

Sri Lanka

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11%

Population below international poverty line

variable

National minimum wage

€103

per month

Rural living wage

25%

Agricultural workforce

7%

Agriculture share of GDP

4

high

Risk to workers' rights

Context

Sri Lanka has a population of nearly 22 million people,^[1] with 81% of its inhabitants living in rural areas^[2] and the rest 19% in urban centres.^[3] The agricultural sector employs a quarter of the workforce^[4] and accounts for 7% of the nation's GDP.^[5]

Agriculture is highly important for Sri Lanka's economy and roughly 44% of the country's land is used for agricultural production.^[6] Yet, agriculture in Sri Lanka is characterised by low levels of mechanization and productivity.^[7] Smallholders are responsible for around 70% of the total tea production, the most important export in Sri Lanka, and still they account for half of the poor rural people.^[8]

The top commodities produced in Sri Lanka are rice, coconuts, plantains, sugar cane, and mangoes,^[9] while arranged by export quantity the top commodities are tea, fibre crops, wheat, nuts, and coconuts.^[10]

Wages

Minimum Wage

The minimum wage in Sri Lanka varies greatly by sector. But in the near future, it is expected that a minimum wage of 10,000 Sri Lanka Rupee (43 EUR) per month will be set for all sectors.^[11] Regardless of the minimum wage, Sri Lanka's authorities have not been effective in protecting labour rights or securing basic working conditions. Worker protections are not enforced in the informal sector, nor in all formal sectors.^[12]

Living Wage

The **Global Living Wage Coalition** has developed a living wage benchmark for the tea estate sector in Sri Lanka.

The living wage benchmark has been estimated at 23,785 Sri Lankan Rupees (103 EUR) per month based on a family of 4.5 with 1.76 full-time workers.^[13] Tea is a major commodity in Sri Lanka, both nationally and for export, and is mainly grown on large tea estates in mountainous regions in the middle of the country. Tea estates are defined as plantations with more than 20 acres and a minimum of 10 workers and it is estimated that around 20 million Sri Lankans live on such estates. The wages of tea workers vary according to their role and if they are pluckers, it depends on the amount of their daily collection. Thus, there is a considerable difference between the prevailing wages for most workers on the tea plantations and the estimated living wage for the tea estate sector.^[14]

What's happening

RESOURCE

Living Wage Benchmark, Sri Lanka's Tea Estate Sector ↗

Living wage estimate for workers in Sri Lanka's tea sector to be able to afford a basic but decent living standard. Global Living Wage Coalition, 2019.

INITIATIVE

Ethical Tea Partnership ↗

Initiative to improve the livelihoods of tea farmers and their families across the globe. Projects in Sri Lanka seek to empower women and strengthen income.

RESOURCE

Sustainability Issues in the Tea Sector ↗

This report by SOMO, explores the economic, social and ecological conditions in the tea industry by comparing six leading producing countries.

RESOURCE

Future Work Prospects in the Sri Lankan Tea Sector ↗

This ILO report promotes understanding of the role of smallholder farmers in tea value chains, the state of decent work, and the implications for future work in Sri Lanka's tea sector.

RESOURCE

Fair Compensation in Global Supply Chains ↗

This Fair Labor Association report assesses factory wages, mainly from garment workers, in 21 countries to help buyers and suppliers move toward better compensation.

Footnotes

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12. U.S. Department of State. (2019). <https://www.state.gov/reports/2019-country-reports-on-human-rights-practices/sri-lanka/>
13. Anker, M. and Anker, R. (2019). Update: Living Wage Report, Sri Lanka, Estate Sector- Context Provided in the Tea Sector. <https://www.globallivingwage.org/wp-content/uploads/2019/07/Sri-Lanka-Living-Wage-Study-Companion-Paper-2019.pdf>
14. Thibbotuwawa, M., Jayawardena, P., Arunatilake, N., and Gunasekera, N. (2015). Living Wage Report: Sri Lanka. <https://www.globallivingwage.org/wp-content/uploads/2019/07/Sri-Lanka-Living-Wage-report.pdf>