to low number of responses. As was indicated in the phase one the largest cohort of establishments were from the Manufacturing sector, which indicated an increased representation of 35.59% from 28.65%. It is noted that the Other Personal Service Activities have recorded the second most percentage, with the ‘Accommodation and Food Services Activities’ accounting for 11.03 % of respondents.

Economic Activity	Total	Percentage
A. Agriculture; forestry and fishing	20	2.18
B. Mining and quarrying	1	0.11
C. Manufacturing	326	35.59
D. Electricity; gas, steam and air conditioning supply	9	0.98
E. Water supply; sewerage, waste management and remediation activities	2	0.22
F. Construction	26	2.84
G. Wholesale and retail trade; repair of motor vehicles and motorcycles	52	5.68
H. Transportation and storage	19	2.07
I. Accommodation and food service activities	101	11.03

J. Information and communication	49	5.35
K. Financial and insurance activities	20	2.18
L. Real estate activities	3	0.33
M. Professional, scientific and technical activities	21	2.29
N. Administrative and support service activities	7	0.76
P. Education	27	2.95
Q. Human health and social work activities	19	2.07
R. Arts, entertainment and recreation	4	0.44
S. Other Personal service activities	210	22.93

**Table 4: Status of business operation by economic activity**

The least number of responses have been from mining and quarrying. Caution must be exercised when utilizing these industry specific data to forecast and arrive at industry specific conclusions, as the sample is not proportionately representative.

### Status of Business operation

61.6 % of businesses have reported to be open, of which the highest number of businesses were from the Colombo District. Whilst 3 % of businesses have reported to have permanently closed the business, the highest number being reported from Colombo District. It is noted that status of business operation cannot be compared with the geographical locations due to the low number of responses from multiple districts.

District	Total no.	Fully operating		Partially operating		Operating on a random basis		Permanently closed	
		no.	(%)	no.	(%)	no.	(%)	no.	(%)
Colombo	460	275	59.8	48	10.4	127	27.6	10	2.2
Gampaha	163	119	73	14	8.6	27	16.6	3	1.8
Kalutara	77	46	59.7	11	14.3	17	22.1	3	3.9
Kandy	19	8	42.1	2	10.5	8	42.1	1	5.3
Matale	7	6	85.7	1	14.3	0	--	0	--
Nuwara Eliya	12	9	75	2	16.7	1	8.3	0	--
Galle	57	21	36.8	18	31.6	13	22.8	5	8.8
Matara	14	7	50	1	7.1	3	21.4	3	21.4
Hambantota	8	3	37.5	1	12.5	4	50	0	--
Jaffna	10	7	70	0	--	3	30	0	--
Mannar	1	1	100	0	---	0	---	0	--

Vavuniya	3	3	100	0	--	0	--	0	--
Mullaitivu	0	--	--	--	--	--	--	--	--
Kilinochchi	3	2	66.7	0	--	1	33.3	0	--
Batticaloa	1	1	100	0	--	0	--	0	--
Ampara	5	2	40	0	--	1	20	2	40
Trincomalee	5	0	--	2	40	3	60	0	--
Kurunegala	24	20	83.3	2	8.3	1	4.2	1	4.2
Puttalam	13	7	53.8	1	7.7	5	38.5	0	--
Anuradhapura	5	4	80	0	--	0	0	1	20
Polonnaruwa	6	5	83.3	0	--	1	16.7	0	--
Badulla	5	3	60	2	40	0	--	0	--
Monaragala	1	1	100	0	--	0	--	0	--
Ratnapura	9	7	77.8	1	11.1	0	--	1	11.1
Kegalle	8	7	87.5	0	--	1	12.5	0	--
<b>Total</b>	<b>916</b>	<b>564</b>	<b>61.6</b>	<b>106</b>	<b>11.6</b>	<b>216</b>	<b>23.6</b>	<b>30</b>	<b>3.3</b>

Table 5: Status of Business operation- phase 2

When compared with the first phase of the study, a significantly high number of businesses were open for businesses at the time of phase 2 of the study, amounting to 97% of total responded.

The panel comparison carried out for the 155 establishments, which indicated that most establishments had resumed business activities either partly or fully at the time of the second phase of the survey. As shown in the table below, out of the 60 establishments that were closed during 1<sup>st</sup> phase, only 2 establishments had remained at the same status of 'closed'. Of the 86 establishments that had reported to be functioning with under capacity, only 23 had remained in the same operating status, whilst one establishment had slipped to the 'closed' status.

Functioning status		Covid Phase -2							
		Closed		Functioning with under capacity		Functioning with full capacity		Total	
		No.	(%)	No.	(%)	No.	(%)	No.	(%)
Covid Phase 1	Closed	2	1.3	32	20.6	26	16.8	60	38.7
	Functioning with under capacity	1	0.6	23	14.8	62	40.0	86	55.5
	Functioning with full capacity	0	0	2	1.3	7	4.5	9	5.8
	<b>Total</b>	<b>3</b>	<b>1.9</b>	<b>57</b>	<b>36.8</b>	<b>95</b>	<b>61.3</b>	<b>155</b>	<b>100</b>

Table 6: Functioning status of establishments

Further, in comparison, the percentage of establishments that had reported to be ‘open’ in the second phase had been at 97% whereas it was at a low 47% during the first phase. These increased numbers indicate the increased economic activities despite the prevalence of COVID-19 throughout the year.

Covid -19 Survey	Total no. of establishments responded	Out of the responded establishments			
		Reported Open		Reported Closed	
		No.	(%)	No.	(%)
Phase 1	2764	1299	47	1465	53
Phase 2	916	886	97	30	3

Table 5 Comparison of impact of COVID-19 in phase 1 and 2

It is noted that the phase 1 was conducted when the country was experiencing a prolonged national lockdown, whilst phase 2 was conducted when restrictions were eased for a significant period. Thus, the results indicate the strong inverse correlation between the ability of the businesses to keep open and the severity of the mobility restriction.



Market Base	Total	Fully operating		Partly operating		Operating on a random basis		Permanently closed	
		No.	(%)	No.	(%)	No.	(%)	No.	(%)
Local market only	202	152	75.2	15	7.4	26	12.9	9	4.5
Local and international market	311	186	59.8	47	15.1	69	22.2	9	2.9
International market only	403	226	56.1	44	10.9	121	30.0	12	3.0
<b>Total</b>	<b>916</b>	<b>564</b>	<b>61.5</b>	<b>106</b>	<b>11.6</b>	<b>216</b>	<b>23.6</b>	<b>30</b>	<b>3.3</b>

Table 7 :Status of business operation and the market base

The table 7 indicates the status of business operation in comparison to the market base. 403 establishments had indicated that they cater only to the international market, with 226 establishments reporting to be on ‘fully operating’ status; 40.07 % of the total number of businesses in full operated. Further analysis indicates that the businesses catering only to the international market has difficulty in keeping their businesses. This phenomenon may indicate the reduced international demand for the goods and services supplied by Sri Lanka. Interestingly, 75 % of the businesses catering only to the local market had resumed/ continued full operation of business activities at the time of the phase 2 of survey.

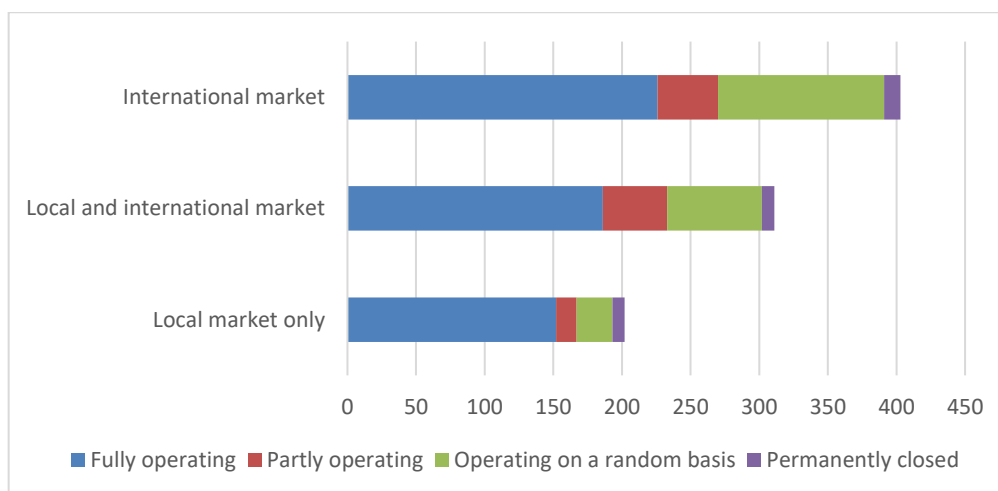


Figure 6:Status of business operation and the market

## Impact of COVID-19 on the business operation

Understandably, COVID-19 has had an impact on the status of the Business operation. As stated above, 30 establishments have permanently closed the businesses due to various reasons. The survey queried on the reasons, allowing the respondents to indicate multiple reasons. Accordingly, lack of financial resources has been identified as a cause for closure by 36.7 %, whilst less demand has been identified by a further 26.7%. Noting that respondent’s ability to select multiple responses, 60 % of the respondents have cited of other reasons too. This information indicates a combination of multiple factors that have led to the businesses being permanently closed.

Market Base	Total	Lack of financial resources	Less demand to products (%)	Shortage of raw material	Others
Local market only	12	33.3	22.2	---	44.4
Local and international market	9	30.0	20.0	10.0	40.0
International market	9	18.2	18.2	9.1	54.5
<b>Total</b>	<b>30</b>	<b>36.7</b>	<b>26.7</b>	<b>6.7</b>	<b>60.0</b>

Table 8: Reasons for not starting permanently closed businesses

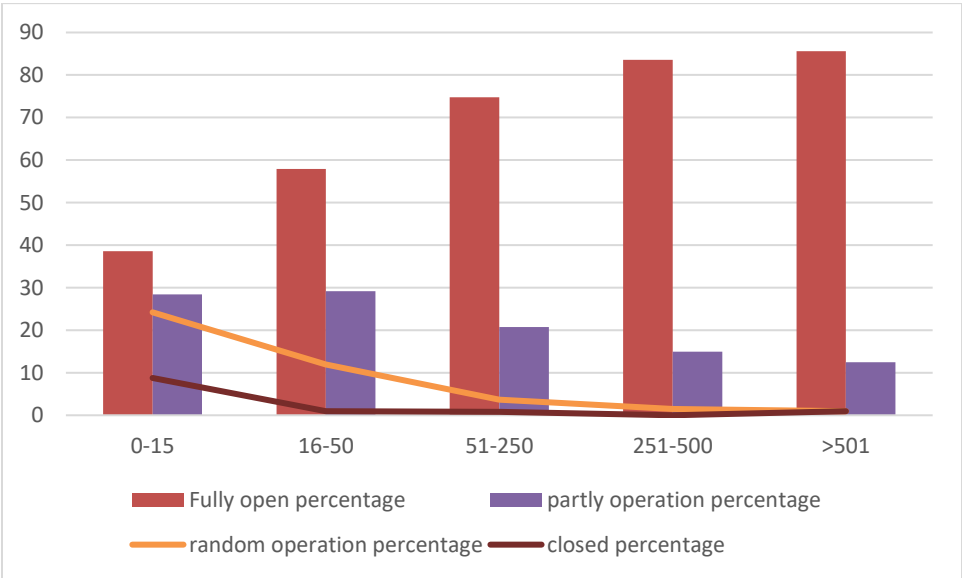


Figure 7: Size of the business vs status of operation - December 2020

Interestingly, the size of the organization has a strong relationship with the status of business operations. As was observed in the phase one, as the size of the employment increases, the ability of an establishment to operate on full capacity increases. The difficulty to remain open is experienced by the smaller businesses, which would generally fall into the informal sector. This indicates the vulnerability of the small, micro, and medium scale enterprises in the current scenario.

### Attempts taken to diversify by businesses in response to COVID 19

COVID-19 was declared a global pandemic in March 2020. Businesses had to accustom themselves to the newfound challenge, for which Sri Lanka was of not an exception. The survey revealed that

Diversification	Sector			Total (no)
	Agriculture (%)	Industry (%)	Service (%)	
Diversified	0.7	27.0	72.3	289
Not diversified	2.9	45.6	51.5	627
<b>Total</b>	<b>2.2</b>	<b>39.7</b>	<b>58.1</b>	<b>916</b>

Table 9: Diversification as a response to COVID-19

31.5% of the responded entities had resorted to diversification to overcome the challenges posed by COVID-19, with the services sector representing the highest rate of 72.3%. Further, this diversification has invariably ensured that the businesses continue their operations despite the rapidly changing external environment.

Diversification practiced	Sector			Total	
	Agriculture (%)	Industry (%)	Service (%)	No.	(%)
Introducing new products to the market	2.5	27.2	70.4	81	100
Diversified the sales/ marketing channel	1.9	17.0	81.1	106	100
Diversified the existing product portfolio	1.67	21.7	76.7	60	100
Changed the product range	1.22	45.1	53.7	82	100
Any other type	-	10.8	89.2	65	100

Table 10: Percentage distribution of establishments in main three sectors by diversification practice.

- Multiple answers allowed at the questionnaire

The table above indicates that service sector has been able to diversify the business significantly in comparison to the agriculture and industry sectors, pointing at the challenges these two sectors will face in this long battle to sustain their businesses in the current context. Interestingly of the 30 establishments that have permanently closed, 26 establishments have indicated that they had not adopted any diversification strategy in their businesses. This is a staggering 86.67% of the permanently closed businesses. Similarly, 27.5% of businesses that were in full operation in December 2020 had adopted diversification strategies. This clearly indicates a strong relationship with business sustainability and diversification, whilst diversification alone is not the only strategy that have ensured business sustainability.

The status of business operation varies in comparison to the economic activity as shown in table 11 below. Most responded establishments belong to 'Manufacturing' of which 77.6% of the establishments had reported to be in full operation in December 2020. Out of the 210 establishments belonging to other personal activities, 51.9% had reported to be in full operation. It is noted that the 'Accommodation and food service Activities', 'Wholesale and retail trade; repair of motor vehicles and motorcycles', and the 'Information and communication' are also be considered for this comparison, due to the number of responses received from these sectors. Accordingly, all these sectors have indicated of being able to operate in fully capacity in December 2020. Interestingly, of the 45 establishments that have indicated to be in full operation in the 'Accommodation and food service Activities', 48.9% have reported to have diversified business. Noting that Accommodation and food service industry has also been one of the hardest hit industries, it is also envisaged that diversification offers a significant opportunity for business sustainability in this sector as well. Establishments falling in to 'Education' category portray a checkered picture in relation to the status of business operation, with one of the highest partially in operation figures. Out of the 27 establishments that have responded to the survey, only 7 (25.9%) have reported to be in full operation, whilst 4 have reported to be permanently closed. Incidentally, at the time of phase one of the survey, only 2 out of the 90 establishments were fully operating, a mere 2.22% of the industry. Noting the fact that the government institutions were not included in the survey (both public schools, and other higher educational institutions) which continue to be closed at the time of writing as well, the continuous closure of these establishments indicate both the future skilled labour shortage and the increased 'Not in Education, Employment or Training (NEET) cohort of Sri Lanka.

Economic activity (ISIC-Rev.4)	Total	Fully Operating	(%)	Partially Operating	(%)	Operating on a random basis	(%)	Permanently Closed	(%)	diversified and fully operating	(%)
C. Manufacturing	326	253	77.6	48	14.7	18	5.5	7	2.1	50	19.8
S. Other Personal service activities	210	109	51.9	62	29.5	31	14.8	8	3.8	27	24.8
I. Accommodation and food service activities	101	45	44.6	25	24.8	24	23.8	7	6.9	22	48.9
G. Wholesale and retail trade; repair of motor vehicles and motorcycles	52	29	55.8	16	30.8	5	9.6	2	3.8	12	41.4
J. Information and communication	49	31	63.3	12	24.5	6	12.2	0	--	14	45.2
P. Education	27	7	25.9	11	40.7	5	18.5	4	14.8	4	57.1
F. Construction	26	16	61.5	6	23.1	2	7.7	2	7.7	5	31.3
M. Professional, scientific and technical activities	21	10	47.6	9	42.9	2	9.5	0	--	2	20.0
A. Agriculture; forestry and fishing	20	14	70	3	15	3	15	0	--	2	14.3
K. Financial and insurance activities	20	15	75	4	20	1	5	0	--	9	60.0
H. Transportation and storage	19	8	42.1	7	36.8	4	21.1	0	--	1	12.5
Q. Human health and social work activities	19	9	47.4	7	36.8	3	15.8	0	--	2	22.2
D. Electricity; gas, steam and air conditioning supply	9	9	100	0	--	0	--	0	--	1	11.1
N. Administrative and support service activities	7	4	57.1	3	42.9	0	--	0	--	0	0.0

R. Arts, entertainment and recreation	4	1	25	1	25	2	50	0	--	0	0.0
L. Real estate activities	3	2	66.7	1	33.3	0	--	0	--	0	0.0
E. Water supply; sewerage, waste management and remediation activities	2	2	100	0	--	0	--	0	--	0	0.0
B. Mining and quarrying	1	0	0	1	100	0	--	0	--	0	0.0

Table 11 :Status of business operation by economic activity

### Status of employment

The study does indicate a significant loss of employment from February 2020 to December 2020, with 20867 employment terminations being recorded within the survey sample during the year. This amounts to 8.33 percent of the total employment recorded in the sample in February 2020. Ironically, this value is alarmingly close to the percentage of short-term employment losses that was recorded in the phase one of this survey. The preliminary forecast in relation to the job losses appear to be accurate in this context. All sectors have experienced a dip in employment levels in May and September of 2020, whilst the trend had reversed in December 2020, though it had not reached the pre-COVID -19 levels, except in the 'Wholesale and retail trade; repair of motor vehicles and motorcycles' where a very slight increase in male employment levels has been observed.

Economic activity (ISIC-Rev.4)	No. of employees at end of Feb.2020		No. of employees at end of May2020		No. of employees at end of Sep2020		No. of employees at end of Dec. 31 <sup>st</sup> 2020	
	M (No.)	F (No.)	M (No.)	F (No.)	M (No.)	F (No.)	M (No.)	F (No.)
A. Agriculture; forestry and fishing	816	537	803	544	814	543	832	533
B. Mining and quarrying	166	7	165	7	159	7	5	156

<b>C. Manufacturing</b>	60,497	100,224	56,160	90,912	55,711	90,370	57,263	90,589
<b>D. Electricity; gas, steam and air conditioning supply</b>	619	35	658	35	617	35	616	37
<b>E. Water supply; sewerage, waste management</b>	26	5	26	5	26	4	27	4
<b>F. Construction</b>	3,254	285	2,608	251	2,835	253	2,804	260
<b>G. Wholesale and retail trade; repair of motor vehicles and motorcycles</b>	4,762	1,392	4,837	1,350	4,947	1,321	4,787	1,246
<b>H. Transportation and storage</b>	675	107	645	104	661	102	652	100
<b>I. Accommodation and food service activities</b>	11,196	1,888	10,177	1,757	9,723	1,773	9,260	1,562
<b>J. Information and communication</b>	4,000	2,955	3,725	2,784	3,356	2,225	3,433	2,128
<b>K. Financial and insurance activities</b>	6,186	1,516	6,228	1,498	6,094	1,472	6,039	1,456
<b>L. Real estate activities</b>	130	60	121	55	123	42	107	50
<b>M. Professional, scientific and technical activities</b>	226	242	219	238	221	241	220	236
<b>N. Administrative and support service activities</b>	1,304	833	801	814	896	815	895	811
<b>P. Education</b>	1,521	3,442	1,471	3,278	1,452	3,247	1,486	3,043
<b>Q. Human health and social work activities</b>	811	1,258	766	1,170	756	1,168	721	1,175
<b>R. Arts, entertainment and recreation</b>	88	21	50	12	72	19	46	9

S. Other Personal service activities	27,266	12,094	24,863	10,413	26,291	11,247	25,869	11,120
<b>Total (No.)</b>	<b>123,543</b>	<b>126,901</b>	<b>114,323</b>	<b>115,227</b>	<b>114,754</b>	<b>114,884</b>	<b>115,062</b>	<b>114,515</b>

Table 12: Total employment vs industry

It is noted that a higher percentage of females have lost their employment during this tenure. The percentage decrease in employment in females is reported to be at 9.76% whilst the percentage was at 6.86% for males. The deep-seated gendered divisions in the labour force are also clearly visible in the data gathered through this survey. Education, Human health and Social Work activities, and manufacturing sectors have significantly higher numbers of females being employed whilst sectors of construction, transportation, Accommodation and food service activities, and Information and communication indicate very high levels of gender disparity in rates of employment in comparison. Further, female employment in the information and communication sector has recorded the highest percentage of job losses which accounted for 27.99% of the employment in February 2020.

### Salary payment

Economic activity (ISIC-Rev.4)	Salary Payment criteria							Salary not paid	Total
	Basic Salary + Allowances	Basic salary + (%) of Allowances	Basic Salary only	80% of Basic Salary	(50-80) % of Basic salary	(30-50) % of Basic salary	(10-30) % of Basic salary		
<b>Agriculture, Forestry and fishing</b>	15	1	2	0	1	0	0	1	20
<b>Manufacturing sector</b>	243	20	21	3	24	5	1	9	326
<b>Construction</b>	13	2	4	3	4	0	0	0	26
<b>All other Industrial Activities</b>	10	0	1	0	1	0	0	0	12



<b>Wholesale and retail trade: repair of motor vehicles and motorcycles</b>	31	0	10	4	4	1	0	2	52
<b>Transportation and ware-housing activities</b>	14	0	2	0	1	1	0	1	19
<b>Accommodation and food service activities</b>	42	12	19	3	15	4	2	4	101
<b>Information and communication</b>	28	3	10	4	2	2	0	0	49
<b>Human health and social work activities</b>	15	1	2	0	1	0	0	0	19
<b>Other Personal service activities</b>	132	18	18	4	21	7	4	6	210
<b>All other services Activities</b>	48	3	14	3	10	2	1	1	82
<b>Total</b>	<b>591</b>	<b>60</b>	<b>103</b>	<b>24</b>	<b>84</b>	<b>22</b>	<b>8</b>	<b>24</b>	<b>916</b>

Table 13: Payment of Salary and other benefits in comparison to industry

As indicated the table 13, only 64.51% of the establishments have continued to pay the basic salary along with other allowances, whilst the rest of the organizations have paid varying rates with 2.62% of establishments having indicated to not to have paid salary at all. The number of employees that have not been paid salary is at 512, 0.2 percent of the total employment in

February 2020. Accommodation and Food service sector has reported the lowest percentage for the full payment of salary, reflecting the status of the tourism sector in country, closely followed by the construction sector.

The fact that 35.41 percent of employees have not received the total salary emoluments in comparison to the pre-COVID-19 status indicate the loss of household income in this cohort. Hence, despite a significant percentage reduction in the cohort of employees who could not be paid at all, the persisting lower payment of allowances and other benefits indicate the income loss due to COVID-19.

### Size of the business

In comparison to the phase 1 of the survey, a lesser percentage of establishments with less than or equal to 15 employees have responded to the second phase of the survey. This amounted to 31.2 % of the total sample as per the employment figures in December 2020. Yet, there is a significant correlation with the size of the establishment and the status of business operation, as was indicated in the phase one of the survey. As shown in figure 07, the ability of an establishment to fully operate increases as the size of the establishment increases. IN comparison to the findings of the phase 1 of the survey, by December 2020, the ability of small businesses to keep the business in full operation has also increased, with only 8.77 % reporting the inability. Caution needs to be taken when arriving conclusions from this observation as this observation is made from the survey findings only, as the sample was purely based on the willingness to respond to the survey, the probability of non- responded closed businesses is significant, which will invariably change the assumption.

Number of employees	A	(%)	B	(%)	C	(%)	D	(%)	E	(%)
<b>0-15</b>	110	38.60	81	28.42	69	24.21	25	8.77	285	100
<b>16-50</b>	121	57.89	61	29.19	25	11.96	2	0.96	209	100
<b>51-250</b>	184	74.80	51	20.73	9	3.66	2	0.81	246	100
<b>251-500</b>	56	83.58	10	14.93	1	1.49	0	0.00	67	100
<b>&gt;501</b>	89	85.58	13	12.50	1	0.96	1	0.96	104	100

A: Fully open in December

B: Partly operating (operating 3-6 days of the work)

C: Operating on a random basis (depending on the orders available - open less than 3 days a week)

D: Closed

E: Total number of establishments

**Table 14: Status of Business Operation vs size of the business**

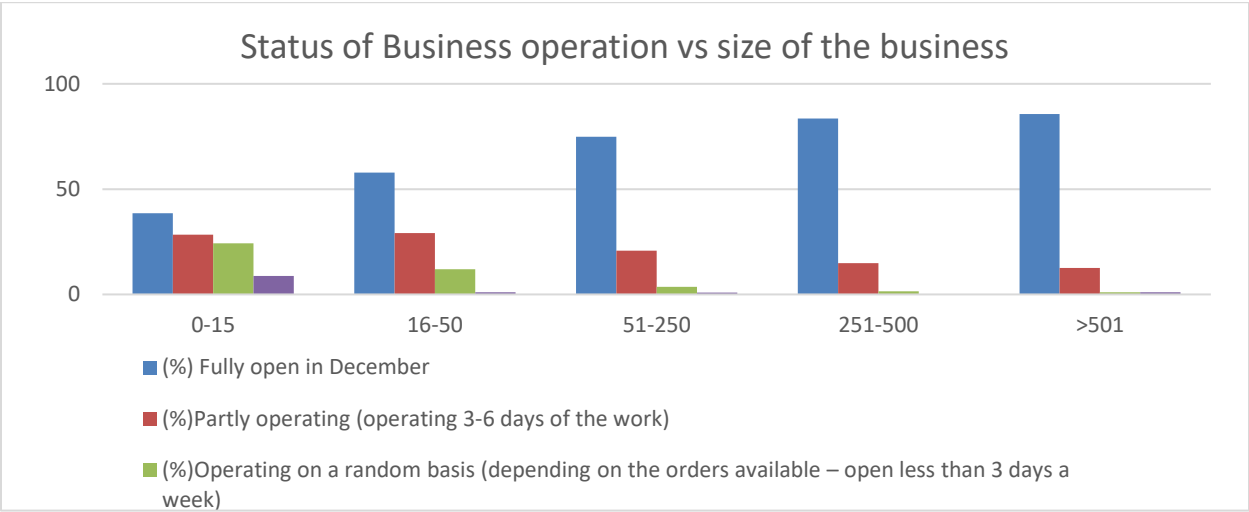


Figure 8 : status of business operation vs size of business

Number of employees	Number of establishments	Total number of employees
0-15	283	1581
16-50	210	6271
51-250	249	30001
251-500	61	24485
>500	109	166609

Table 15: size of establishment vs number of employees

The table above highlights the fact that a significant employee cohort is employed in large businesses, whilst the micro, small and medium (MSM) scale establishments employ a significantly small number of employees. As was portrayed in the phase one of the survey, despite large establishments being able to operate the businesses at a higher level, the slightest impact in this group impacts a larger cohort of employees in comparison to MSM establishments.

Only one establishment with more than 500 employees have reported to be closed, yet the number of employees that are employed by this establishment is at 906. In comparison 25 establishments with 15 or less employees are closed, which have impacted the employment of only 93 employees. Thus, the size of the establishments and the corresponding job losses has a strong correlation, which is reaffirmed in the second phase.

Number of employees	Total number of employees Feb-20	Total number of employees May-20	Total number of employees Sep-20	Total number of employees Dec-20	Number of Employees paid full salary with allowances
<b>0-15</b>	1796	1809	1712	1731	895
<b>16-50</b>	6736	6621	6363	6271	3741
<b>51-250</b>	30169	29218	30694	29751	21587
<b>251-500</b>	23717	23061	21899	24485	19564
<b>&gt;501</b>	187552	168358	168449	166609	139109
<b>Total</b>	<b>249970</b>	<b>229067</b>	<b>229117</b>	<b>228847</b>	<b>184896</b>

Table 16: size of establishment and the total employment

It is also noted that 1373 employees were not in work by December 2020, whilst 512 employees have been identified as not being paid the salary. It is also noted that the total employment in establishments with more than 500 employees and establishments will 16-50 employees have continued to decrease, even though the other three categories have experienced an increase, at least in minimal levels.

Further, calculations reveal that 184896 number of employees have received full salary with allowances, which amounts to 80.79 % of total employees in December 2020 whilst the figure represents 73.97% of the total employment in February 2020. In comparison, the statistics of the phase 1 of the survey indicate that 25.79% of total employment were identified as ‘not able to pay salary’. In this context there is a significant improvement in the status of employment and the level of income received by the employees.

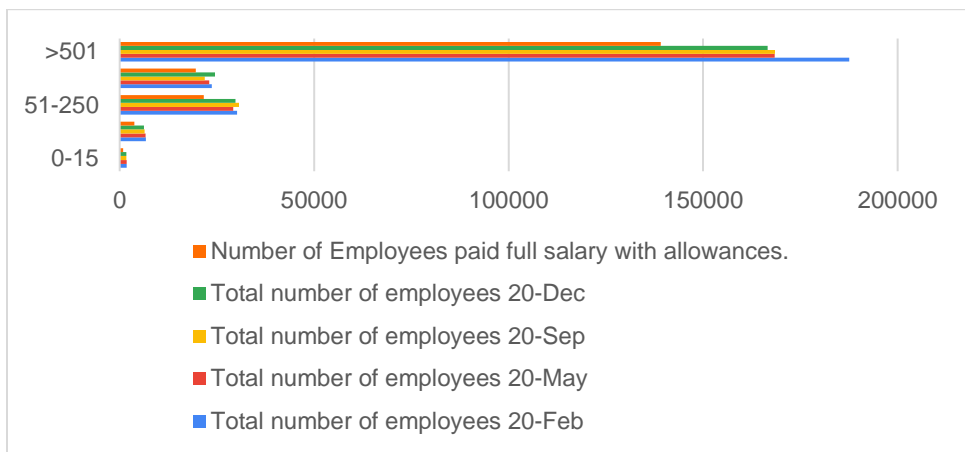


Figure 9: Total employment Vs Size of employment

Survey statistics indicate that the impact on employment and the level of remuneration varies with the size of the establishment. Only 50.71% of employees working in establishments with less than 15 employees have received their total salaries with allowances. In establishments with more than 500 employees, 80.79 % of employees have drawn their full salary along with allowances. Though at a lesser percentage, the corresponding calculation reveals that 27500 employees have not received their full salary in these establishments. The disproportionate impact large scale establishments have in determining the state of total employment is clearly visible in this respect of total employment.

Termination Category	Already Terminated		Further planned to Terminate	
	No	(%)	No	(%)
Permanent	2,910	37.5	30	54.6
Probationary	3,091	39.8	6	10.9
Contract	1,505	19.4	8	14.6
Part time	68	0.9	5	9.1
Casual	188	2.4	6	10.9
<b>Total</b>	<b>7,762</b>	<b>100.0</b>	<b>55</b>	<b>100.0</b>

Table 17:employee terminations

Employment security is not assured even at the end of December 2020, with terminations taking place. A significant difference from the phase one is the low number of terminations planned for the casual and part time employees, which can be due to multiple reasons, including to the fact that they have already been terminated at the beginning of pandemic situation. These figures confirm the shrinking employment levels.

## Nature of Work

The survey has revealed that the COVID-19 has driven the shopfloor to adopt changes to the nature of work. The data suggest that 36 % of establishments have not introduced changes to the method of working, whilst 26 % have introduced working from home practices with 38 % of establishments claiming to have introduced roster basis to the shopfloor.

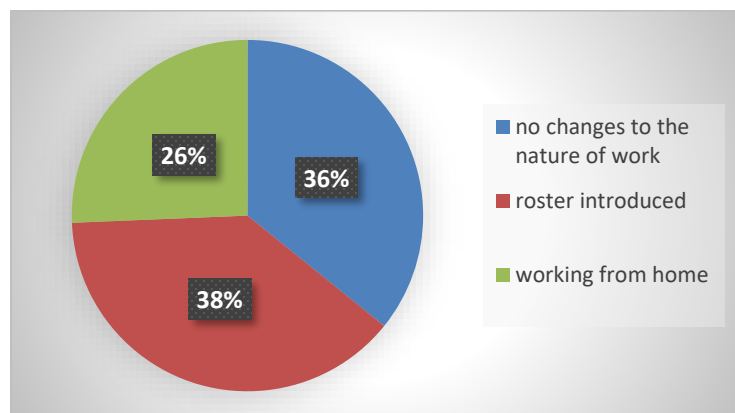


Figure 10: changes introduced to nature of work

Sector	Introduced roster schedules		Introduced working from home		Method of working not changed		Total	
	No.	(%)	No.	(%)	No.	(%)	No.	(%)
Agriculture	3	15.0	2	10.0	15	75.0	20	100.0
Industry	80	22.0	52	14.3	232	63.7	364	100.0
Service	177	33.3	184	34.6	171	32.1	532	100.0
<b>Total</b>	<b>260</b>	<b>28.4</b>	<b>238</b>	<b>26.0</b>	<b>418</b>	<b>45.6</b>	<b>916</b>	<b>100</b>

Table 18: Adoption of new working arrangements

As had been experienced in multiple countries, COVID-19 has led to the introduction of different working methods to the workplace. Further, it is noted that flexible working arrangements have also been introduced in this context. Accordingly, 28.4 % of establishments have reported to have introduced 'work rosters' whilst 26% of establishments have introduced remote working from home. Further, it is also observed that service sector has taken the lead in introducing work place flexibility during this time.

Sector	Percentage of employees	
	Worked from home (%)	Worked under roster schedule (%)
Agriculture	9	60
Industry	35	56
Service	64	59
Average	36	58

Table 19:percentage of employees in flexible working arrangements

As seen above in table 18, 64 % of employees in the services sector have worked from home, whilst equal percentages of employees have been given the opportunity to work under rosters. On average, 36% of employees have resorted to work from home, with 58 % employees adopting roster work schedules.

It is also noted that not all employees have their work from home set out with formal working conditions. As demonstrated below.

Condition/Facilities	Employees worked from home	
	Yes (%)	No (%)
<b>Conditions</b>		
Defined working time	65.9	34.1
Assigned work on piece rate	93.0	7.0
Allowed to take leave	15.7	84.3
<b>Facilities</b>		
Internet/Connectivity facilities	87.7	12.3
Office furniture	59.2	40.8
Stationary	87.7	12.3
Monitored the work carried out	59.2	40.8
<b>Total (No.)</b>	<b>1068</b>	<b>519</b>

Table 20:Provision of facilities to work from home

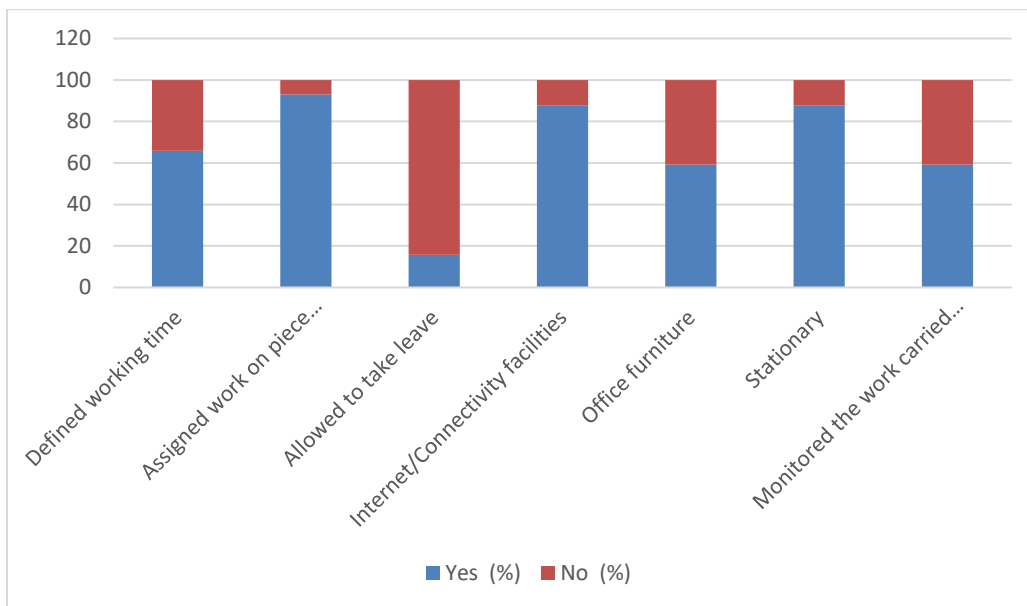


Figure 11: Comparison of working from home conditions and facilities

It is also noted that the employees working from home had varying experiences. As shown in figure 09, assigning work in piece rate method, providing internet facilities and stationery have been the most adopted practices to facilitate working from home. Interestingly, 84.3 % of establishments have not determined criteria for obtaining leave if an employee is working from home.



## CHAPTER 4: DISCUSSION OF RESULTS AND RECOMMENDATIONS

### Discussion of Results

The second phase of the survey indicate that the industries had started on the long path of recovery from the aftermath of first wave of COVID-19 in Sri Lanka. The status of business operations had improved with 61.6 % of establishments reporting to be open in comparison to 53% during the 1<sup>st</sup> survey. 64.9 % of the establishments had reported that they were remunerating their employees with the full salary along with benefits. 30 establishments had reported that they had completely closed their businesses, indicating the short-term impact of the COVID-19 on the business sustainability.

Total employment has continued to decrease over the year. The total terminations reported in the second phase of the survey amounts to 8.33 % of total employment in February 2020. The cohort of employees who were being paid the full salaries amounted to 80.79 % of the total employment captured in December 2020, an improvement from phase one. The reported 7762 terminations indicate the threat to employment, which amounts to 3.01 % of the total employment in December 2020. In comparison, the tendency for terminations in phase one was targeting the casual employees mostly, with the planned job losses being estimated at 40.1%. Planned and already commenced job losses during the first survey without the terminations of casual employees amounts to 8.36%. Noting that plans for terminations for casual employees in the second phase was only at 55 number of employees, it can also be assumed that establishments had already terminated their casual employees, whilst the continuation in terminations is now in other types of employment including permanent category. The administration data of the Termination unit of the Department of Labour provide evidence on this. In year 2020, 542 complaints accounted for 1167 individuals on employee termination had been received. By July 2021, it was reported 136 complaints of 204 employees for year 2021. Employers had submitted 52 applications on 1205 individuals under the provisions of termination of employment of workmen act in year

2020. This number has decreased to 12 applications on 62 workers from January to July 2021.

Employees on probation are significantly being terminated, which amounts to 39.1% of the total terminations. This highlights the fact that the opportunity to gain skills as new entrants to the employment is diminishing in the evolving environment. It is also noted that not all employees are receiving the full salaries. Continued mobility restrictions, and reduced businesses will also reduce the additional income most employees are obtaining, in the form of overtime and other extra work.

COVID-19 has increased the occurrence of Working From Home (WFH) practices in the shop floor, increasing opportunities for flexible work arrangements. It is also noted that not all businesses can adopt WFH whilst not all vocations/ professions can adopt WFH. Observing the fact that the clear demarcations in framing WFH has not been introduced, it is also observed that the current trends create much room for exploitation. With the decreased job opportunities, employees may continue to work in harsh and exploitative conditions which will need to be addressed. It is essential that the labour legislation address these needs by introducing suitable legislation to ensure decent work for all, disregarding the place of work.

The results of the phase 2 indicate the gendered impact of COVID-19. It is noted that the females have significantly lost their jobs during this period. Taking note of the fact that the schools and the day care centers have not been opened for most of this period, the childcare and other care responsibilities would also be a push factor for the women to leave the labour force.

The survey results resemble the estimates of the Central bank of Sri Lanka significantly. As shown in figure below, the labour force has contracted, whilst the corresponding economically inactive population has increased. Similarly, the labour force participation rate has reduced by 1.7 percentage points during the year whilst the unemployment rate has increased to 5.5 % from 4.8%. having recorded a negative 'Real Economic Growth Rate' of 3.6 percent these figures seem paint a very bleak picture in terms of employment in the country. Further, strong resemblance of data with that of

the annual report of the Central Bank of Sri Lanka, also indicates that the data collected via the survey can be used to generalize the study findings to a certain extent.

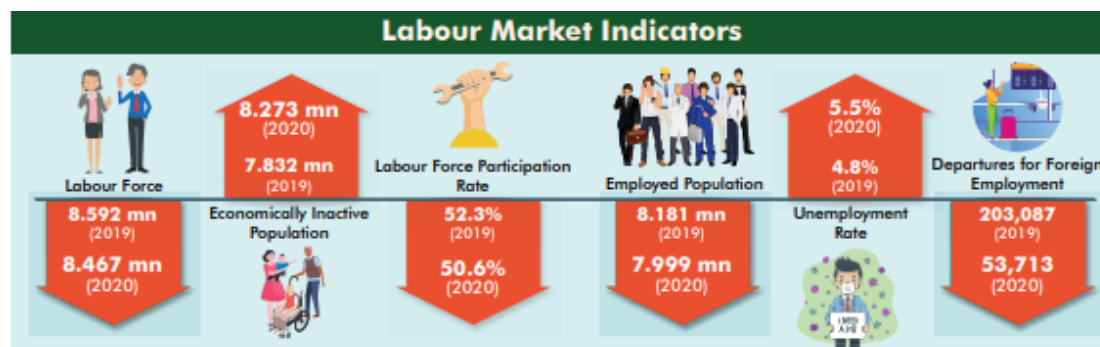


Figure 12: Labour market indicators (Annual report of the central bank 2020)

The annual report further records that the female labour force participation rate has slumped to 32.1 % from 34.5 % in 2019, a staggering 2.4 % decrease whilst the corresponding drop for males was 1.1 % (*Annual Report 2020, The Central Bank of Sri Lanka, 2020*). The overall labour force participation rate has increased only in the agriculture sector, as had been revealed through the survey as well. The continued promotion of agriculture, non- impact of mobility restrictions to the sector may have contributed to the increase. Yet, it is noted that this increase has not been able to alleviate the negative impact experience by the labour force of the country.

Factor	Extent Affected					Total *
	Not an issue (%)	Affected very less (%)	Affected moderately (%)	Affected Strongly (%)	Not relevant (%)	
Not having enough working capital	13.9	11.8	31.2	35.3	7.9	100
Restrictions on mobility (lockdown, curfew, isolations)	4.4	7.8	31.1	55.3	1.4	100

<b>Reduction in market demand</b>	6.3	9.1	28.8	50.4	5.3	100
<b>Shortage of raw materials</b>	9.9	12.3	29.8	27.6	20.3	100
<b>Employee absenteeism</b>	11.6	15.9	31.8	33.7	7.0	100
<b>Transport Issues (i) Domestic</b>	9.0	13.4	32.4	38.5	6.7	100
<b>Transport Issues (ii) Shipping of products</b>	10.4	9.0	19.9	27.8	33.0	100

**Table 21: factors impacting the businesses**

The table above indicate that the restrictions on mobility (lockdown, curfew, and isolations) have impacted the businesses the most, with 55.3 % of establishments strongly agreeing with this factor. 50.4 % of respondents have identified reduction in market demand as another factor affecting businesses. Interestingly, 31.8 % of respondents have indicated that employee absenteeism affects their businesses.

As had been in the phase one, the significant relationship between the size of the employment, the business sustainability, and the parameters of employment reappeared in the phase 2. Being a country with a significant informal sector, the findings reveal the necessity of assisting micro, small and medium industries. It is reaffirmed that as the size of the business decreases, the ability of the business to stay open decreases, highlighting the dire vulnerability of the sector. Similarly, it is also noted that the introduction of diversification has been limited in the smaller establishments, which may be attributed to the limited skills, capital, and technology.

The country moved away from strict lockdown status and continued to relax the travel restrictions towards the end of the year. Total employment has continued to be impacted despite these improvements to the working environment. As indicated above,

the employment levels in larger establishments have not regained the pre-COVID status. This revelation indicates the job loss, and the rising unemployment levels recorded for the fourth quarter of 2020. Interestingly, the second phase of the survey had indicated that the establishments were either planning to or already terminated probationary, permanent, and contract employees, in comparison to the significant numbers of planned terminations in the casual employment category reported in the first phase of the survey. The indication that casual employees have already been terminated by December 2020 is alarming which requires to be revisited. On the other hand, this strongly portrays the vulnerability of employees in daily wage/ casual employment.

Contrasting observations are made when employment levels within industries are compared. It was forecasted that more employment opportunities will be created in the information and communication sector, due to the increased demand created in this sector. Yet, the data collected in the second phase refutes this forecast, as the sector had reported continued decrease in employment levels. The reasons for this decrease, require to be explored as the finding indicates the inability of the sector to create jobs despite increased and continued demand.

As had been expected, the employment levels in construction and tourism industries indicate the severe hardships these two industries have had to face at the hands of COVID-19. The agriculture sector has been able to sustain its employment level, throughout the year, indicating the continued opportunities for employment in the sector. Yet, it need to be noted that agriculture sector does not have the ability to the create adequate employment to cater to all demands of the labour supply dimension of the country nor that all will have the required skills to enter the agriculture sector laobur force.

Economic activity (ISIC-Rev.4)	No. of employees at end of Feb.2020		No. of employees at end of May2020		No. of employees at end of Sep2020		No. of employees at end of Dec. 31 <sup>st</sup> 2020	
	M (No.)	F (No.)	M (No.)	F (No.)	M (No.)	F (No.)	M (No.)	F (No.)
A. Agriculture; forestry and fishing	816	537	803	544	814	543	832	533

C. Manufacturing	60,497	100,224	56,160	90,912	55,711	90,370	57,263	90,589
F. Construction	3,254	285	2,608	251	2,835	253	2,804	260
G. Wholesale and retail trade; repair of motor vehicles and motorcycles	4,762	1,392	4,837	1,350	4,947	1,321	4,787	1,246
I. Accommodation and food service activities	11,196	1,888	10,177	1,757	9,723	1,773	9,260	1,562
J. Information and communication	4,000	2,955	3,725	2,784	3,356	2,225	3,433	2,128
K. Financial and insurance activities	6,186	1,516	6,228	1,498	6,094	1,472	6,039	1,456
N. Administrative and support service activities	1,304	833	801	814	896	815	895	811
P. Education	1,521	3,442	1,471	3,278	1,452	3,247	1,486	3,043
S. Other Personal service activities	27,266	12,094	24,863	10,413	26,291	11,247	25,869	1,1120

Table 22: Sectoral comparison of employment levels

The reduced employment levels and income levels of employees indicate the reduced household income in a significant cohort of the populations.

In the context where foreign employment opportunities have also decreased, labour dynamics within the country is continuing to be aggravated. In a study capturing 2116 households through a telephone survey, UNICEF has reported that 12 % of the employed had lost their employment, whilst 71% of the sample had reported that COVID-19 has negatively impacted their earnings (UNICEF, 2020). Comparing this information, with the survey findings, it is reiterated that labour force of Sri Lanka has been negatively impacted in most fronts; especially with regard to the level of income, status of employment, the job security, and business sustainability. Noting the fact that both the survey conducted by the Department and many of the other surveys have captured the status of the employment/ households who have access to internet facilities or to

a telephone, it is also envisaged that the impact of COVID-19 in the lowest tiers of the society is severe.

The phase one of the survey revealed the necessity of the introducing significant employment creation programs to compensate the job losses that were being forecast. It had been further suggested to explore the possibility of creating employment in the sectors that were successfully sustaining their operations despite COVID-19 related restrictions. Yet, Phase 2 disclosed that employment levels in information and communication industry have in fact reduced whilst Agriculture sector has indicated similar employment levels. Since UNICEF study has indicated loss of household income in all types of wage earners; monthly, weekly, or daily wage earners, the possibility of under payment, non-payment for work performed and preference for more precarious forms of employment and outsourcing cannot be overlooked.

It is disheartening to note that the level of employment in Education sector has also continued to decrease. Delving further into the education sector, establishments that have been captured in both phases of the survey are fee levying educational establishments. Whilst it is stressed that private sector educational establishments would have had the means and the capital to move towards distance/ remote education at a much faster rates than their government sector counterparts, the indication of job losses need to be explored further.

As was envisaged in the phase one of the survey, the manufacturing and other service sector establishments have been able to diversify and sustain their businesses in comparison to the other sectors.

### Implications for the future labour force

Both the survey results and other studies indicate multiple implications for the future labour force. On one hand, most establishments have been functioning with limited capacities and employee interactions have been minimal even when workplaces were in operation. The traditional knowledge transferring mechanisms have been handicapped during this period, and peer learning has been limited. The limited number of interns and apprentices that were admitted to workplaces do not have an opportunity

to learn by observing, or to improve the multiple employability skills including the soft skills one would require for future career advancement. Differing employment levels, and the ability to remunerate employees clearly indicate that COVID-19 has impacted the industries and economic sectors in varying degrees. These differences are inferred through the survey responses which establishes different scenarios of market disruptions, ability to diversify and on market base, product innovations, and the business turnover. This fact is reaffirmed when the utilization purposes of the government loan (at 4% interest rate) is studied.

Economic Activity (ISIC-Rev.4)	Utilization way of government loan of 4% interest						Total
	Staff salary payment (%)	Rent/lease payments (%)	Invested on technology /improvements (%)	Raw material (%)	Marketing and promotion (%)	Other (%)	
A. Agriculture; forestry and fishing	15.4	-	23.1	38.5	-	23.1	100.0
B. Mining and quarrying	0.00	-	-	-	-	100.01	100.0
C. Manufacturing	45.8	2.4	4.2	13.3	-	34.31	100.0
D. Electricity; gas, steam and air conditioning supply	-	-	-	-	-	100.0	100.0
E. Water supply; sewerage, waste management and remediation activities	-	-	-	100.0	-	-	100.0
F. Construction	42.9	-	7.1	-	7.1	42.9	100.0
G. Wholesale and retail trade; repair of motor vehicles and motorcycles	32.0	4.0	4.0	12.0	4.0	44.0	100.0
H. Transportation and storage	57.1	-	-	7.1	-	35.7	100.0
I. Accommodation and food service activities	61.4	-	1.8	3.5	1.8	31.6	100.0
J. Information and communication	50.0	3.1	9.4	-	-	37.5	100.0
K. Financial and insurance activities	-	-	-	-	-	100.0	100.0
L. Real estate activities	33.3	-	33.3	-	-	33.3	100.0



M. Professional, scientific and technical activities	50.0	-	-	-	-	50.0	100.0
N. Administrative and support service activities	-	-	-	-	-	100.0	100.0
P. Education	76.9	-	-	-	-	23.1	100.0
Q. Human health and social work activities	50.0	-	12.5	-	-	37.5	100.0
R. Arts, entertainment and recreation	-	-	-	-	-	100.0	100.0
S. Other Personal service activities	45.3	2.1	4.2	11.6	1.05	35.8	100.0
Average	45.6	1.7	4.7	9.6	0.9	37.5	100.0

Table 23: Utilization of government loan of 4% interest

These varying impact levels will determine the nature of employment relationship in the sectors. In this context assuring decent working conditions for all employees across sectors will require to be assured.

Noting that the unemployment levels have increased whilst the labour force has contracted globally as well, the abundant labour supply provides ample opportunity for labour exploitation, underpayment, and even situations of forced labour. It is essential that these fluctuations are monitored and addressed without allowing for reversing of the multiple advances Sri Lanka has made in relation to achieving decent working conditions for all.

The long-term closure of all educational establishments and the remote teaching learning methodologies adopted have again restricted the attainment of varying skill levels which are essential in current workplaces. The opportunities to develop hands on, social and soft skills have been limited to a greater extent. These students will not be the average new entrant to the workplace in future, which will create new situations in the future world of work. It is also noted that the household income levels have decreased of a significant percentage of households in Sri Lanka, increasing the magnitude of push factors towards child labour and hazardous child labour situations. The cohort of youth 'Not in Education, Employment or Training' (NEET) has a grave tendency to increase due to the diminished educational, training and employment opportunities for the youth of the country. Considering the impact of the digital divide on educational attainment and the increased inequalities in this relation points towards

an aggravated future labour market, which may not be fully equipped to cater to the labour demand.

The labour demand prospects for differing sectors have been altered. As the survey indicates, the skill mismatch will increase for the future entrants to the labour force as the attained skills/ qualifications may not be relevant at the time of seeking employment. For example, the employment prospects for in the tourism sector would be minimal to aspirants who have completed tourism sector related qualifications, due to the minimal functioning of the industry for more than 18 months. The imbalances that are currently being observed in multiple sectors will alter the future labour demand impacting the current trainees/ students in the respective fields.

Assessment of skill levels/ types will need to be made and continue to be reviewed to take informed decisions. Such will reduce the skill mismatch, re-training, and re-skilling requirements. Assessment and selection procedures in organizations will need to consider these factors in recruitment initiatives.

The current delays experienced in examinations and trainings will delay the attainment of employability skills and qualifications and the delays will continue to impact the future students until the backlogs created in educational institutes are cleared. The youth unemployment and related frustrations will also be a matter of concern in future that require to be considered at this juncture.

Despite high educational attainment levels, female labour force participation rate of the country has been hovering around 32 % for the past decade. The societal barriers, childcare and household responsibilities and lack of safe transport are continuously being identified for this low figure. The survey statistics indicate decreasing female employment levels even in emerging sectors like information and communication as well. Noting that 45.6 % of recipients of the government loan with 4% interest have utilized it for salary payments, it is inevitable that the industries will look for ways and means of reducing labour costs. Hence the danger of costs related to pregnancy, increased overtime/ night work payments and other special conditions which need to be met when employing females being identified as extra and avoidable costs looms high.

Workplace flexibility is not encouraged through the labour legislation of the country mainly because of the disparity in relation to the payment and allocation of employment benefits. Yet, it needs to be accepted that Sri Lanka was pushed towards workplace flexibility mainly in relation to the place of work during this period. 'Working From Home' / remote working was formally adopted by the public sector whilst the private sector was encouraged to adopt 'Working from Home' methods to minimize mobility levels. Survey reveals that terms and conditions applicable for 'WFH' are not always employer or employee friendly. The gaps in legislation in relation to workplace flexibility will be disadvantageous to the business growth and for ensuring decent work irrespective of place of work.

It is also foreseen that the current labour inspectorate and the method of labour inspection is not able to respond to the varying conflicts that are arising due to the new normal. The dependency on physical evidence and physical labour inspections will require to be reviewed in the changing landscape of the labour market of Sri Lanka.

The increased unemployment levels and the contracted workforce indicate the loss of income. The survey indicates that 35.41% of employees captured through this survey have not received their full salary emoluments. The situation reaffirms the necessity of revisiting the social security scheme of Sri Lanka which pushes the population towards productive employment.

It needs to be acknowledged that the silent victims of COVID-19 are much higher than the actual number of COVID-19 positive patients. These victims include the youth and the young who lost opportunities for education and vocational/ professional training, individuals who had to permanently leave labour force due to increased childcare and household responsibilities, disadvantaged populations due to digital divide, geographical locations and the factions of population who had to forgo the social interactions may it be in schools, universities, workplaces or in places of recreations. It is noted that the loss and the impact of these deprivations will make in the society cannot be comprehended or assessed accurately in the current circumstances. Yet, these factors and the approach the country will take to address these issues will determine the future path of the country.

## Recommendations

The human component of any industry is included in the ‘labour sector’, which in-turn determine the status of the respective individuals and households. In this context, both short-term and long-term requirements of the labour sector need to be addressed and solutions sought and implemented to ensure that all parties to the employment relationship are secured in this scenario. As the business sustainability and the individual earnings determine the future of the industries and the decent living conditions of the work force, the matters of concerns cannot be put on hold until ‘COVID -19 is eradicated’.

It is reaffirmed that the turn of events cannot be predicted with COVID-19. With an ambitious vaccination drive, which is being continued at exemplary rates country is looking forward to easing the prevailing restrictions on mobility. Reiterating that the impact of COVID-19 will be long felt, long after the country returns to accepted levels of normalcy, the following recommendations/ observations are proposed to ensure that Sri Lanka achieves all targets of Sustainability Development Goals regarding employment.

It is noted that these recommendations are made whilst acknowledging the difficulties the respective stakeholders will face in implementing these recommendations. Yet, it needs to be accepted that the road ahead is not smooth or clear.

1. Introduce industry level individualized support mechanisms to ensure that the rights and benefits of employees are not compromised unfairly.
2. Revisit the current strategies in relation to education and skill development.
3. Review the special terms of employment for female employees.
4. Continue the granting of loans to provide working capital to the businesses at lower interest rates.
5. Regulating ‘Working from Home’ and formal acceptance of ‘workplace flexibility’ through labour law.
6. Revisit the current mechanism of Labour inspections.

7. Identify the skill gaps and skills in demand to realign the training and vocational curriculums.
8. Establishment of a comprehensive integrated social security scheme including unemployment benefit scheme linked to reskilling, re-employment, and upskilling.
9. Establishing mechanisms to address the needs of silent victims of COVID-19

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### Survey questionnaire



## Covid 19 and Beyond- The Impact on the Labour Market of Sri Lanka (Phase 2) Conducted by the Department of Labour

This e-survey is designed for all organizations that are operating businesses in Sri Lanka, including to those who responded to the earlier e-survey conducted by the Department of Labour. We would like to convey our heartiest gratitude for the business ventures for your valuable response provided in succeeding our earlier survey. You can download the survey report through [www.labourdept.gov.lk](http://www.labourdept.gov.lk).

The main objective of this survey is to identify the current operational progress and status of employment of enterprises which will enable to identify strategies to enhance the labour market condition of the country.

Your corporation by way of providing most accurate and up to date information is highly appreciated. We assure that the details that you provide will be used only for policy making purpose and will be treated strictly confidential.

If you have any inquiries please contact us:

Telephone: 0112582647

Email: [dolslsurvey@gmail.com](mailto:dolslsurvey@gmail.com)



## Part 1-Basic Information of the Organization

1. Name of the organization: (If your organization is single proprietorship or partnership please specify the name/names of the proprietors) \*

Your answer \_\_\_\_\_

2. Address: \*

Your answer \_\_\_\_\_

3. In which district is your business located (If multiple branches, indicate the location of the head office) \*

 ▼

4. Official Contact Details

I. Telephone: \*

Your answer

II. Mobile:

Your answer

III. Email:

Your answer

5. Contact Person

I. Name: \*

Your answer

II. Designation: \*

Your answer

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III. Telephone Number: \*

Your answer

---

IV. Email Address:

Your answer

---

6. EPF Registration Number:

Your answer

---

7. Industry category: \*

Choose 

8. Did you respond to the first e-survey conducted by the Department of Labour in May 2020? \*

Yes

No

9. What is your market base for the product or service you produce/deliver? \*

Choose



### Part 2- Covid 19 performance of the business operations

10. Present situation of the business (As at December 31st, 2020) \*

Choose



11. If your business is closed and you don't have any intention to start the trading again, what is/are the reasons?

Lack of financial resources

Less demand to products

Shortage of raw materials

Other: \_\_\_\_\_

12. Did you make any changes/diversification to your existing product/service delivery after lockdown or during lockdown? \*

Yes

No

13. If yes, what sort of a diversification?

Introducing new products to the market

Diversified the sales/ marketing channel (Eg: online marketing)

Diversified the existing product portfolio (Eg: Sanitary items, masks)

Changed the product range

Other: .....

14. Did this diversification cause any change in labour inputs?

Yes

No

15. If yes, what kind of a change did it cause?

Choose



16. How did the pandemic affect your business turnover compared with normal expectations for this time of year? \*

Choose

17. Mention the extent to which your business has been affected on following areas \*

	Not an issue	Affected very less	Affected moderately	Affected Strongly	Not relevant
Not having enough working capital	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Restrictions on mobility (lockdown, curfew, isolations)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reduction in market demand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Shortage of raw materials	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employee absenteeism	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transport Issues (i)Domestic	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transport Issues (ii)Shipping of products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Any other reason (specify)

Your answer \_\_\_\_\_

### Part 3 – Employment related issues

**18. Total number of employees**  
(If no one please put 0)

**a. Number of Employees at the end of February**

Male \*

Your answer \_\_\_\_\_

Female \*

Your answer \_\_\_\_\_

**b. Number of Employees at the end of May**

Male \*

Your answer \_\_\_\_\_

Female \*

Your answer \_\_\_\_\_

c. Number of Employees at the end of September

Male \*

Your answer \_\_\_\_\_

Female \*

Your answer \_\_\_\_\_



d. Number of Employees to date (Dec 31st)

Male \*

Your answer \_\_\_\_\_

Female \*

Your answer \_\_\_\_\_

19. Have you terminated your employees after lock down? \*

Yes

No (if No, Pl. go to Q 23)

20. If yes, please indicate the number of planned terminations that took place in each category

a. Permanent

Your answer \_\_\_\_\_

b. Probationary

Your answer \_\_\_\_\_

c. Contract

Your answer \_\_\_\_\_

d. Part time

Your answer \_\_\_\_\_

e. Casual

Your answer \_\_\_\_\_

21. Do you have further plans to terminate employees due to pandemic? \*

Yes

No (if No, Pl. go to Q 23)

22. If yes, please indicate the number of planned terminations in each category?

a. Permanent

Your answer \_\_\_\_\_

b. Probationary

Your answer \_\_\_\_\_

c. Contract

Your answer \_\_\_\_\_

d. Part time

Your answer \_\_\_\_\_

e. Casual

Your answer \_\_\_\_\_

23. Please mention the salary payment criteria \*

24. Did salary payment comply with the request to pay the greater amount of either 14500 LKR or 50% of the basic salary \*

- Yes (If Yes, Pl. go to Q 26)
- No

25. If No, please specify the reason.

Your answer

---

26. Do your employees refuse to report to work? \*

- Yes
- No

27. What type of changes have you made to the method of working? \*

% of workers?

Your answer \_\_\_\_\_

**28. If you have put your employees to work from home, have you;**

**I. Defined working time:**

Yes

No

**II. Assigned work on piece rate:**

Yes

No

**III. Allowed employees to take leave:**

Yes

No

#### IV. Provided facilities to work

##### a) Internet and connectivity facilities

Yes

No

##### b) Office furniture

Yes

No

##### c) Stationery

Yes

No

##### d) Monitor the amount of work carried out

Yes

No

29. To what extent have you completed the statutory payments?

	100%	99%-70%	69%-40%	39%-10%	<10%
EPF	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gratuity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Compensation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

#### Part 4- Further assistance

Please answer question number 30 if you have obtained the loan at 4% interest rate.

30. For what purpose did you utilize the loan granted by the government at 4% interest?

- Staff salary payment
- Rent/lease payment
- Invest on technology/improvements
- Raw material
- Marketing & promotion
- Other: \_\_\_\_\_



31. What are the other sources of technical/financial assistance you have received to restore your business operations other than the concessionary loan at 4% ?

- Tax concession
- Occupational and health awareness
- Up skilling/ Reskilling programs
- Other loan from bank
- Other: \_\_\_\_\_

32. What are the solutions you suggest to ensure the continuity of the business during this pandemic? (Please rank the options from 1 to 13 based on the importance. ) \*

	1	2	3	4	5	6	7	8	9
I. Financial support with low interest loan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
II. Help on finding out new markets to sell the product (local	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

and international)									
III. Support to obtain raw materials	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
IV. Tax incentives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
V. Extension of loan repayment period	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
VI. Advise on loan repayment period	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
VII. Facilitate health arrangements (PPE and OSH training)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
VIII. Extension of social protection for employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

IX. Awareness on new sectorial demands

X. Training on online marketing/online business management training

XI. Up skilling of employees

XII. Investing in technologies

XIII. Other (Specify)

Your answer \_\_\_\_\_

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