

Sri Lankan Government Progress on SDG 8: Decent Work and Economic Growth

Kenji Tan

Foreword

The United Nations Sustainable Development Goals (SDGs), set out for the period between 2015 to 2030, aim at creating a future where all nations can grow and prosper ethically. One particularly significant goal in this regard is under SDG 8, which promotes decent work and economic growth. For developing nations, this one strand has the potential to boost economies, create more jobs, and bring more wealth to a nation. Meaningful work is a crucial part for society to function efficiently; moreover, jobs with good pay leads to growth and the revitalization of consumer spending, creating better living standards and leading to a win-win situation for all.

This report will be looking at the impacts of the Sri Lankan government's efforts in fulfilling each of the twelve indicators including the annual growth rate of GDP per capita and unemployment rates by sex and age. These findings will also be cross-referenced with the Voluntary Peoples Review, World Bank statistics, and other non-governmental sources to observe any potential discrepancies in the data. Progress will be evaluated according to the prescribed indicators set by the goals. Based on these sources, a conclusion will be formulated in a holistic approach to see how far Sri Lanka has progressed and where it is headed for future development in the labor sector.

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Methodology

To categorize and compare the current progress between the various targets of this goal, a five-point scale to rate the progress for each indicator. 1 indicates there is little to no progress, 2 represents some progress but largely unimpactful, 3 means there is good progress and on-track results, 4 means progress is exceeding expectations thus far, and 5 is when the goal has been or is very close to being achieved.

Disclaimer

The Sri Lankan government's data on their SDG website is both outdated and incomplete with partial data from the year 2016 only. The government and UNDP-backed SDG tracker for Sri Lanka created by the Citra Social Innovation Lab does not have their data available either. The only reliable government source is from the 2018 Voluntary National Review. In general, there is a lack of data being recorded which is a major concern in and of itself. Separate sources from the World Bank and the ILO do track at least some of the data relevant to the indicators. These and other sources are consulted to cover the wide range of variables.

SDG 8 Targets and Indicators

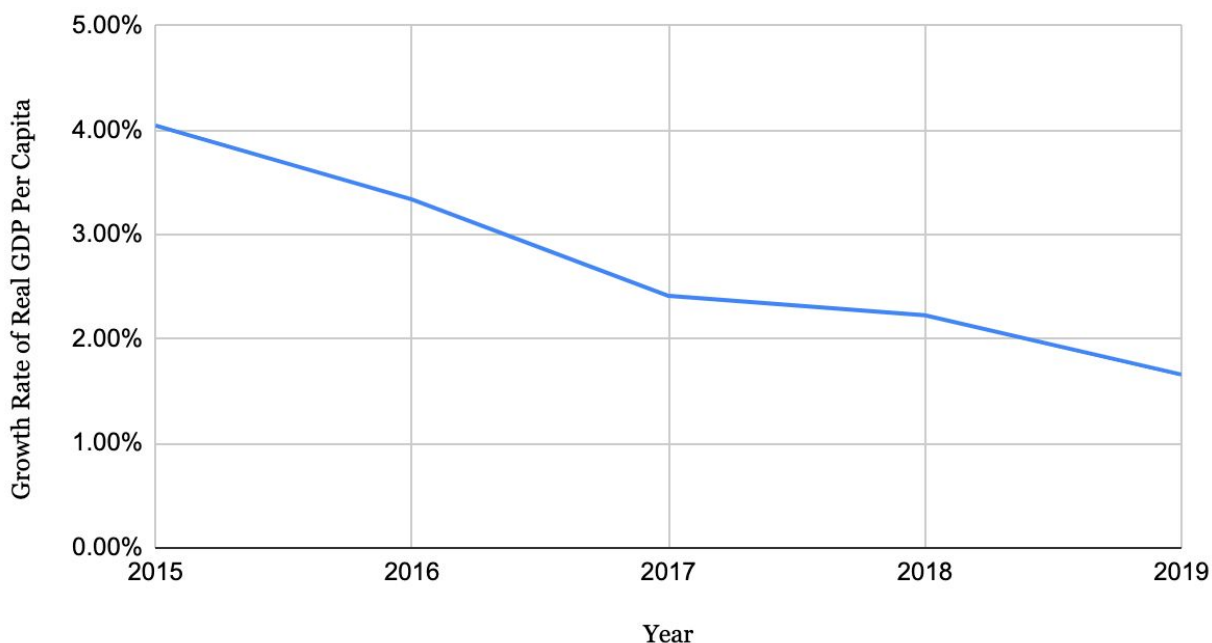
- **8.1:** *Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 percent gross domestic product growth per annum in the least developed countries.*
 - **8.1.1:** *Annual growth rate of real GDP per capita.*

Figure 1: Annual Growth Rate of Real GDP per capita 2015-2019 (WB)¹

2015	2016	2017	2018	2019
4.046%	3.338%	2.414%	2.229%	1.660%

¹ <https://data.worldbank.org/indicator/NY.GDP.PCAP.KD.ZG?end=2019&locations=LK&start=2002>

Annual Growth Rate of Real GDP per capita 2015-2019



Though Sri Lanka has had steady growth at healthy rates for much of the 21st century, there has been an overall downward trend since 2015 as shown in Figure 1. An oft-cited cause of this downturn is attributed to the fiscal failures of the previous administration under Maithripala Sirisena and the International Monetary Fund's demands of cutting the fiscal deficit to under 3.5% of the GDP. Other contributing factors include the 2019 Easter bombings, leading to declining tourism, and of course the COVID-19 pandemic. With many external debts to pay, more than \$3 billion annually for the next four years, it is still a work in progress for the government to deal with.² How the government deals with this depends on the new administration, but it is hard to foresee future outcomes with the uncertainty of the pandemic.

Rating: **2** - Sri Lanka is not one of the least developed countries; nevertheless, as a developing country, having less than 3% let alone 2% of annual GDP growth rates can be very detrimental to the development process.

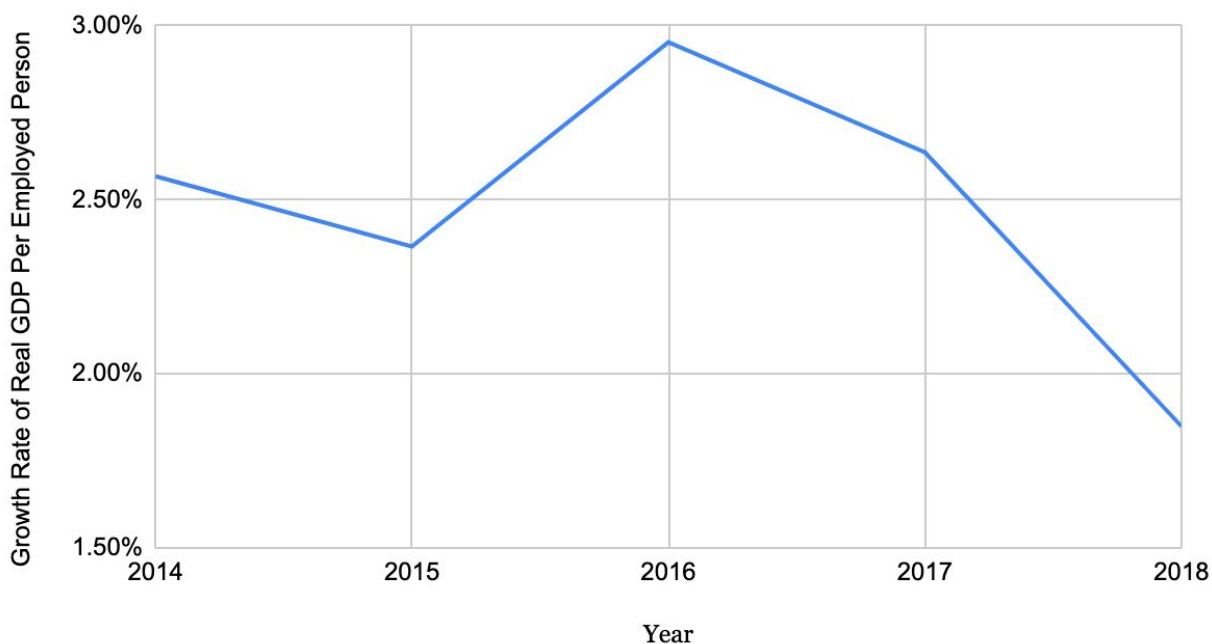
- **8.2:** *Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors.*
- **8.2.1:** *Annual growth rate of real GDP per employed person.*

² <https://www.wsws.org/en/articles/2019/06/27/econ-j27.html>

Figure 2: Annual Growth Rate of Real GDP per employed person 2014-2018 (WB)³

2014	2015	2016	2017	2018
2.568%	2.366%	2.953%	2.637%	1.850%

Annual Growth Rate of Real GDP per employed person 2014-2018



With growth of real GDP per employed person peaking in 2016, the numbers are, again, declining and are no doubt worsening due to the pandemic conditions. In 2018, around 40% of the population was living on less than 225 rupees a day. Furthermore, the richest 10% of the nation holds 38% of the wealth while the poorest 10% have only 1.5% of the wealth.⁴

Rating: **3** - Sri Lanka has fought poverty effectively to get the rate down to 4% by 2016. Though income inequalities still exist regionally, there has been healthy growth for a while.

³ <https://data.worldbank.org/indicator/SL.GDP.PCAP.EM.KD?locations=LK>

⁴

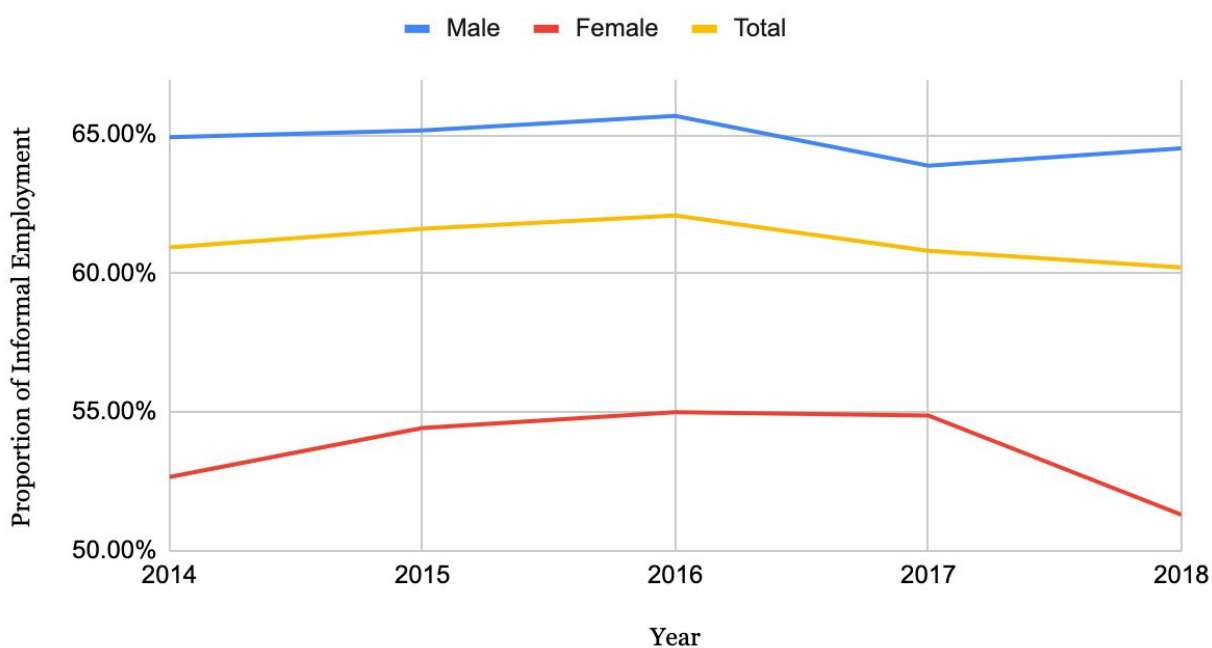
<https://action4sd.org/wp-content/uploads/2018/07/SRI-LANKA-Voluntary-Peoples-Review-on-the-SDGs-to-HLP-F-2018.pdf>

- **8.3:** Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.
 - **8.3.1:** Proportion of informal employment in non -agriculture employment, by sex.

Figure 3: Proportion of Informal Employment in Non-agriculture Employment by Sex (WB)⁵

	2014	2015	2016	2017	2018
Male	64.92%	65.16%	65.68%	63.89%	64.51%
Female	52.66%	54.43%	55%	54.88%	51.3%
Total	60.94%	61.61%	62.09%	60.82%	60.22%

Proportion of Informal Employment in Non-agriculture Employment



As males make up a larger portion of the workforce in general, it makes sense that this can be seen in the informal sector as well. 60.2% of total employment, including agriculture, comes from the informal sector, of which 60.6% is in the non-agricultural sector. Since 1997, almost two-thirds of the workforce has been in the informal sector with very little change. 48% of whom are own-account workers without paid employees, 36% are private employees, and 16%

⁵ <https://data.worldbank.org/indicator/SL.ISV.IFRM.MA.ZS?locations=LK>

are unpaid family workers.⁶ Due to these businesses being outside the regulatory framework of the government which provides a standard for engaging in work, many of these workers face serious shortfalls in decent work.

Almost half of informal enterprises employ less than five employees, classified as microenterprises while only 7% of non-public formal employment falls under that category. Two-thirds of formal employees are permanent workers while only 6% of informal workers do as well which goes to show the precarious nature of informal employment.

Systems need to be in place to ensure decent work in the informal sector. Methods to promote formalization in the economy include simplifying regulations to become a formal enterprise and increasing the incentives such as with the credit offered. The lack of infrastructure in terms of electricity and transport also constrains the expansion of businesses as rural areas cannot integrate as well with the urban dynamism for employment.

Rating 1: There has been a lack of effort to formalize the economy for decades, resulting in the continuation of the large informal sector especially in rural areas.

- **8.4:** *Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programs on sustainable consumption and production, with developed countries taking the lead.*
 - **8.4.1:** *Material footprint, material footprint per capita, and material footprint per GDP.*

Figure 4: Material Intensity, Red=Deterioration, Green=Improvement (CSIRO)⁷

⁶

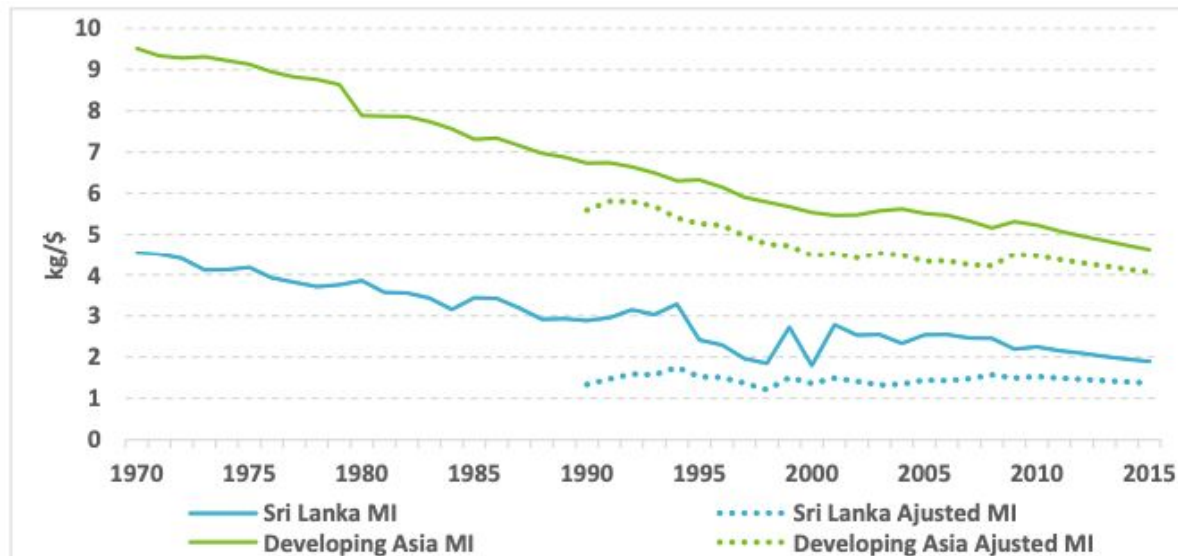
https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---sro-new_delhi/documents/publication/wcms_123348.pdf

⁷ <https://publications.csiro.au/rpr/download?pid=csiro:EP177311&dsid=DS3>

	1970	1990	2010	Annual Growth 1990 - 2010
Material intensity (kg per US\$)	4.5	2.9	2.2	↓ -1.2%
Relative to the regional average	48%	43%	43%	
Adjusted material intensity (kg per US\$)		1.3	1.5	↑ 0.7%
Relative to the regional average		24%	34%	

- **8.4.2:** Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP.

Figure 5: Material Intensity of Production and Consumption (CSIRO)⁸



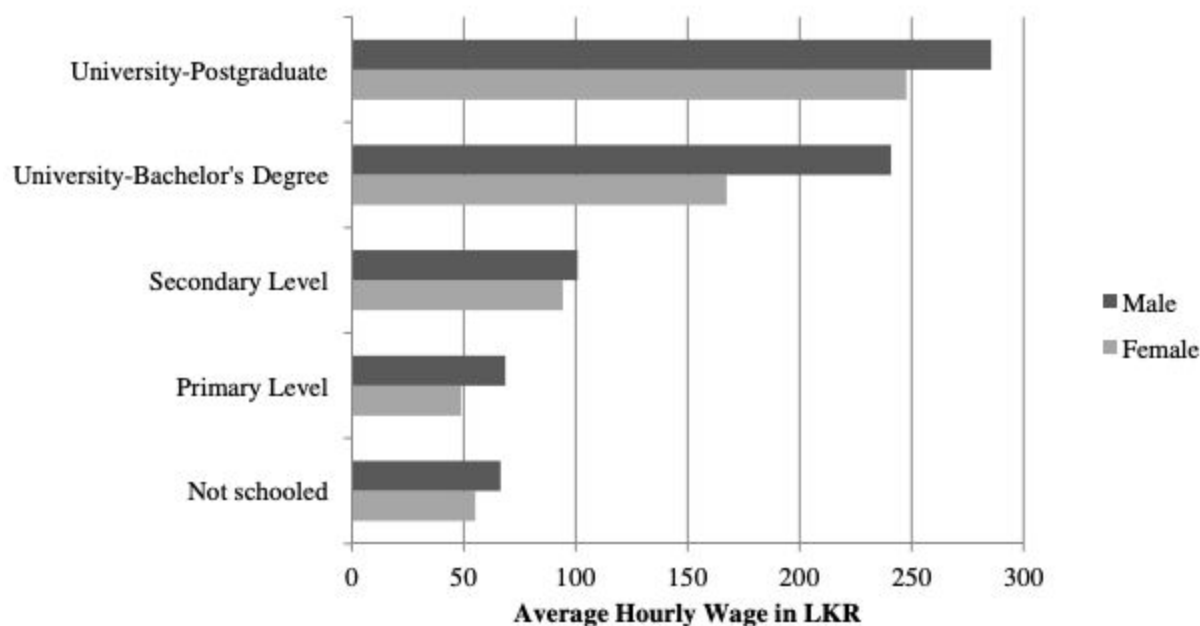
Material intensity is shown to be becoming increasingly sustainable over time though the footprint-based adjusted metric finds it is slightly less sustainable. Despite that, Sri Lanka's performance in material intensity is only a third of the regional average material footprint per dollar of GDP. Indeed, compared to the developing Asia group, Sri Lanka has consistently held lower material intensity and is therefore more capable of sustainability in consumption and production. However, this may also indicate the lack of manufacturing and a smaller middle-class that can contribute to larger levels of consumption.

⁸ <https://publications.csiro.au/rpr/download?pid=csiro:EP177311&dsid=DS3>

Rating 4: Though Sri Lanka is currently doing relatively well, this is not a high priority goal of the government; planning must ensure improvement continues as development unfolds.

- **8.5:** *By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.*
 - **8.5.1:** *Average hourly earnings of female and male employees, by occupation, age and persons with disabilities.*

Figure 6: Average Hourly Wage by Maximum Educational Attainment and Gender 2013 (MPRA)⁹



- **8.5.2:** *Unemployment rate, by sex, age and persons with disabilities.*

Figure 7: Labor Force Participation Rate by Sex 2014 (ILO)¹⁰

⁹ https://mpr.ub.uni-muenchen.de/68068/1/MPRA_paper_68068.pdf

¹⁰

https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-colombo/documents/publication/wcms_551675.pdf

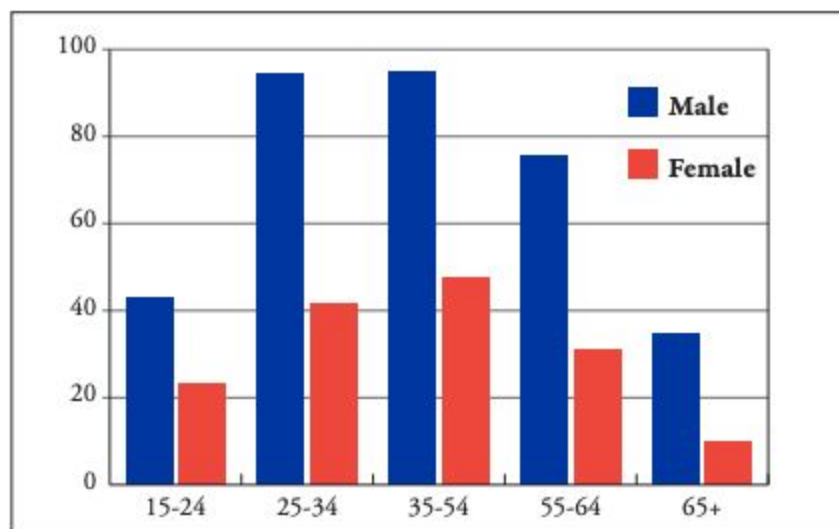
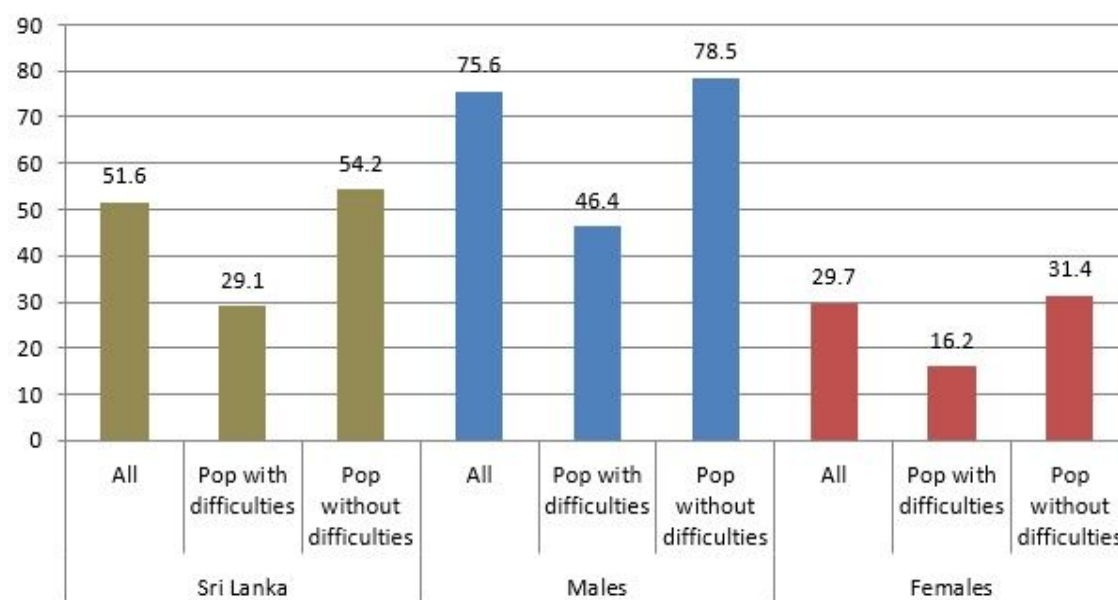


Figure 8: Proportion of Economically Active 15+ Population, by Gender and Disability (IPS)¹¹



Sri Lanka has the 28th largest gender gap in labor force participation. While about 75% of males are working, only 35.9% of women participate in the labor market. This gap correlates with levels of secondary education so developing policies to promote female education is recommended, especially regarding training in STEM subjects, technical, innovative, and leadership skills for better rates of pay when finding employment.

¹¹ <https://www.ips.lk/talkingeconomics/2017/01/02/persons-with-difficulties-in-the-sri-lankan-labour-market/>

There also exists a persistent social environment whereby women can be subject to harassment and abuse both in the household and at the workplace, causing significant detriment on their wellbeing. This must be tackled through policies to encourage more reporting on incidents, zero tolerance policies of harassment on transport systems, and human resource training to prevent the occurrence in workplaces.¹² The development of more comprehensive childcare and increasing cultural acceptance of working women can also help in this regard. The government has also considered the implementation of “flexi-hours” for women to be able to work part-time or at home.¹³

Not enough attention is on the employment opportunities of disabled persons as the lack of data from government and other sources clearly shows. While many disabled individuals find it too challenging to seek work and give up, others become own-account family workers where they are largely unpaid. Setting policies to be more inclusive of disabled workers in the public sector would help encourage more disabled individuals into the formal sector where they may find secure employment.

In terms of employment opportunities, a major issue is that most of the jobs in the labor market are manual and the educated youth cannot find white-collar employment. The lack of soft skills including communication, computer skills, and the English language also pose obstacles to securing jobs. The former problem would require an overall modernization and development of the urban market and businesses. The latter could be tackled with vocational training centers that provide soft skills training.

Rating: **2** - Although there is education for all, the overall gendered social norms still result in major workplace inequalities that lead to women being significantly underrepresented in the labor market. This, and the lack of employment opportunities needs to be addressed by the government by prioritizing the modernization of industry in Sri Lanka.

- **8.6:** *By 2020, substantially reduce the proportion of youth not in employment, education or training.*
 - **8.6.1:** *Proportion of youth (aged 15-24 years) not in education, employment or training.*

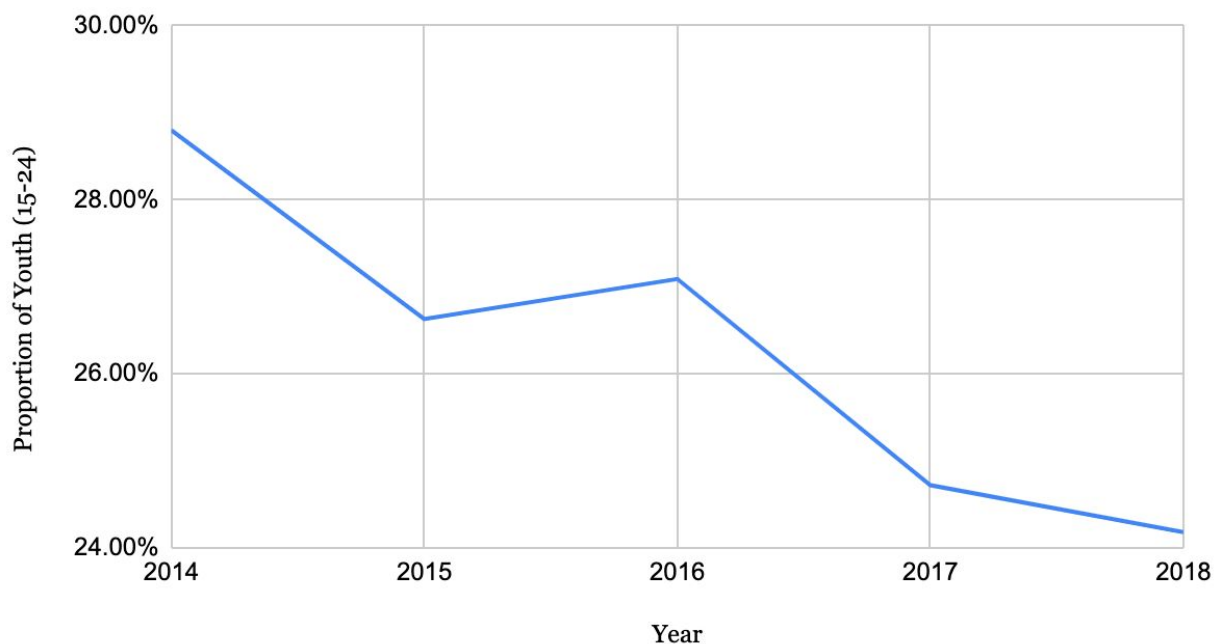
¹² <http://www.presidentsoffice.gov.lk/wp-content/uploads/2019/05/Final-v2.4-Typeset-MM-v12F-Cov3.pdf>

¹³ https://sustainabledevelopment.un.org/content/documents/19677FINAL_SriLankaVNR_Report_30Jun2018.pdf

Figure 9: Proportion of Youth (15-24) not in Education, Employment, or Training (WB)¹⁴

2014	2015	2016	2017	2018
28.80%	26.63%	27.09%	24.72%	24.18%

Proportion of Youth (15-24) not in Education, Employment, or Training



Youth unemployment is a major issue as discussed earlier due to the lack of job availability in white-collar businesses. Again, women face more of these hardships than men in the workforce. The informalization of work prevalent in rural communities is also a contributing factor to this lack of structure for job finding. Though unemployment rates have been dropping, they are still in the 20%'s which is quite high.

Ways to improve rates of employment involve skills training for soft and technical skills which would increase the youth's competitive edge in the job market. In particular, vocational course training in line with labor market demands should be promoted for the youth to take on such opportunities. Furthermore, incentives need to be in place for businesses to hire more young people.

¹⁴ <https://data.worldbank.org/indicator/SL.UEM.NEET.ZS?locations=LK>

Rating **2**: The government needs to take a much more active role in enlarging the job market and developing rural economies as their progress so far has not amounted to much.

- **8.7:** *Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms.*
 - **8.7.1:** *Proportion and number of children aged 5 -17 years engaged in child labor, by sex and age.*

Figure 10: Proportion of Children Aged 15-17 Involved in Economic Activity (ILO)¹⁵

	2008/9	2016
Children aged 15-17 involved in economic activity	12.9%	2.3%
Hazardous forms of child labor	1.5%	0.9%

Child labor has significantly decreased over the years and is on track for being eliminated by 2025. Between 2016 and 2019, Sri Lanka has made moderate advances in eliminating the worst forms of child labor. Some of the government initiatives that drove this include increasing the budget for labor inspectors, which doubled from 2018 to 2019, and increasing the number of labor inspectors.

Despite this progress, the 2016 survey did not count children aged 5-11 working less than 15 hours per week and children aged 12-14 working less than 25 hours per week in agriculture. This does not align with international standards and results in an underestimation of the child labor population. Another issue involves how some victims of child labor who have been sexual exploited are charged for involvement in prostitution.¹⁶ This is a legal deficiency that should be dealt with through legislation and reform so that justice can be served fairly.

Other than reforming some government policies which have already largely been comprehensive and effective in bringing down child labor rates, focusing on the enforcement of

¹⁵ https://www.ilo.org/colombo/info/pub/pr/WCMS_545872/lang--en/index.htm

¹⁶ <https://www.dol.gov/agencies/ilab/resources/reports/child-labor/sri-lanka>

these policies can lead to better results in the coming years. Adequate staffing is needed for the northern and eastern provinces to carry out investigations as well as more human resources across the board. Other necessary resources include better facilities to record evidence and transportation. Labor inspectors should also be authorized to assess penalties for labor law violations.

To assist the treatment of children in these child labor cases, the definition of child labor must fit with international standards. Eliminating barriers to education like transportation issues to school or inadequate number of teachers can also discourage child labor to take place in rural areas.

Rating 4: A lot of progress has already been made and the government seems to be determined in eliminating all forms of child labor in the island through its policies and implementation, making it seem likely that the targets will be met in the near future.

- **8.8:** *Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.*
 - **8.8.1:** *Frequency rates of fatal and non-fatal occupational injuries, by sex and migrant status.*

Figure 11: Female Fatal & Non-fatal Occupational Injuries per 100,000 Employees (SDG)¹⁷

2014	2015	2016	2017	2018
12.65	11.05	10.47	12.05	12.37

¹⁷

<https://www.sdg.org/datasets/indicator-8-8-1-non-fatal-occupational-injuries-among-employees-by-sex-and-migrant-status-per-100-000-employees-1?geometry=80.211%2C7.494%2C81.200%2C7.732&page=8&selectedAttribute=type>

Female Fatal & Non-fatal Occupational Injuries per 100,000 Employees

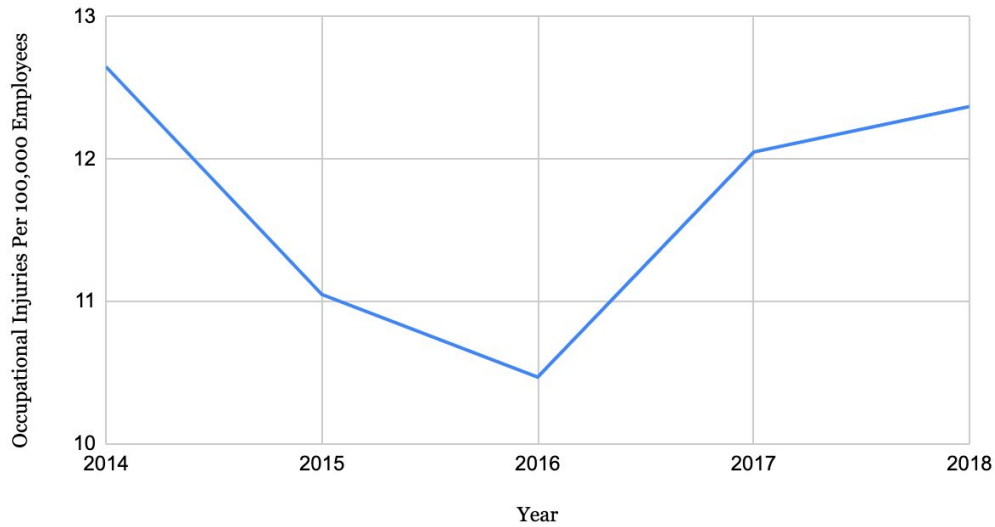
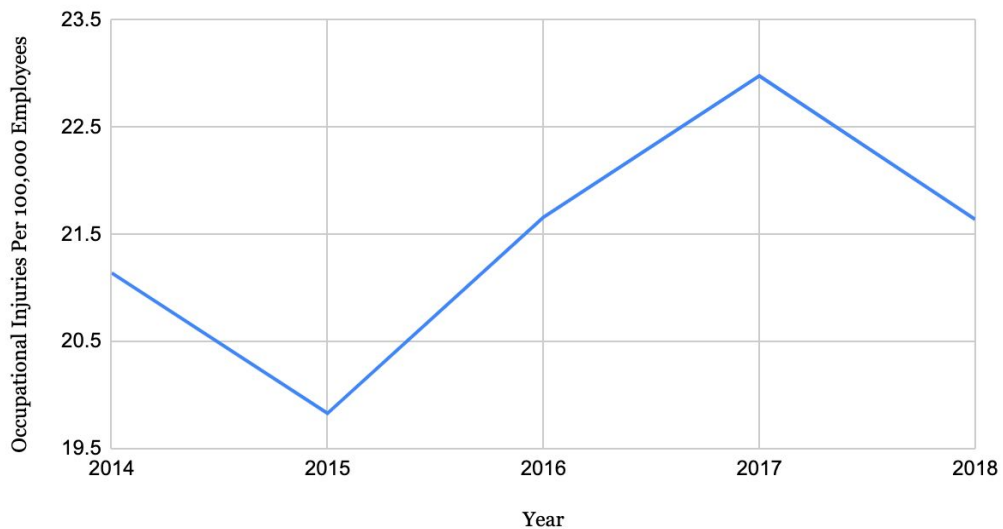


Figure 12: Male Fatal & Non-fatal Occupational Injuries per 100,000 Employees (SDG)

2014	2015	2016	2017	2018
21.14	19.83	21.66	22.98	21.64

Male Fatal & Non-fatal Occupational Injuries per 100,000 Employees



These values are significantly lower than those of many developed nations including Singapore (latest value 372), the US (latest value 939827), and Sweden (latest value 1094). This may be due to the ambiguity in what is counted as a “non-fatal occupational injury” and how many instances are officially recorded. Furthermore, there are concerns that this data is not accurately taken in

some countries like the US where there are supposedly 939827 non-fatal occupational injuries per 100,000 employees.

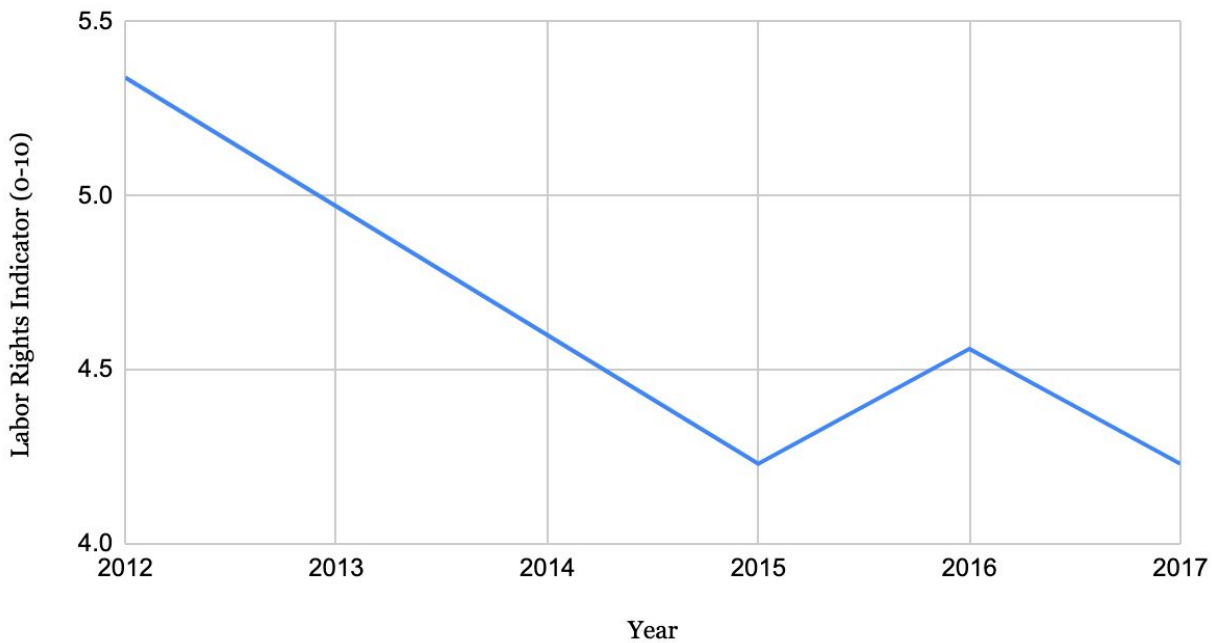
Assuming the figures for Sri Lanka are true, we can see that the number of injuries per 100,000 people were around the same in 2018 as they were in 2014. There was a slight decrease between 2015-2016 but it has returned to 2014 levels.

- **8.8.2:** Increase in national compliance of labor rights (freedom of association and collective bargaining) based on International Labor Organization (ILO) textual sources and national legislation, by sex and migrant status.

Figure 13: Labor Rights in Law and Practice Indicator (0-10 scale) (PSU)¹⁸

2012	2015	2016	2017
5.34	4.23	4.56	4.23

Labor Rights in Law and Practice Indicator (0-10 scale)



Penn State University’s Center for Global Workers’ Rights has compiled a database to evaluate the level of labor rights in law and in practice out of scale of 0 to 10, 0 being the best and 10

¹⁸ <http://labour-rights-indicators.la.psu.edu/>

being the worst. There are five factors considered: fundamental civil liberties, right of workers to establish and join organizations, other union activities, right to collective bargaining, and right to strike. For reference, repressive nations like China are marked at a 10 for their numerous violations of these factors while free countries like Finland are marked at a 0 as they violate none of these factors.

Sri Lanka, on the other hand, seems to be around the middle with a general decreasing trend, implying better freedom of association and collective bargaining. Of the five factors, Sri Lanka most struggles with the right of workers to establish and join organizations as there have been 8 violations in 2017. For example, on January 24th 2017, 37 contract workers from the Ceylon Electricity Board were arrested for protesting as authorities claimed their violation of a court order banning demonstrations outside the building.

Rating 2: Overall, there were 23 violations, 14 of them in law rather than practice which goes to show how reforming legislation can have a major impact on how labor rights function in Sri Lanka. Already, in practice there are fewer violations so the law should follow in this trend.

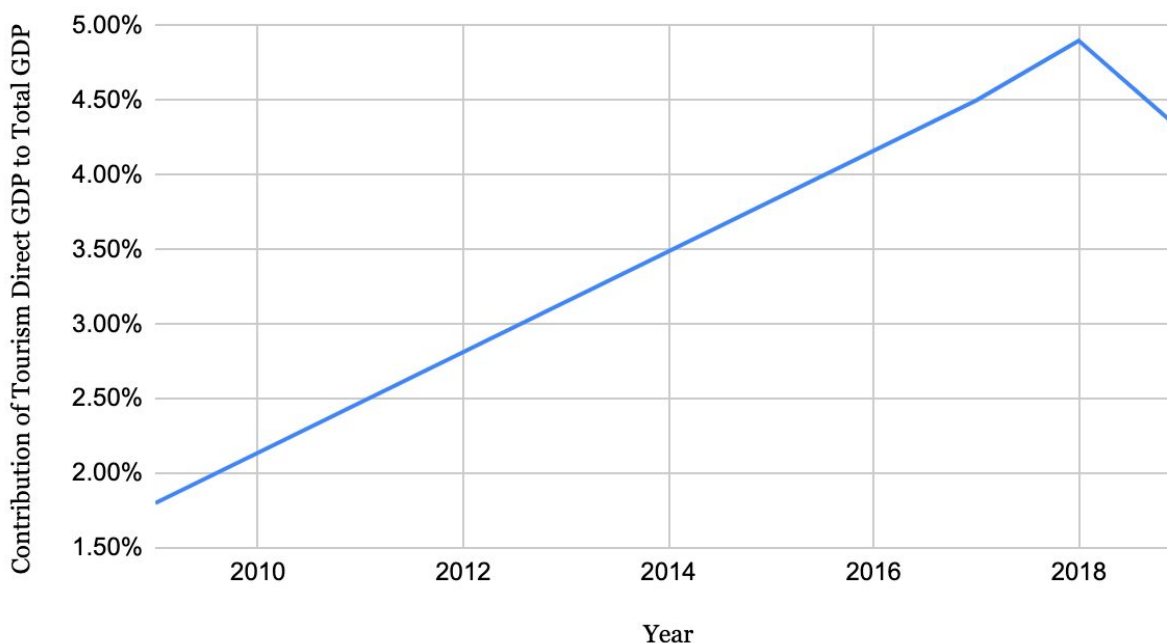
- **8.9:** *By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.*
 - **8.9.1:** *Tourism direct GDP as a proportion of total GDP and in growth rate.*

Figure 14: Contribution of Tourism Direct GDP to Total GDP (SLTDA)¹⁹

2009	2017	2018	2019
1.8%	4.5%	4.9%	4.3%

¹⁹ <https://www.slttda.gov.lk/annual-statistical-report>

Contribution of Tourism Direct GDP to Total GDP



- **8.9.2:** *Number of jobs in tourism industries as a proportion of total jobs and growth rate of jobs, by sex.*

There is currently no available data for this indicator.

The tourism industry is a crucial part of the Sri Lankan economy, providing a total of 402,607 jobs of which 173,592 are direct employment. Nearing 2 million international tourists entering Sri Lanka annually, the number one ranked tourist destination by Lonely Planet shows a steady growth rate in proportion of GDP since 2009. The 2018 Easter bombings have had a detrimental impact, however, on the GDP contribution in 2019 especially since the bombs had targeted major hotels. The 2020 pandemic has also had a negative impact on the tourism industry which will continue to stagnate for the foreseeable future.

Rating 4: Overall, the government's encouragement and promotion of the tourism industry development has had positive outcomes over the long run since the country opened up after the civil war. However, more data must be collected regarding the second indicator for more accurate evaluation in the future. The current stagnation of tourism cannot be attributed to the government or any other organization's shortcomings.

- **8.10:** Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.
 - **8.10.1:** Number of commercial bank branches and automated teller machines (ATMs) per 100,000 adults

Figure 15: Commercial Bank Branches per 100,000 Adults (World Bank)²⁰

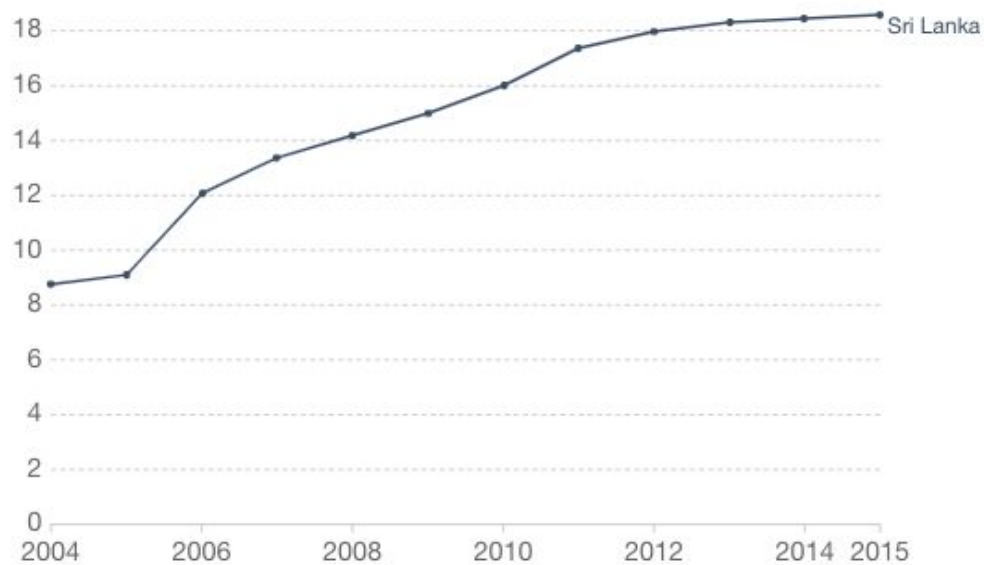
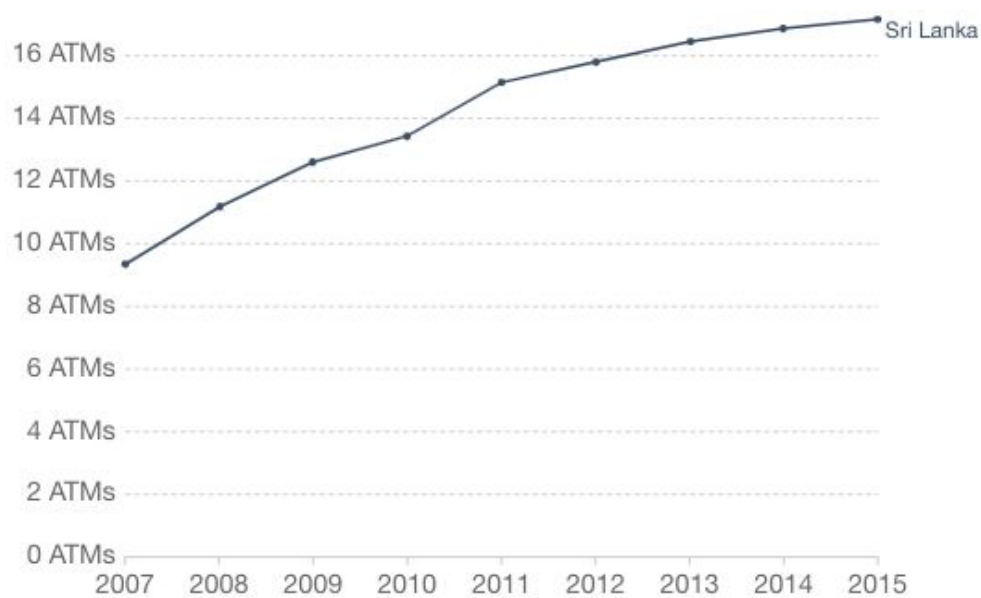


Figure 16: ATM Machines per 100,000 Adults (World Bank)²¹



²⁰ <https://sdg-tracker.org/economic-growth>

²¹ <https://sdg-tracker.org/economic-growth>

- **8.10.2:** *Proportion of adults (15 years and older) with an account at a bank or other financial institution or with a mobile-money-service provider.*

Figure 17: Proportion of Adults 15+ with a Financial Account (World Bank)²²

2011	2014	2017
68.53%	82.69%	73.65%

The number of commercial bank branches and ATM machines per 100,000 adults have had a significant increase since 2004 when the data was first collected. However, the growth rate is decreasing as the proportion seems to level off nearing the recent years. This points towards seemingly increasing financial inclusivity but more data is needed on its distribution across urban and rural areas proportional to population.

The data from figure 17 strengthens the claim that Sri Lanka has a high level of penetration for financial inclusivity though it is worrying to see a decrease of 9.04 percentage points between the years 2014 and 2017. This is still, however, above the regional average of 70% though efforts should be made to raise these levels back to 2014 levels and further.

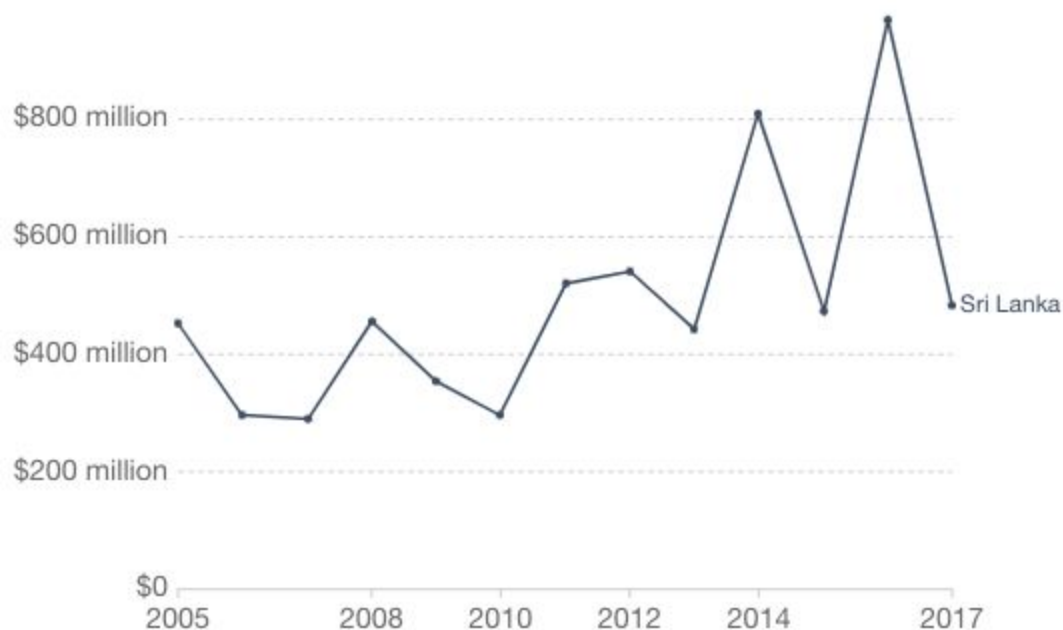
Rating 3: The overall financial inclusivity of adults in Sri Lanka is higher than the average in Asia and in terms of commercial bank branches and ATMs, at a high standard for a lower-middle income nation. However, the financial account proportion decline is a worrying trend and efforts by banks to promote financial inclusion should be pursued, especially in rural areas.

- **8.a:** *Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries.*
 - **8.a.1:** *Aid for Trade commitments and disbursements.*

Figure 18: Total Official Flows Commitment for Aid for Trade by Recipient (UN)²³

²² <https://data.worldbank.org/indicator/FX.OWN.TOTL.ZS?locations=LK>

²³ <https://sdg-tracker.org/economic-growth>



Rating **N/A**: As a lower-middle income developing nation, Sri Lanka is a recipient nation of aid. In 2017, Sri Lanka received \$484 million.

- **8.b:** *By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization.*
 - **8.b.1:** *Total government spending in social protection and employment programs as a proportion of the national budgets and GDP.*

Figure 19: Expenditures on Social Security Programs (ILO)²⁴

²⁴

https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-colombo/documents/publication/wcms_636600.pdf

Item	2006	2007	2008	2009	2010	2011	2012
Government expenditure on SPF related benefits							
Health care							
Amount inRs. million	7,636	65,131	73,410	79,437	86,162	94,574	-
% of GDP	2.0	1.8	1.7	1.6	1.5	1.4	-
% of government expenditure	8.1	7.9	7.5	6.9	7.0	6.7	-
Children							
Nutrition							
Amount inRs. million	537	488	649	1,155	865	-	-
% of GDP	-	-	-	-	-	-	-
% of government expenditure	0.1	0.1	0.1	0.1	0.1	-	-
Education							
Amount inRs. million	2,811	69,295	80,849	84,601	88,292	93,518	92,983
% of GDP	2.5	1.9	1.8	1.7	1.6	1.4	1.2
% of government expenditure	10.3	8.4	8.3	7.3	7.1	6.7	6.1
Other necessary goods and services^(a)							
Amount inRs. million	7,903	8,022	13,957	11,181	9,376	9,779	2,895
% of GDP	0.6	0.2	0.3	0.2	0.2	0.1	0.0
% of government expenditure	2.5	1.0	1.4	1.0	0.8	0.7	0.2
Active age							
Sickness^(b)							
Amount inRs. million	-	-	-	-	-	-	-
% of GDP	-	-	-	-	-	-	-
% of government expenditure	-	-	-	-	-	-	-
Unemployment							
Amount inRs. million	-	-	-	-	-	-	-
% of GDP	-	-	-	-	-	-	-
% of government expenditure	-	-	-	-	-	-	-
Maternity^(c)							
Amount inRs. million	-	-	-	-	-	-	-
% of GDP	-	-	-	-	-	-	-
% of government expenditure	-	-	-	-	-	-	-
Disability							
Amount inRs. million	50	90	112	156	122	483	583
% of GDP	-	-	-	-	-	-	-
% of government expenditure	-	-	-	-	-	-	-
Poverty alleviation							
Amount inRs. million	0,589	10,353	9,359	9,359	9,426	9,278	10,182
% of GDP	0.4	0.3	0.2	0.2	0.2	0.1	0.1
% of government expenditure	1.5	1.2	1.0	0.8	0.8	0.7	0.7
Older persons							
Amount inRs. million	-	68,594	75,901	86,092	91,947	99,949	111,629
% of GDP	-	1.9	1.7	1.8	1.6	1.5	1.5
% of government expenditure	-	8.3	7.8	7.4	7.4	7.1	7.3

Sri Lanka's social security coverage fares better than most other South Asian countries but the rising aging population and lack of jobs for the youth poses a big problem for the institutional capacity of these schemes. As a proportion of GDP, many of the above indicators show a decline in government spending though the actual amount in Rs. million is indeed increasing over the

years for almost all factors. Intriguingly, for sickness, unemployment, and maternity, no money is being spent which must be particularly detrimental for workers and female workers as the government lacks leniency towards conditions that can affect them.

The ILO investigation concludes that by increasing expenditure on social security programs by 2-4% of GDP over 15 years, minimal levels of full coverage can be achieved. This would lead to greater overall economic growth as more investment in human capital results in higher incentives for workers to contribute more labor and productivity in the longer run.

Rating 2: In general, more government spending is needed in social security and employment programs to incentivize higher productivity rates and to empower basic life standard decency. The government can also start providing for active age sickness, unemployment, and maternity benefits as there currently are none.

Conclusion

Altogether there are twelve indicators, 8.1 to 8.10 and then 8.a and 8.b. Based on my rating system, there is one rating of 1, five ratings of 2, two ratings of 3, three ratings of 4, and one rating of “not applicable”. There are no 5s as none of the indicators have been completed which is to be expected only five years into their enforcement. The indicator with a rating of 1 is 8.3 on the formalization of micro-, small-, and medium-sized enterprises into the economy. This is perhaps the largest problem relating to labor here in Sri Lanka as about 60% of the total labor force are a part of the informal labor industry where labor laws cannot be fully enforced and workers can easily be abused as they are not part of the regulatory system under the government. It should be noted that this proportion of workers in informal labor has not changed over the past six years.

Figure 20: Number of Indicators in Each Rating Category

Rating	1	2	3	4	5	N/A
Number of Occurrences	1	5	2	3	0	1

One of the leading indicators in Sri Lanka is 8.7 which is about the eradication of modern forms of slavery and child labor. From 2008/9 to 2016, the proportion of children aged 15-17 involved in

labor has fallen drastically from 12.9% to 2.3%. With the government-led efforts of increasing crackdowns on these types of labor, Sri Lanka is well on its way to eradicate all forms of child labor by 2025 as the goal states.

Overall, this report concludes that there are many areas of improvement that the Sri Lankan government can get through by enforcing the law more thoroughly across all regions. The biggest issue is really the lack of documentation on the nation's progress in these endeavors which the Department of Census and Statistics must really start doing. Nevertheless, the available data do suggest that some of the government's policies are making a significant impact on labor conditions throughout the country and that, should these continue to be implemented, Sri Lanka is on its way to fulfilling the goals set out for decent work and economic growth.