



# **EMPLOYMENT AND UNEMPLOYMENT IN SRI LANKA – TRENDS, ISSUES AND OPTIONS**

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## **PREFACE**

*This paper makes an attempt to analyse the past trends in employment and unemployment, during the last four decades, based on the data collected through the censuses and surveys conducted by the Department of Census and Statistics (DCS). The Quarterly Labour Force Survey which is being conducted in each quarter by the DCS, since the first quarter of 1990, provided the main data source for the analysis. The main emphasis in this paper is on the unemployment situation in the country. An attempt was also made to identify specific issues related to employment and unemployment and also suggest certain policy options, which may help in rectifying, some of the problems.*

*I wish to take this opportunity to thank all the staff members of the DCS, who are directly or indirectly involved in collection, compilation and analysis of the Labour Force Survey Data, for more than a decade.*

*It is hoped that the information given in this document, as well as the vast amount of statistical information available at the DCS will be made use of, to plan a better future for the people of this country. Summarized information based on the Labour Force Surveys is given in the DCS website [www.statistics.gov.lk](http://www.statistics.gov.lk).*

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## EMPLOYMENT AND UNEMPLOYMENT IN SRI LANKA – TRENDS, ISSUES AND OPTIONS

### 1. INTRODUCTION

Labour has a dual role in the economic process. It is both an input to production and a source of income. Current data on Labour, viewed as an input, serve as macro-economic indicators for monitoring the current performance of the economy and the changes occurring in the main components of the labour force in relation to other inputs and outputs. They also serve to evaluation government policies and programmes, for example, to assess the extent to which job creation programmes meet planning and other priority needs. Past data and trends are used for example, to analyse the past growth of the economy and the composition of output, or to study the demographic, economic and other factors affecting the observed size and composition of the labour force. The project data provide information, for example, to map future outputs or to plan future inputs, including training and education.

Data on Labour viewed as a source of income, help to monitor and to formulate plans to provide productive and remunerative employment for the unemployed and involuntary part-time workers or more productive employment for underemployed workers. They are also used to evaluate employment policies, in particular in relation to their effects on the income and basic needs and productive assets of the poor. Labour Force data also serve to explain the observed level and distribution of income among individuals or households and to analyse the effect of income maintenance and income redistribution policies on employment and unemployment levels and their composition. Labour Force projections provide basic information to estimate or plan future earnings and incomes and to study their implications on future savings and consumption expenditure.

In short, the current information on Labour Force are generally used (1) to study the situation and trends in employment, unemployment and underemployment, (2) to quantify the magnitude and distribution of employment opportunities needed at any point of time or over a given period of time, (3) to monitor the performance of employment programmes and of the economy in general and (4) to evaluate the impact of such programmes on unemployment and underemployment, income and the satisfaction of the basic needs.

This paper makes an attempt to analyse the past trends in employment and unemployment during the last four to five decades based on the data collected through the censuses and surveys conducted by the Department of Census and Statistics (DCS). The Quarterly Labour Force Survey (QLFS) which is being conducted in each quarter by the DCS, since the first quarter of 1990, provided the main data source for more detailed analysis. The main emphasis in the paper is on the unemployment situation in the country, specially the youth unemployment. The paper also attempts to identify specific issues related to employment and specially unemployment and suggest certain policy options, which may help in rectifying the some of the problems. Paper also gives the concepts and definitions that are currently being used by the DCS when collecting and analysis labour force data. The methodological aspects of collecting and compilation of labour force statistics, are also explained briefly.

## 2. ECONOMICALLY ACTIVE POPULATION

A person is regarded as “**Economically Active**,” if he/she is either employed or available for employment.

The ‘Economically Active Population (EAP)’ defined broadly as comprising of all persons above a specific age (10 years and above in the case of Sri Lanka) of either sex, who furnish the supply of labour for the production of economic goods and services during a specified time reference period. If measured in relation to a long reference period of say, one year, it is referred to as ‘**Economically Active Population**’. If the currently active population measured in relation to a short reference period, such as one week or one day, it is conceptually referred to as ‘**Labour Force**’. This is infact the sum of employed and unemployed during a short period of reference, such as one week or one day.

Statistics on EAP is used for .....

- ❖ Monitoring the Economic situation of the country
- ❖ Human Resource Development planning
- ❖ Formulation, Implementation and Monitoring employment policies
- ❖ Income support and Social Programmes

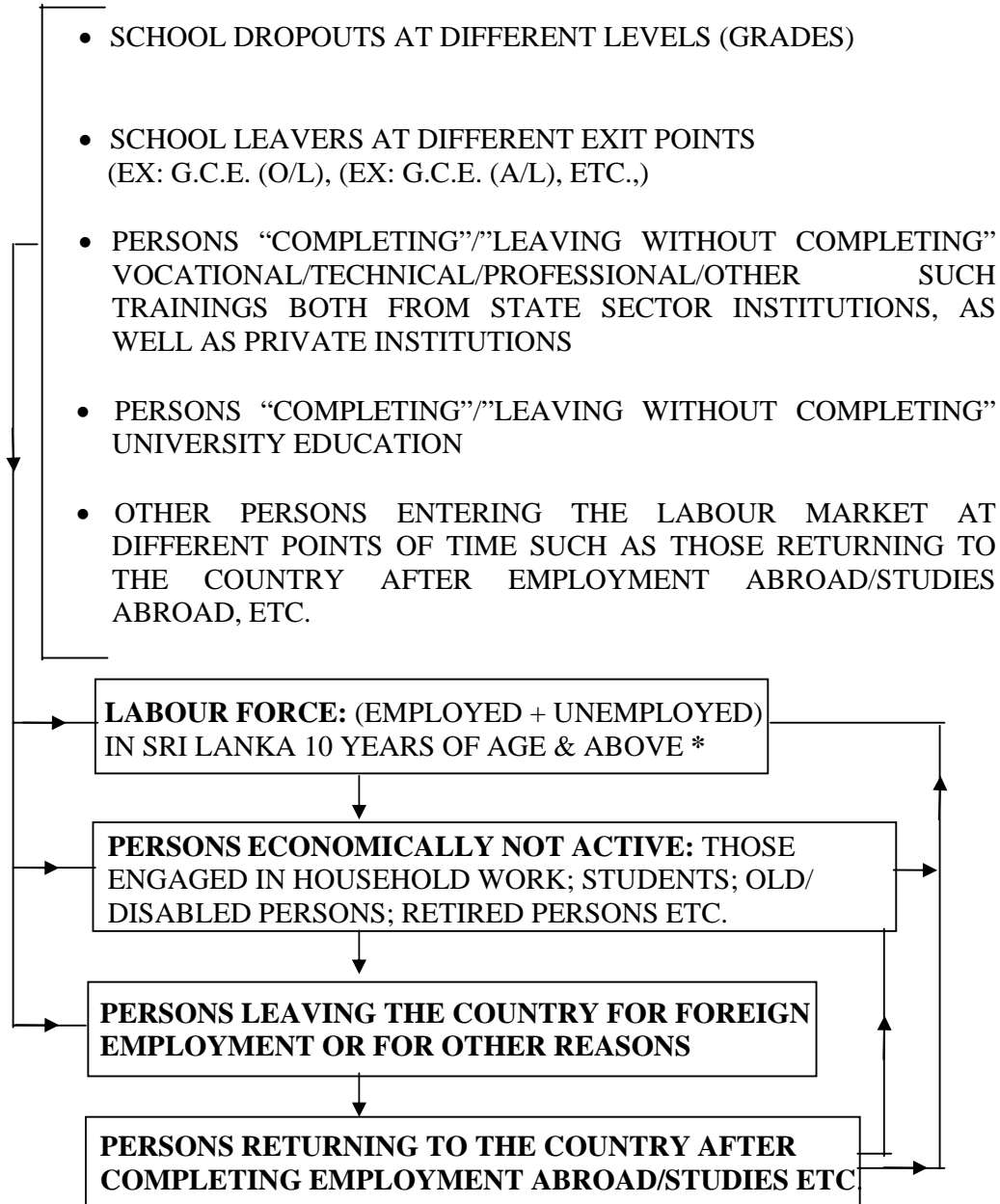
For measurement of the EAP both the civilian population as well as the members of the Armed Forces should be also covered. It is possible to cover both these groups in a Census operation, as each and every person is covered in such an operation. However, it should be noted that in household surveys, members of the households who live elsewhere, for example in institutions, barracks, hostels etc., are not covered, because it is not possible to cover them properly through households. As such members of the armed forces who live in barracks or are in operational areas, persons living in large hostels, institutions etc., do not get covered in household surveys and therefore get excluded from EAP. As such it is necessary to make a suitable adjustment when estimating the EAP using households survey data.

It should also be noted that the non-household population in Sri Lanka is estimated to be less than 3 percent.

It is estimated that around 120,000 enter the Labour Force each year at different age groups, ranging from a round 10 years to around 29 years at present. Majority enter the Labour Force between age 15 to 24 years. Most of the Graduates enter the Labour Force between the ages 25 to 30 years. The following Chart shows the type of persons entering and leaving the Labour Force at different points of time.



**PERSONS ENTERING OR LEAVING THE LABOUR FORCE  
IN SRI LANKA**



Note: \* Minimum Age Limit needs to be fixed for coverage in order to limit the data collection to working age population. In Sri Lanka 10 years of age is fixed as the minimum though there are only a very small percentage in the Labour Force below age 15 years.

Following table gives the Labour Force participation rates since 1946.

**Table (1) - Labour Force Participation (1946 to 1985/86) based on Censuses and Surveys**

Source	Labour Force Participation in '000			Crude Participation Rate		
	BS	M	F	BS	M	F
1. PC – 1946.....	2,611	2,041	570	39.2	57.2	18.2
2. PC – 1953.....	2,993	2,268	724	37.0	53.1	18.9
3. PC – 1963.....	3,464	2,742	722	32.7	49.8	14.2
4. SES – 1969/70	4,169	3,124	1,045	38.6	57.3	19.5
5. PC – 1971	4,488	3,312	1,175	35.4	50.7	19.1
6. LFSE – 1980/81	5,715	4,109	1,606	37.3	53.1	21.2
7. PC – 1981	5,105	3,767	1,248	33.8	49.8	17.2
8. LFSE – 1985/86	5,962	4,038	1,924	49.4	67.8	31.5

**Sources: Censuses and Household Surveys conducted by the DCS.**

Note: In Household Surveys the Employed, Unemployed and Under-Employed are being identified by analysing the responses to a number of specially designed questions, where as in the case of Censuses, it is being done only by analysing the responses to only one or two questions. As such, surveys provide better estimates for Labour Force Characteristics and therefore the labour force figures based on Household Surveys could give higher estimates, than the corresponding Census figures. However, it should also be noted that the surveys cover only the household population. As such it is not proper to make any direct comparisons between census and survey estimates.

(PC - Census of Population;  
 SES - Socio-Economic Survey;  
 LFSE - Labour Force and Socio-Economic Survey  
 BS – Both Sexes; M – Male; F – Female)

**Table (2) – Labour Force Participation since 1990 based on Quarterly Labour Force Survey - DCS**

Year & Quarter	Household Population (10 years & Over '000	Total Labour Force '000	Labour Force Participation Rate (Activity Rate)		
			BS	M	F
1990	11,574	6,001	51.9	67.6	37.0
1991	11,796	5,877	49.8	64.8	35.0
1992	12,058	5,808	48.2	65.2	31.0
1993	12,278	6,032	49.1	65.3	33.1
1994	12,493	6,079	48.7	65.4	32.0
1995	12,736	6,106	47.9	64.4	31.7
1996	12,831	6,241	48.7	65.9	31.6
1997	12,870	6,266	48.7	65.6	32.0
1998	12,885	6,633	51.7	67.4	36.2
1999	13,169	6,666	50.7	67.7	34.1
2000	13,565	6,827	50.3	67.2	33.9
2001	13,870	6,773	48.8	66.2	31.9
2002	14,201	7,145	50.3	67.9	33.6
*2003 Q1	15,573	7,643	49.1	66.8	32.2
**2003 Q1	14,328	7,149	49.9	67.2	33.6

Note: Northern and Eastern Provinces were not covered in this survey from second quarter 1990 upto the second quarter 2002.

\* Including Eastern Province

\*\* Excluding Eastern and Northern Province

As can be seen from the above two tables the Labour Force Participation Rate has been fluctuation around 35 percent from mid 1940's to early 1980's. Since mid 1980's it has been fluctuating around 50 percent, showing a significant increase in the Labour Force Participation Rate for both males as well as females compared to early 1980's. The male participation rate, which was fluctuating around 50 percent, upto early 1980's, is now fluctuating around 66 percent. The female participation rate which was around 20 percent upto early 1980's, is now fluctuates around 33 percent. Improved educational facilities and increased job opportunities, in both self-employment and paid employment in the recent times have helped to increase the participation rates for both males, as well as females, when compared to earlier periods from around mid 40's to early 80's. The rapid increase in labour force participation in mid 80's is mainly due to the influx of women into the labour market due to open economic frame work and due to the structural reforms which created new job opportunities for females, specially in the private sector. **However, female labour force participation, could increase further, if suitable job opportunities are available in their own areas of living, as females find it difficult to be away from their families specially if they have young children.**

It should be noted that the estimates based on the Quarterly Labour Force Survey do not include non-household population, such as those living in barracks, hostels, large boarding houses, and chamaries etc. Members of the armed forces who live with the

members of their households do get captured in the household surveys. However, those who live in barracks or those who are in the operational areas do not get included. As such a large proportion of the youths who join the armed forces (out of a total of around 240,000 personnel in the armed forces) get excluded in the labour force estimates, Similarly those who leave the country for employment abroad are also excluded from the labour force estimates, as they are not considered to be in the Labour Force within Sri Lanka. For example, in 2002 the total number of persons who have gone aboard for employment had been 203,710 out of which 132,984 were females. More details on persons who have gone abroad for employment are given in appendix (4), Table A3. These are two of the important reasons for not showing expected increase in the Labour Force, as well as the population ‘10 years and above’, in the estimates prepared using the survey data. Though the persons who have gone abroad for employment are not considered to be in the Labour Force within Sri Lanka, they can make a positive impact on the unemployment situation in Sri Lanka. When employed persons leave, the unemployed persons can take their places and when unemployed persons leave the numbers unemployed also gets reduced. This is one of the reasons for reduction in unemployment.

Another factor to note when using these estimates is that from the second quarter of 1990, Quarterly Labour Force Survey was not conducted in Northern and Eastern Provinces of the country and as such figures since then excludes those two provinces.

**Table (3) - Labour Force Participation Rate by Provinces 1985/86, 1996, 2000 and 2002**

Province	LFSE 1985/86			QLFS - 1996			QLFS – 2000			QLFS – 2002		
	B	M	F	B	M	F	B	M	F	B	M	F
All	49.4	67.8	31.5	48.6	65.9	31.6	50.3	67.2	33.9	50.3	67.9	33.6
Western	48.0	66.8	30.2	47.3	66.1	29.2	47.1	66.8	28.6	47.9	67.1	29.9
Central	47.1	63.8	30.9	48.4	64.0	33.5	53.2	66.6	40.1	50.0	66.0	35.4
Southern	48.9	66.3	32.8	48.4	63.6	33.3	47.0	64.3	30.3	48.2	66.1	31.3
Northern	40.4	64.7	17.7	-	-	-	-	-	-	-	-	-
Eastern	40.4	66.0	15.0	-	-	-	-	-	-	-	-	-
North Western	49.2	69.0	28.9	47.9	67.3	28.7	51.3	67.1	35.8	51.2	69.4	33.5
North Central	56.2	71.7	38.6	52.2	68.0	34.5	55.1	72.3	37.2	52.6	71.2	33.9
Uva	59.2	71.7	46.8	52.2	68.4	35.6	58.6	71.1	46.1	62.2	71.9	53.0
Sabaragamuwa	53.0	69.4	36.7	49.7	66.3	33.2	50.3	66.9	33.3	49.9	67.8	32.0

Note: LFSE – Labour Force and Socio-Economic Survey  
 QLFS – Quarterly Labour Force Survey

It can be seen from the Table (3) that the Labour Force Participation Rate has decreased in three Provinces, namely North Central, Uva and Sabaragamuwa in 1996, compared to the rates in 1985/86, specially in the case of females. The Labour Force Participation Rate for Uva, which was highest (59.2%) in 1985/86 has dropped to 52.2% in 1996. In the North Central Province rate has dropped from 56.2% in 1985/86 to 52.2% in 1996. In the Uva Province, the participation rate has again increased to 62.2 percent in 2002, mainly due to the increase in participation rate of

females (53 percent); However, there is no improvement in the ‘North Central’ or ‘Sabaragamuwa’ Provinces. Changes since 1985/86 in other Provinces also are marginal. Certain welfare programmes may have contributed to this situation. However, this needs to be investigated further before drawing any conclusions. Another factor which affects the labour force participation in Sri Lanka is the labour migration as already mentioned. This factor affects the labour force participation in two ways. (i) reduction of labour force in Sri Lanka, due to out migration for employment abroad (ii) the members of the families of such migrants, leave the labour force, specially employees in the agricultural sector, such as rubber tappers, casual agricultural labourers, etc., as they tend to depend on the remittances from abroad. Both these factors have a negative effect on the agricultural sector. This is one of the main reasons for high cost of production of some of the agricultural commodities.

**Table (4) – Labour Force Participation Rate by Age and Sex 1980/81, 1985/86, 1992, 1996 and 2002**

	LFSE 1980/81			LFSE 1985/86			QLFS 1992			QLFS 1996			QLFS 2002		
	B	M	F	B	M	F	B	M	F	T	M	F	T	M	F
All age group	46.5	66.8	25.8	49.4	67.8	31.5	47.7	64.3	31.1	48.7	65.9	31.6	50.3	67.9	33.6
10-14 yrs	4.8	6.4	3.1	4.9	6.3	3.5	1.6	1.9	1.3	*	*	*	*	*	*
15-19 yrs	31.4	41.9	20.6	32.8	42.9	22.5	26.7	32.0	21.1	27.1	33.8	20.6	24.7	30.1	19.0
20-24 yrs	-	-	-	67.0	87.7	47.0	70.3	58.5	54.5	68.4	83.3	52.9	67.5	84.0	51.4
}	63.2	90.5	37.2	-	-	-	-	-	-	-	-	-	-	-	-
25-29 yrs	-	-	-	69.2	96.5	45.5	72.2	94.0	49.9	69.8	93.6	47.4	69.8	94.7	48.2
30-34 yrs	-	-	-	69.2	97.3	43.6	69.5	96.3	44.4	70.0	96.0	45.1	69.0	96.8	43.2
}	66.4	96.2	36.7	-	-	-	-	-	-	-	-	-	-	-	-
35-39 yrs	-	-	-	69.8	97.4	45.1	69.5	97.1	46.7	71.5	96.7	46.9	71.2	97.0	47.8
40-44 yrs	-	-	-	68.6	96.1	42.9	70.4	96.2	43.4	69.5	96.6	43.7	71.7	96.4	48.2
}	65.1	95.4	34.4	-	-	-	-	-	-	-	-	-	-	-	-
45-49 yrs	-	-	-	68.2	95.2	42.2	64.3	93.5	38.0	66.5	93.7	40.4	68.7	93.9	46.1
50-54 yrs	-	-	-	61.2	90.3	33.9	56.0	85.8	27.6	59.7	87.9	32.1	64.7	89.6	40.2
}	57.0	84.8	26.3	-	-	-	-	-	-	-	-	-	-	-	-
55-59 yrs	-	-	-	54.1	81.7	26.3	48.7	73.4	23.6	49.3	74.5	24.0	53.0	78.6	27.9
60-64 yrs	-	-	-	44.5	66.8	20.0	-	-	-	-	-	-	-	-	-
}	29.4	48.2	8.1	-	-	-	25.2	41.0	8.4	23.4	38.9	8.7	24.0	40.2	9.6
65+	-	-	-	27.7	44.1	10.3	-	-	-	-	-	-	-	-	-

Note: LFSE - Labour force and Socio-Economic Survey

QLFS - Quarterly Labour Force Survey

\* - Negligible

The Labour Force participation rate for Males remains around 95% for those in the age range 25-49 years, which drops gradually from there on-wards. This indicates that the male participation has reached the maximum level in this age group. The highest participation rate for females is still ranging only from 45 to 50 percent in the age range 20 - 49 years. This indicates that further economic growth in Sri Lanka will depend on more women joining the labour force. As such, it is necessary to create more employment opportunities for women in such a way that they will not have to be far away from their families. A network of smaller manufacturing establishments

which could manufacture various components required for major industries, like in the case of Japan, may be one possible option. This will enable not only the female workers, but also the male workers to find suitable employment closer to their places of residence and make a substantial contribution to the economy of the country, while at the same time improve their own living standards. When the whole family live together, without having one or more of it's members to live elsewhere, the total cost of living of the family can be reduced considerably and thereby improve standard of living of the entire family. In addition to this, when the parents, specially the mothers, have to work far away from their places of residence, well being of the children is also effected, to a considerable extent. As such it is essential to create job opportunities throughout the country.

### 3. EMPLOYED POPULATION

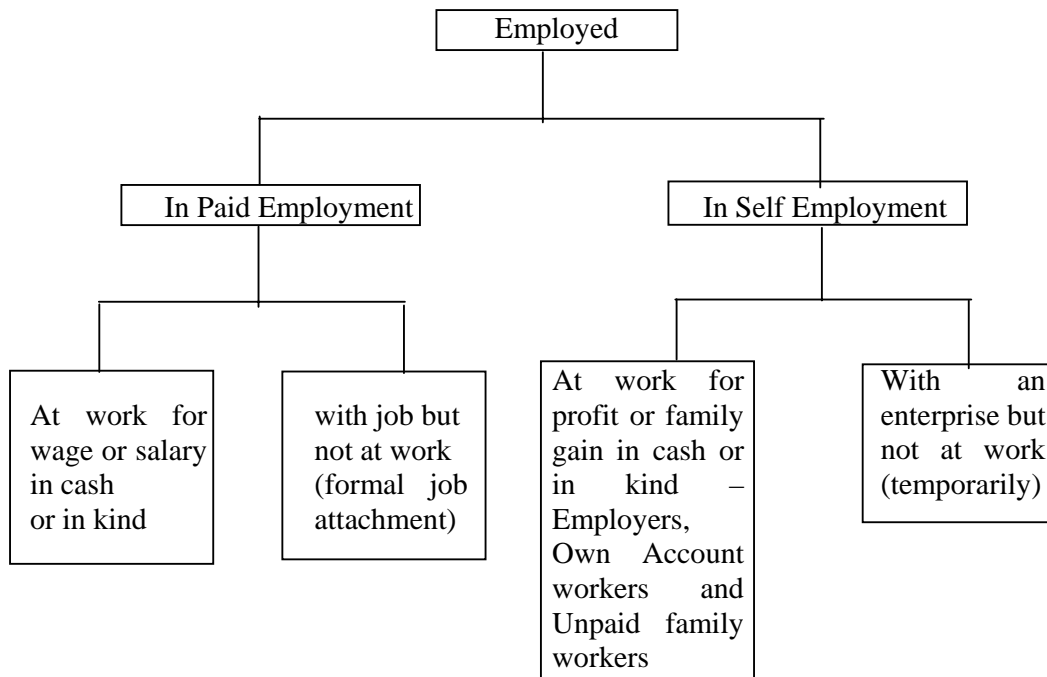
Employed persons are all household members who during the reference period have performed **some work** for a wage or salary, or profit or family gain, in cash or in kind. If a persons has worked (i.e. an engagement in any economic activity) for **at least one hour** during the reference period (previous calander week when the short reference period of 'one week' is considered, when measuring the 'current' status of employment) as an '**Employee**' or '**Employer/own account worker (self employed)**' for a **profit**; or as an '**unpaid family worker**' for **family gain**, such persons are considered to be currently employed. This is the internationally accepted definition for currently employed population. Even though some criticise the use of this criterion, in-depth analysis of the survey results shows that the **percentage of employed persons** who have worked even up to 9 hours, within the reference week is less than 1 in the Urban sector and around 1.5 in the Rural sector. Though the percentage of persons, who have worked only one hour during reference week is negligible, such persons cannot be excluded when identifying the employed persons.

The **one hour criterion** has the following justifications

- For the purposes of coverage of all types of employment, including short-time work, casual work, etc.
- Coherence between production and employment statistics: measurement of total production and total labour inputs
- Application of the priority rules of the labour force framework – Employment, Unemployment and Inactivity are mutually exclusive and unemployment is total lack of work.
- Definition of unemployment as the situation of total lack of employment (here we consider engagement below one hour during the reference period as being total lack of employment)

The Employment Framework could be shown as follows. The structure of the Labour Force framework which gives the total picture is given in Appendix (1).

Fig. (1) – Employment Framework



The **persons with job, but not at work**: These are persons who (a) have already worked in that job, (b) were temporarily not at work during the reference period, and (c) had formal job attachment during their absence from work

Reasons for absence may range from illness/injury; holiday/vacation; strike/lockout; educational/training leave; maternity leave; reduction in economic activity; temporary disorganisation/suspension of work (e.g. bad weather, mechanical/electrical breakdown, shortage of raw material/fuels); to other temporary absence with or without leave.

The criteria for formal attachment to job are (i) continued receipt of wage or salary, (ii) assurance of return to work, or agreement as to date of returns; (iii) limited duration of absence from job (e.g. duration for which compensation benefits can be received without obligations to accept other jobs)

There are generally such borderline situations as persons temporarily laid off, persons on long-term maternity or study leave, casual employees, seasonal employees.

At present there are 6.5 million employed persons in the country (excluding the Northern and Eastern Provinces). Using the past trends it is estimated that there should be around 750 thousand employed persons in the Northern and Eastern Provinces. As such the total estimated employed population in Sri Lanka at present, including Northern and Eastern Provinces would be around 7.3 million. As the Quarterly Labour Force Survey covers only the household population, above figure does not include the employed among the non-household population.

As explained earlier those living in boarding houses, lodging places, hostels, barracks etc., are usually not covered in household surveys. It is estimated that around 1.5 percent of the total population are living in such places at present. Out of them a large majority are employed persons. If such persons are also included, the employed population in the country at present should be higher than the figure of 6.8 million, which is estimated through the household surveys.

As already explained a large number of persons, both males and females are going abroad for employment (See Appendix (2)). Though they are employed, such persons are not included in the employed population within Sri Lanka and therefore gets excluded from the labour force within the country. This however, helps to ease the unemployment problem within Sri Lanka and the remittance from those employed abroad to Sri Lanka is one of the main source of foreign exchange to the country. In 1998, the total private remittances from abroad was Rs.64,585 million (US \$ 999 million) and in 2002 it has increased to Rs. 123,183 million (US \$ 1,287 million).

Following table gives the employed population from 1946 to 1986.

**Table (5) – Employed Population by Sex**

Source	Employed Population ('000)		
	Both sexes	Male	Female
1. Census of Population - 1946	2,612	2,042	570
2. Census of Population - 1953	2,993	2,269	724
3. Census of Population - 1963	3,200	2,543	657
4. Socio-Economic Survey – 1969/70	3,610	2,775	835
5. Census of Population - 1971	3,649	2,838	811
6. Labour Force and Socio-Economic Survey –1980/81	4,851	3,623	1,228
7. Census of Population - 1981	4,119	3,268	851
8. Labour Force and Socio-Economic Survey – 1985/86	5,175	3,643	1,533

As can be seen from Tables (5) and (6) the employed population has increased from 3.6 million in 1971 to 5.2 million in 1985/86. The number employed has now increased to around 6.5 million, in the first quarter of 2003, excluding Northern and Eastern Provinces. However, the estimates are now available for the Eastern Province estimated total employed person when the Eastern Province is also included is 6.9 million.

The employed population since 1990 based on the Quarterly Labour Force Survey is given in Table (6). In this table, only the first quarter of 1990 covers the whole island. From the second quarter of 1990 onwards it was not possible to conduct the survey in the Northern and Eastern Provinces due to the unsettled conditions in those two provinces until the latter part of 2002. As such it is not possible to compare the employed population directly with the figures obtained through previous censuses and surveys, which covered the whole country.



**Table (6) – Employed Population based on Quarterly Labour Force Survey since 1990**

Year	Employed Population ('000)			Employed Rate		
	Both Sexes	Male	Female	Both Sexes	Male	Female
1990	5,047	3,434	1,613	84.1	88.9	76.6
1991	5,016	3,407	1,601	85.3	89.9	77.0
1992	4,962	3,518	1,445	85.4	89.3	77.2
1993	5,201	3,601	1,600	86.2	90.3	78.3
1994	5,281	3,679	1,603	86.9	90.3	79.9
1995	5,357	3,761	1,656	87.7	91.0	81.3
1996	5,537	3,857	1,608	88.7	91.8	83.9
1997	5,608	3,862	1,746	89.5	92.3	83.9
1998	6,004	3,982	2,023	90.5	93.4	85.4
1999	6,083	4,107	1,975	91.2	93.3	87.0
2000	6,310	4,241	2,069	92.4	94.2	89.0
2001	6,236	4,249	1,987	92.1	93.8	88.5
2002	6,519	4,395	2,124	91.2	93.4	87.1
* 2003 Q1	6,943	4,746	2,197	90.8	93.6	85.4
** 2003 Q1	6,527	4,395	2,132	91.3	93.8	86.5

\* Including Eastern Province

\*\* Excluding Eastern and Northern Provinces

Table (7) gives the percentage distribution of employed population by Industry from 1953 to 1985/86. The major industrial group ‘Agriculture, Hunting, Forestry & Fishing’ had remained the main group, throughout the period. However, the percentage under this group is showing a downward trend. Table (8) gives the distribution since 1990 based on the Quarterly Labour Force Survey. This table shows that the downward trend in the Agriculture group is continuing. In 1953, the percentage share in this group had been 52.9 and in 2001 it has dropped to around 32.6 percent.

On the other hand percentage share of the ‘Community, Social and Personal Services’ group has increased from 13.2 in 1953 to around 18.5 in 2001. Similarly, the percentage share of the ‘Wholesale and Retail Trade’ group has increased from 9.4 in 1953 to around 13.0 in 2001 and ‘Construction’ from 1.9 to 5.2 during the same period.

The percentage share of employed persons in the “Manufacturing” sector do not show the anticipated increase though there had been a considerable improvement in activities in that sector. This could be attributed to the fact that a large proportion of employees in the manufacturing sector, specially those in the free trade zones are living in boarding houses, lodging places, etc., and therefore would have got excluded because the survey covers only the household sector. If they are also included, the percentage of employed persons in the manufacturing sector would be higher than the percentage figures shown in Table (8).

**Table (7) – Percentage Distribution of Employed Population by Industry from 1953 to 1985/86**

Industry	Census 1953	Census 1963	Census 1971	LFSE 1980/81	Census 1981	LFSE 1985/86
1. Agriculture Hunting, Forestry & Fishing	52.9	52.6	50.1	47.3	45.2	49.0
2. Mining & Quarrying	0.5	0.3	0.4	1.3	0.9	1.2
3. Manufacturing	9.7	9.2	9.3	11.8	10.1	12.2
4. Electricity, Gas & Waters	0.1	0.2	0.3	0.4	0.4	0.5
5. Construction	1.9	2.7	2.2	4.5	3.9	4.1
6. Wholesale and Retail Trade	9.4	10.9	9.4	10.0	10.5	10.6
7. Transport, Storage and Communication	3.5	4.3	4.9	4.2	4.8	4.2
8. Finance, Insurance, Real Estate and Business Services	2.2	0.5	0.7	1.1	1.1	1.3
9. Community, Social and Personal Services	13.2	13.8	13.5	13.3	14.5	12.6
10. Activities not Described	6.6	5.5	8.6	6.2	9.4	4.2
<b>All Groups</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Note: LFSE – Labour Force and Socio Economic Survey.

Figure 2 - Percentage of Employed Population by Major Industrial Group 1990 to 2001

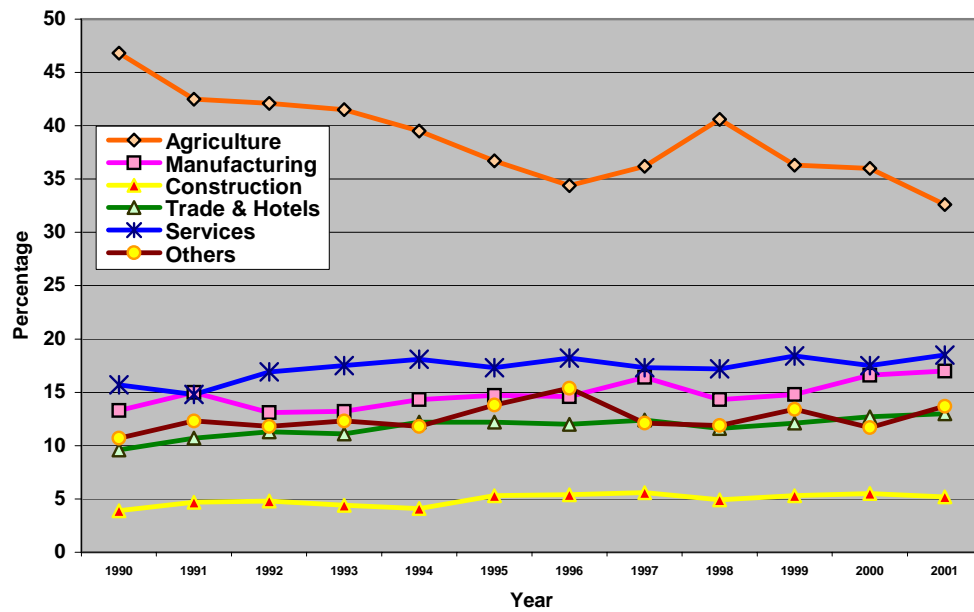
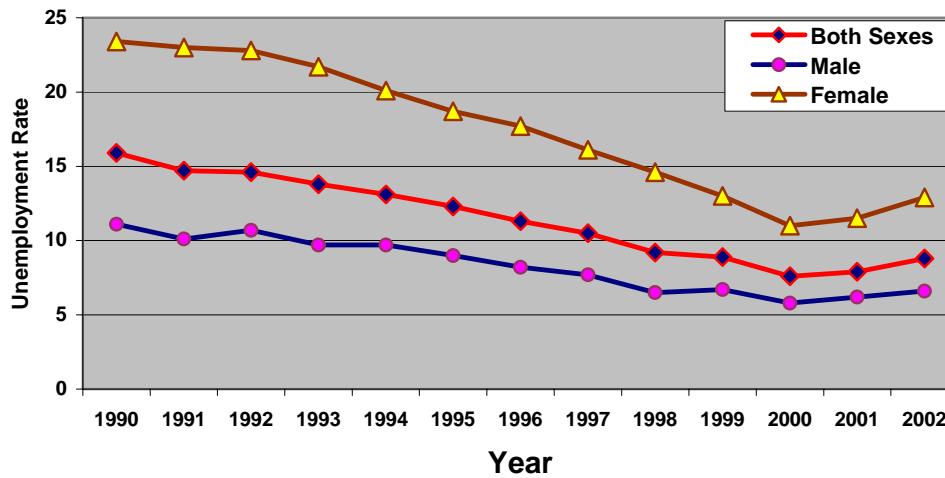


Figure 3 - Unemployment Rate by Sex - 1990 to 2002



**Table (8) – Percentage Distribution of Employed Population by Major Industrial Group Based on the Quarterly Labour Force Survey – 1990 to 2001**

Year	Total	Major Industrial Group					
		Agriculture	Manufacturing	Construction	Trade & Hotels	Services	Others
1990	100.0	46.8	13.3	3.9	9.6	15.7	10.7
1991	100.0	42.5	15.0	4.7	10.7	14.8	12.3
1992	100.0	42.1	13.1	4.8	11.3	16.9	11.8
1993	100.0	41.5	13.2	4.4	11.1	17.5	12.3
1994	100.0	39.5	14.3	4.1	12.2	18.1	11.8
1995	100.0	36.7	14.7	5.3	12.2	17.3	13.8
1996	100.0	34.4	14.6	5.4	12.0	18.2	15.4
1997	100.0	36.2	16.4	5.6	12.4	17.3	12.1
1998	100.0	40.6	14.3	4.9	11.6	17.2	11.9
1999	100.0	36.3	14.8	5.3	12.1	18.4	13.4
2000	100.0	36.0	16.6	5.5	12.7	17.5	11.7
2001	100.0	32.6	17.0	5.2	13.0	18.5	13.7

#### 4. UNEMPLOYED POPULATION

The ‘**Unemployed Population**’ comprised of all persons 10 years (or 15 years) of age and above, who during the specified reference period were (i) ‘**Without Work**’ (i.e. persons not in paid or self employment), (ii) ‘**Currently available for work**’ (i.e. those persons who were available for paid or self employment) and (iii) ‘**Seeking Work**’ (i.e. those who have taken specific steps during the last 12 months). See Appendix (1) for more details. The sequence of questions included in the Quarterly Labour Force Survey questionnaire, to the identify the unemployed persons as well as employed persons is given in appendix (3).

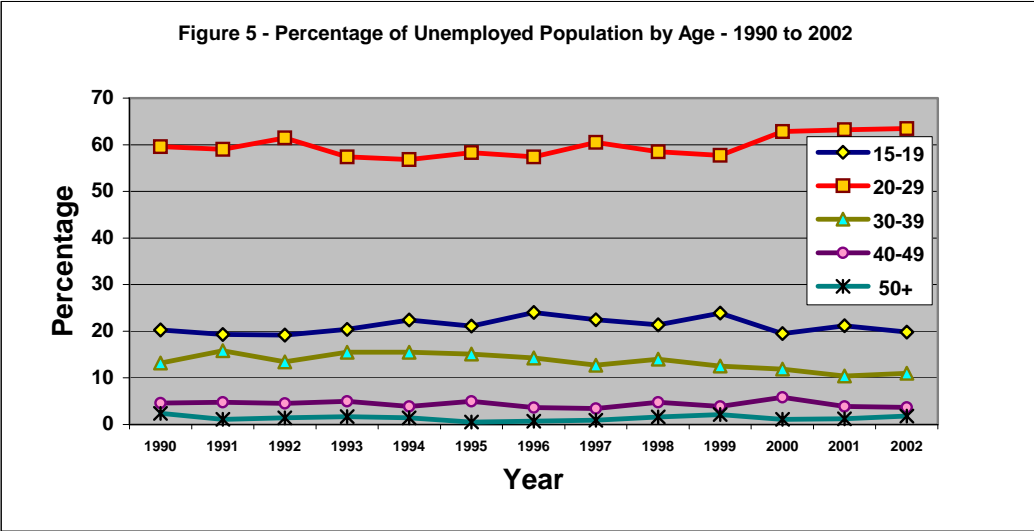
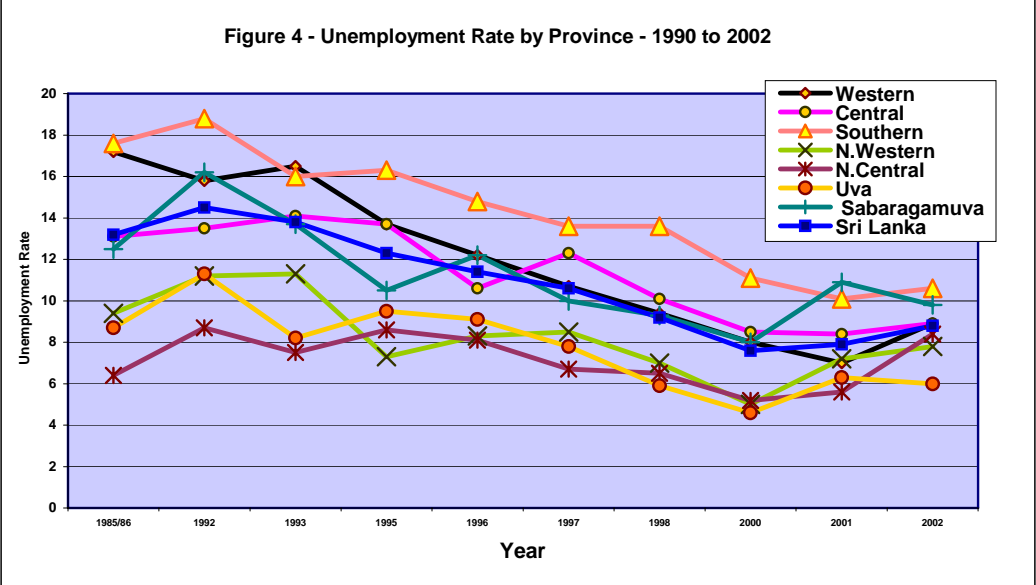
At present there are 700 thousand (2003 first Quarter) unemployed persons in Sri Lanka (excluding Northern and Eastern Provinces). The Table (9) gives the unemployed population and unemployment rates since 1963. In 1963, the total ‘unemployed population had been 265 thousand and the unemployment rate was only 7.7 percent. At that time more than 75 percent of the unemployed were males. However, since around 1990 more than 50 percent of the unemployed had been females. In 1971, (Census 1971) the unemployment rate had increased to 18.7 percent. Since then the rate shows a downward trend. In 2000 rate had dropped to 7.6

percent. Since then there is a slight increase in the rate. The unemployment rate for female is still high, though the rate shows a downward trend. For example, in 1990 the rates for males and females were 11.1 and 23.4 percent respectively and the corresponding rates in 2002 were 6.6 and 12.9 percent respectively. Figure 3 clearly shows that the Unemployment Rate for females is more than double the rate for males throughout the period. One possible reason for more females to be unemployed may be that, most of the females find it difficult to live far away from their places of residence for long periods of time or travel a long distance for employment in far away places unlike the males. Majority prefer to work closer to where they live. However, employment opportunities are usually limited for such job seekers. Female unemployment could be reduced further if more job opportunities could be created in the regions to absorb such people. At present most of the major industrial activities and service sector activities are confined to the Western Province.

Many of the educated youth who can not find employment do not have adequate resources to start even a self-employment activity. If such persons could be assisted by providing them with loan facilities, which could be obtained easily and proper guidance could also be given for them, if necessary to get such activities started, situation may improve to a very great extent. However, it is extremely important to ensure what they produce is marketable. There should be some mechanism to guide them in improving the quality and assist them to market their produce, atleast until they could stand on their own. Inability or difficulties in finding opportunities to market their produce is one of the major problems many of the self-employed persons face at present. As such, there is a greater tendency for the unemployed to look for paid employment, specially in the organized sector.

**Table (9) – Unemployed Population and Unemployment Rate by Sex from 1963 to 1985/86 and 1990 to 2002**

Source	Unemployed Population ('000)			Unemployment Rate		
	Both Sexes	Male	Female	Both Sexes	Male	Female
1. Census of Population 1963...	265	199(75.1%)	65(24.9%)	7.7	7.3	9.0
2. Socio-Economic Survey 1969/70	560	350(62.5%)	210(37.5%)	14.3	11.2	20.1
3. Census of Population 1971..	839	474(56.5%)	365(43.5%)	18.7	14.3	31.1
4. Labour Force and Socio-Economic Survey 1980/81	857	503(58.7%)	554(41.3%)	15.3	12.2	34.5
5. Census of Population 1981...	897	488(54.4%)	410(45.6%)	17.9	13.0	32.9
6. Labour Force and Socio-Economic Survey 1985/86...	786	395(50.3%)	391(49.7%)	13.2	9.8	20.3
7. Quarterly Labour Force Survey						
1990	953	460(48.3%)	493(51.7%)	15.9	11.1	23.4
1991	862	386(44.8%)	476(55.2%)	14.7	10.1	23.0
1992	846	422(49.9%)	424(50.1%)	14.6	10.7	22.8
1993	831	388(46.7%)	443(53.3%)	13.8	9.7	21.7
1994	798	394(49.4%)	404(50.6%)	13.1	9.7	20.1
1995	749	368(49.1%)	381(50.9%)	12.3	9.0	18.7
1996	705	344(48.8%)	361(51.2%)	11.3	8.2	17.7
1997	658	322(48.9%)	336(51.1%)	10.5	7.7	16.1
1998	611	277(45.3%)	347(54.7%)	9.2	6.5	14.6
1999	591	295(50.0%)	296(50.0%)	8.9	6.7	13.0
2000	517	257(49.7%)	260(49.7%)	7.6	5.8	11.0
2001	537	280(52.7%)	257(49.7%)	7.9	6.2	11.5
2002	626	310(49.5%)	316(51.5%)	8.8	6.6	12.9
*2003 First Quarter	700	324(46.3%)	376(53.7%)	9.2	6.4	14.6



### Unemployment in Provinces/Districts

The Table (10) compares the unemployment rates for Provinces at different points of time. Although the unemployment rate has been decreasing gradually, some of the Provinces such as Southern, Sabaragamuwa, Western and Central show comparatively high unemployment rates throughout the period as can be seen from Figure – (4). The situation is worse in Southern and Sabaragamuwa Provinces. Planners and Policy makers should note these facts and take necessary action to create suitable employment opportunities in these Provinces as early as possible, to rectify this situation.

The Unemployment rate by level of Education and by Province for 2002 and by Districts for the years 1997, 1992 and 1985/86 are shown in the Statistical Maps 1,2,3 and 4 respectively and corresponding unemployment rates are given in Tables A5, A6, A7 and A8 in Appendix 4. In 1985/86 the unemployment rate has been highest in the coastal belt from Colombo to Hambantota, Monaragala, and Kandy. In 1992, the worst Districts had been Galle, Matara and Kegalle. In 1997 also the districts in the Southern province and in the Central Province shows a high unemployment rate. Youth insurrection of 1971 and again in 1987-89 due to youth unrest were led mainly by disadvantaged youth from the rural areas of Sri Lanka, especially from the Southern Province, where the unemployment had been highest throughout. As such, youth unemployment is a very sensitive and serious issue in Sri Lanka, which could affect entire civil society. Planners and policy makers should therefore make every attempt to create job opportunities for those who enter labour market each year, taking into careful consideration of the educational background and age groups of the unemployed.

**Table (10) – Unemployment Rate by Provinces 1985/86, 1992,1993,1995 to 2002**

Province	1985/86	1992	1993	1995	1996	1997	1998	2000	2001	2002
<b>Sri Lanka</b>	<b>13.2</b>	<b>14.5</b>	<b>13.8</b>	<b>12.3</b>	<b>11.4</b>	<b>10.6</b>	<b>9.2</b>	<b>7.6</b>	<b>7.9</b>	<b>8.8</b>
Western	17.2	15.8	16.5	13.7	12.2	10.7	9.4	8.0	7.0	8.9
Central	13.1	13.5	14.1	13.7	10.6	12.3	10.1	8.5	8.4	8.9
Southern	17.6	18.8	16.0	16.3	14.8	13.6	13.6	11.1	10.1	10.6
Northern	8.3	-	-	-	-	-	-	-	-	-
Eastern	9.5	-	-	-	-	-	-	-	-	-
North Western	9.4	11.2	11.3	7.3	8.3	8.5	7.0	5.0	7.2	7.8
North Central	6.4	8.7	7.5	8.6	8.1	6.7	6.5	5.2	5.6	8.4
Uva	8.7	11.3	8.2	9.5	9.1	7.8	5.9	4.6	6.3	6.0
Sabaragamuwa	12.5	16.2	13.7	10.5	12.2	10.0	9.3	8.0	10.9	9.8



### Unemployment - by Age and by Level of Education

Table (11) and Table (13) show the distribution of unemployed persons by age and the unemployment rates by age, respectively since 1990. Table (11) shows that around 80 percent of the unemployed population is in age range from 15 to 29 years. Around 60 percent are in the age group 20-29 years. The percentage in this age group has been increasing gradually while the percentage in the 15 - 19 year age group has been decreasing since 2000. This is very clearly seen in Figure (5), which indicates that there is a slight increase in the age of persons entering Labour market.

**Table (11) - Percentage Distribution of Unemployed Persons by Age - 1990 – 2003**

Year	Total	15-19	20-29	(15-29)	30-39	40-49	50+
1990	100.0	20.3	59.6	(79.9)	13.2	4.6	2.4
1991	100.0	19.3	59.0	(78.3)	15.8	4.8	1.1
1992	100.0	19.2	61.5	(80.7)	13.4	4.5	1.4
1993	100.0	20.4	57.4	(77.8)	15.5	5.0	1.7
1994	100.0	22.4	56.8	(79.2)	15.5	3.9	1.4
1995	100.0	21.1	58.3	(79.4)	15.1	5.0	0.5
1996	100.0	24.0	57.4	(81.4)	14.3	3.6	0.7
1997	100.0	22.5	60.5	(83.0)	12.7	3.4	0.9
1998	100.0	21.4	58.5	(79.9)	14.0	4.8	1.6
1999	100.0	23.9	57.7	(81.6)	12.5	3.9	2.1
2000	100.0	19.5	62.8	(81.2)	11.9	5.8	1.1
2001	100.0	21.2	63.2	(84.4)	10.4	3.9	1.2
2002	100.0	19.8	63.5	(83.3)	11.0	3.7	1.8
*2003Q1	100.0	18.8	62.1	(80.9)	12.9	4.6	1.4
**2003Q1	100.0	18.8	64.0	(82.8)	12.2	4.0	1.0

\* Including and Northern Provinces

\*\* Excluding Eastern and Northern Provinces

**Table (12) - EDUCATION: PERFORMANCE OF CANDIDATES – GCE (O/L), GCE (A/L) and ADMISSIONS TO UNIVERSITIES**

YEAR	1998	1999	2000	2001	2002
• No. Sat GCE (O/L) (School candidate only) ...	353,372	346,796	349,464	347,315	342,316
• % qualifying for GCE (A/L) ...	37.43	37.7	36.98	36.78	41.6
• No. Sat GCE (O/L) (All candidates including school candidates) ...	509,499	532,448	471,309	456,829	432,771
• % qualifying for GCE (A/L) ...	26.00	27.11	29.34	29.74	40.43
• No. Sat GCE (A/L) (school candidates only) ...	114,628	142,294	157,364	171,544	186,754
• No. qualifying to enter University (school candidate only) ...	59,796	63,673	80,411	86,656	103,981
• % qualifying to enter ...	52.17	44.75	51.10	50.52	55.67
• No. Applied for GCE (A/L) (All candidates including school candidates) ...	179,832	195,368	214,189	229,689	257,664
• No. Sat GCE (A/L) (All candidates including school candidates) ...	147,851	169,679	183,439	198,509	208,503
• No. qualifying to enter University ...	73,347	73,542	91,589	98,329	92,228
• % qualifying to enter University ...	49.61	43.35	49.93	49.53	44.23
• New admissions to University ...	10,779	11,309	11,805	11,962	12,144
• Admissions as a % of Eligible ...	15.67	16.17	16.08	16.26	13.26
• Graduate output					
First Degree ...	7,834	8,232	9,374	8,896	9,027
Postgraduate ...	1,685	1,520	2,169	-	-

Source : Department of Examinations and University Grants Commission

The unemployment rate is highest among the youth in the age group 15-19 years as can be seen in Table (13): Rate was between 35 to 40 percent from around 1990 to 1997 and from there on wards it is in the range of 25 to 30 percent. However, it should be noted that this is mainly due to the fact that only a smaller number of persons in this age group are employed and therefore the total number of persons in the Labour Force in this age group is small, which is the denominator used in computing the unemployment rate. Most of the persons in this age group are students and therefore belong to the Economically Inactive category. This is the age group in which most of the persons sit for their G.C.E (O/L) and G.C.E (A/L) examinations. Many of the youth leave the formal education after these two examinations. That is, mainly those who fail to qualify for the G.C.E. (A/L) and those who fail to gain entry to the Universities. However, many such persons continue their studies in various other fields such as accountancy, information technology etc., and therefore do not enter the labour market immediately. Such persons usually enter the labour market in the age group 20-24 years or even later. Some of the youth who leave the school education after G.C.E.(O/L), either successfully completing or without completing and are engaged in technical/vocational training etc., in various institutions, also do not enter the labour force as soon as they leave schools. As such, high unemployment rate in the age group 15-19 years could be attribute to the fact that the 'Employed Component' in the Labour Force (=Employed+Unemployed) in this age group is relatively low. (Unemployment Rate = (Unemployed/Labour Force)×100). Thus, when the employed component is low in the Labour Force due to the reason explained above, the unemployment rate would be somewhat high, because the denominator is small in the above formula.

The Table (12) gives the performance of candidates – GCE (O/L), GCE (A/L) and admissions to the Universities. As can be seen around 450,000 to 500,000 students are sitting for the GCE (O/L) examination each year. Only around 24 to 30 percent of those who sit for GCE (O/L) have been qualified for GCE (A/L) during the last few years. Out of around 200,000 candidate who sit for the GCE(A/L) nearly 50 percent gets qualified to enter the Universities. However, only around 16 percent of those who get qualified are admitted to the Universities. That is also after wasting either one or two years of their valuable and useful time, in most of the cases just doing nothing. Only a few children, specially those in the urban areas and whose parents could afford, make use of this period to get themselves trained in IT, accountancy, management, etc. Such children are well equipped by the time they enter the universities. But what percentage of parents can afford to do this. Out of around 350,000 children who enter the school education system each year, only around 12,000 or 3.4 percent are entering the Universities, which means that only the best can gain entry to the Universities.

Although the unemployment rate is highest for the age group 15-19 years, the real age group, which is worst affected, is the 20-24 year group. This is the age group in which many people enter the Labour Force. Survey results shows that youth spend a longer periods of time on education or vocational, technical, professional or other such training at present than those in the yesteryears. Even the majority of the graduates who come out of the universities are in the age group 25-29 years. This is one of the main reasons for their inability to gain suitable employment, specially in the private sector. Another reason seems to be their knowledge of English. Private sector organizations prefer younger persons with perhaps G.C.E.(A/L) and with a reasonably good knowledge of English. When such persons enter the private sector at a relatively

young age, get experience and on the job training for about 6 to 7 years, they are better equipped to run the activities of the private sector organizations, than the graduates without a sufficient knowledge of English, who come out of the Universities at the age of around 27 years and with no work experience. This is an extremely unsatisfactory and unfair situation, because the graduates have spent more than 20 years on education and they were the best students who were able to gain entry to the Universities.

**Table (13) – Unemployment Rate by Age – 1990 to 2002**

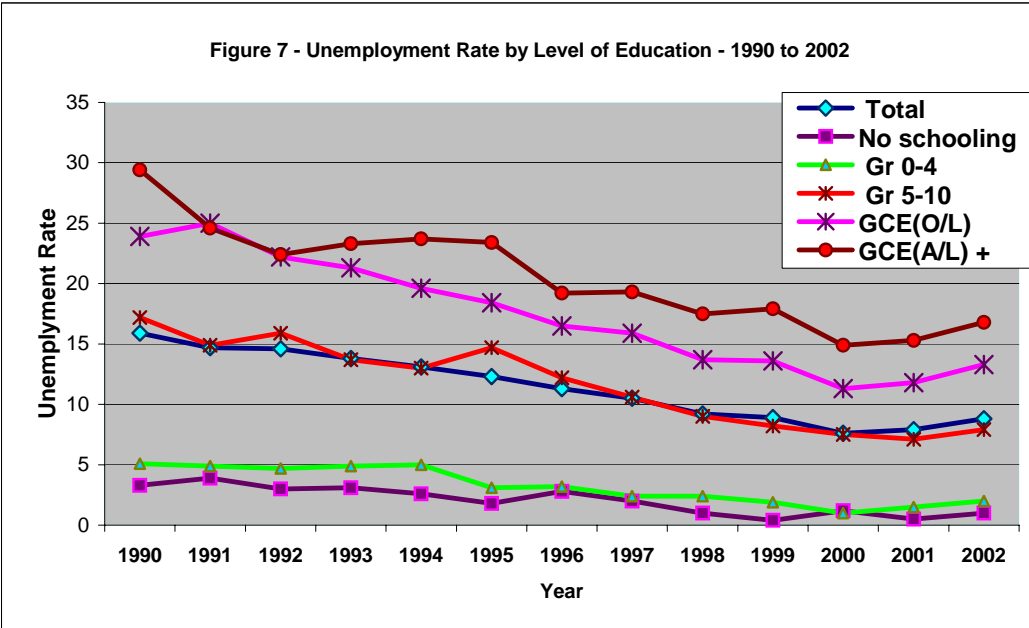
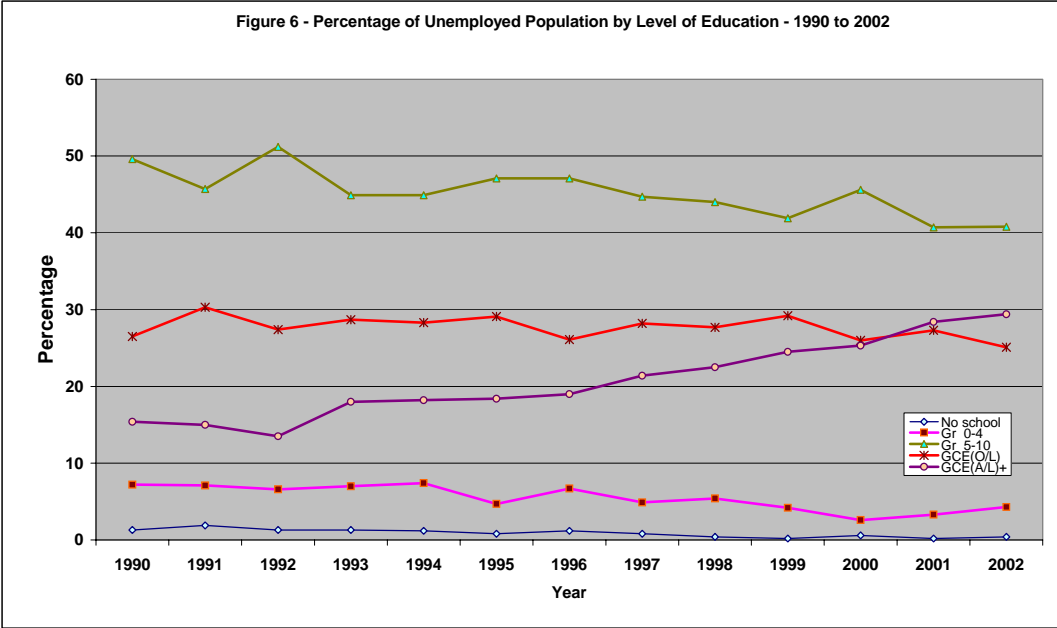
Year	All Ages	Age Group				
		15-19	20-29	30-39	40-49	50+
1990	15.9	40.1	30.3	8.4	4.0	2.1
1991	14.7	37.6	27.5	9.1	3.6	1.0
1992	14.6	39.1	27.5	7.8	3.5	1.4
1993	13.8	38.4	25.2	8.4	3.3	1.5
1994	13.1	40.7	24.5	7.6	2.5	1.2
1995	14.0	60.5	31.7	8.0	2.9	0.4
1996	11.3	36.5	22.0	6.0	1.9	0.5
1997	10.5	34.0	21.9	5.2	1.7	0.6
1998	9.2	27.3	19.3	4.9	2.0	0.7
1999	8.9	28.4	18.9	4.4	1.6	1.0
2000	7.6	23.4	17.4	3.6	1.4	0.8
2001	7.9	29.8	18.4	3.4	1.4	0.5
2002	8.8	30.1	20.1	4.0	1.5	0.8

Source: Quarterly Labour Force Survey  
Department of Census and Statistics

Table (14) shows percentage distribution of unemployed population by level of education and sex. In spite of the fact that the unemployment rate is highest among the persons having the highest level of education (see Table 15), around 45 percent of the unemployment population have attained only a level of education between grades 5 to 10. As such, the planners and policy makers who are involved in planning activities to create more job opportunities, should be concerned of not only the educated youth, but also those who do not have even G.C.E. (O/L) qualifications, as well. At present some of them are being absorbed into the armed forces. However, once the war situation in the Northern and Eastern Provinces is over, there should be more job opportunities for those categories, in other sectors to absorb them, without having to be unemployed for long periods. It is seen from the Table 14, for males the percentage in this category is higher (around 55 percent) than for females. Large majority of unemployed females are either G.C.E (O/L) qualified or have higher qualifications.

**Table (14) – Percentage Distribution of Unemployed Population by level of Education and Sex**

Year	Total	No Schooling	Gr 0-4	Gr 5-10	G.C.E (O/L)	G.C.E (A/L & Above)
<b>Both Sexes</b>						
1990	100.0	1.3	7.2	49.6	26.5	15.4
1991	100.0	1.9	7.1	45.7	30.3	15.0
1992	100.0	1.3	6.6	51.2	27.4	13.5
1993	100.0	1.3	7.0	44.9	28.7	18.0
1994	100.0	1.2	7.4	44.9	28.3	18.2
1995	100.0	0.8	4.7	47.1	29.1	18.4
1996	100.0	1.2	6.7	47.1	26.1	19.0
1997	100.0	0.8	4.9	44.7	28.2	21.4
1998	100.0	0.4	5.4	44.0	27.7	22.5
1999	100.0	0.2	4.2	41.9	29.2	24.5
2000	100.0	0.6	2.6	45.6	26.0	25.3
2001	100.0	0.2	3.3	40.7	27.3	28.4
2002	100.0	0.4	4.3	40.8	25.1	29.4
<b>Male</b>						
1990	100.0	1.2	9.4	57.7	23.3	8.4
1991	100.0	2.1	9.1	53.2	25.0	10.5
1992	100.0	1.3	8.6	57.4	25.1	7.9
1993	100.0	1.7	9.7	47.7	28.0	12.9
1994	100.0	1.4	10.0	50.3	27.0	11.3
1995	100.0	0.5	4.8	54.4	29.4	10.9
1996	100.0	0.8	7.9	56.9	23.8	10.6
1997	100.0	0.7	6.3	54.5	25.0	13.5
1998	100.0	0.8	6.7	54.6	25.4	13.1
1999	100.0	0.2	4.6	48.3	29.1	17.8
2000	100.0	0.8	3.1	54.7	26.0	15.4
2001	100.0	0.3	4.0	50.9	25.2	19.6
2002	100.0	0.3	5.3	50.1	24.7	19.6
<b>Female</b>						
1990	100.0	1.3	5.1	42.2	29.5	21.9
1991	100.0	1.7	5.4	39.6	34.5	18.8
1992	100.0	1.7	6.8	43.6	28.9	19.4
1993	100.0	1.1	4.6	42.5	29.4	22.5
1994	100.0	2.1	4.8	39.6	29.6	24.9
1995	100.0	1.1	4.6	40.0	28.8	25.5
1996	100.0	1.6	5.5	37.6	28.3	27.0
1997	100.0	0.9	3.6	35.3	31.3	28.9
1998	100.0	0.3	4.5	35.4	29.9	29.9
1999	100.0	0.1	3.9	35.5	29.3	31.2
2000	100.0	0.4	1.9	36.3	26.1	35.3
2001	100.0	0.1	2.6	29.7	29.7	38.0
2002	100.0	0.5	3.4	31.6	25.5	39.0



**Table (15) – Unemployment Rate by Level of Education – 1990 to 2002**

Year	Total	No Schooling	Gr 0-4	Gr 5-10	G.C.E (O/L	G.C.E (A/L & Above)
1990	15.9	3.3	5.1	17.2	23.9	29.4
1991	14.7	3.9	4.9	14.9	25.0	24.6
1992	14.6	3.0	4.7	15.9	22.2	22.4
1993	13.8	3.1	4.9	13.7	21.3	23.3
1994	13.1	2.6	5.0	13.0	19.6	23.7
1995	12.3	1.8	3.1	14.7	18.4	23.4
1996	11.3	2.8	3.2	12.2	16.5	19.2
1997	10.5	2.0	2.4	10.6	15.9	19.3
1998	9.2	1.0	2.4	9.0	13.7	17.5
1999	8.9	0.4	1.9	8.2	13.6	17.9
2000	7.6	1.2	1.0	7.5	11.3	14.9
2001	7.9	0.5	1.5	7.1	11.8	15.3
2002	8.8	1.0	2.0	7.9	13.3	16.8

## 5. SUMMARY OF MAJOR ISSUES AND SOME POSSIBLE OPTIONS

The data from censuses and surveys conducted by the Department of Census and Statistics, analysed and presented in the previous sections, clearly shows that there are a number of issues related employment and unemployment in Sri Lanka, which need serious attention of the planners and policy makers. Youth unemployment has been a very sensitive and a serious issue throughout the last few decades in this country. Sri Lanka has had very bad experiences due to youth unrest at various points of time, mainly due unemployment and the existing gap between the rich and the poor.

Unless urgent action is taken to properly plan and create employment opportunities to absorb different categories of persons with different levels of education and skills, either in the formal sector or in the informal sector, the country may have to face similar or even worse experiences in the future due to youth unrest. The unemployed are usually depressed. Only a job can make them feel needed and socially useful and accepted. Besides, as long as they are unemployed, our national output is far below what it could be and therefore the entire country would be poorer. As such, there is an urgent need to reduce unemployment not by just adhoc means, but by careful planning after studying the real needs of the country, so that there will not be an imbalance between the demand and supply for formal sector as well as informal sector jobs.

**Some of the major issues related to employment and unemployment situation are summarised below.**

1. Around 80 percent of the unemployed are in the age range from 15 to 29 years and around 60 percent are in the age range from 20 to 29 years. The unemployment rate for the latter which is the worst affected group had been ranging from around 30 percent in 1990 to 20 percent in 2002.
2. The unemployment rate is highest among educated youth. The rate has decreased from around 30 percent in 1990 to 17 percent in 2002 for those who have GCE (A/L) or above. However, the unemployment rate is still higher for educated youth, than the less educated groups. The situation is worse for females compared to males (see Table 14).
3. The unemployment is not restricted only to educated youth, but also to less educated. Around 40 to 50 percent of the unemployed have completed only grade 5-10. In the case of males, around 50 to 58 percent are in this group (see Table 14).
4. Unemployment Rate is highest in the Southern Province, throughout the past few decades. Sabaragamuwa Province also has not shown an improvement where as other Province have shown a slight improvement (see Table – 10 and Figure - 4).
5. Graduate unemployment has already become a serious problem in this country and may become worse in the future, as the numbers are increasing each year. As such, urgent action needs to be taken, to rectify the situation early. Country should make use of their talents, effectively and efficiently.
6. Shortage of Labour in the Agricultural Sector has increased the cost of production of many of the agricultural commodities. This is one of the major contributory factors for the increase in prices of some of the agricultural commodities.
7. Informal labour market appears to be operating smoothly and efficiently, but there seems to be less tendency for such enterprise to become formal.
8. There is an imbalance between the demand and supply of formal sector jobs in Sri Lanka.
9. Educated youth prefer formal protected jobs, which will meet their aspirations. As such there is a tendency for them to wait, sometimes for a long period of time, until they get suitable employment in the formal sector.
10. Free Trade Zones (FTZ) and External Migration for Employment, has eased the pressures from unemployed to a considerable extent. However, it has not eased the high unemployment among the educated youth, because majority of the job opportunities in the FTZ and abroad specially in the Mid-East are mainly for less educated females.
11. Sri Lanka is also losing most of the talented men and women (the best talents) to Western Countries and Countries like Australia, New Zealand etc, as there are no proper incentives for such persons in this country.



Sri Lanka's high unemployment rate (though it has decreased from 18.7 percent in 1971 Census to 8.8 percent in 2002) may be due to following possible reasons.

- (i) For a very long period of time the education system in Sri Lanka had not been geared to cater to the labour market needs of the country. There seems to be a skills mismatch, which needs to be studied carefully rectified early.
- (ii) There is an overall tendency for educated youth to look for more attractive jobs in the formal sector, which will meet their aspirations.
- (iii) Insufficient job opportunities in the private sector for educated youth, specially, for graduates who could make a substantial contribution to improve the economy of the country.

**Some options the planners and policy makers may consider in finding solutions to some of the issues summarized above, are given below.**

- **Graduate Unemployment:**

Out of the major issues summarized above, Graduate Unemployment problem needs urgent attention and need to be addressed without further delay. Adhoc solutions like recruiting them to the state sector, as trainees will not solve the problem. It will create more frustration in the future, as many of them will be absorbed into positions, which are far below their expectations. Only around 30 percent of those who sit for G.C.E.(O/L) qualify for G.C.E.(A/L). Although around 50 percent who sit for G.C.E.(A/L) qualify for University education, only around 15 to 16 percent of those who qualify, gain entry to the universities. This means, only the best could enter the universities, as there is a very high competition. They have to waste around, one and a half to two years, before entering the universities and when they come out, after completing the university education, their age is around 27 years. After spending more than 20 years on education, it is rather unfortunate that they have to spend some more time looking for jobs. As the job opportunities for them in the private sector seems to be very low at present, most of them try to entirely depend on the state sector, which has only a very limited capacity to absorb them. At present, even the science graduates, economics graduates etc., also find it difficult to get suitable employment, except a few who are conversant in English. The country spends a considerable amount on university education, each year (see Table A2, in Appendix - 4 for details). There are a number of reasons for this undesirable situation.

- (i) the age at which they complete the University education.
- (ii) inadequate knowledge of English Language.
- (iii) Reluctance of the private sector employers to recruit graduates, perhaps due to the above two reasons and also due to the misconception that all graduates are radicals, which is totally incorrect. More than 95 percent of the university students are innocent young people who are not involved in any form of violence or misbehaviour. It is only a very small percentage of students who created problems in

the Universities, which not only affects the education of others, but also their chances of obtaining employment specially in the private sector organisations.

- (iv) Reluctance of the graduates to enter the private sector, because of the attitudes of the co-workers, towards them, who are less qualified, but may be more conversant in English.

Some suggestions to rectify this situation are given below.

- (i) Universities should take in students who qualified to enter as soon as possible, without having to wait for a long period, after they sit for the G.C.E.(A/L) examination. Each year's delay could have adverse effects on their future carrier and the country is losing their services because many tend to idle during this period.
- (ii) English language should be taught, throughout the University carrier and not just at the beginning of the course as being done at present. There should be more qualified staff in the universities to teach English. Language laboratories should be introduced in the universities using modern technology to learn English using self study courses, like in foreign universities.
- (iii) In addition to the formal subjects, the students may choose for their degree, special modules should also be introduced, which will improve the skills in different subject areas, which are currently in demand, which will equip them for private sector jobs.
- (iv) Private sector should be encouraged to recruit more graduates. Incentives should be given to private sector organizations, which recruit a specified number of graduates, each year.
- (v) Private sector should be encourage to provide on the job training to undergraduates (may be during the University vacations) so that the students could have some experience in different areas in which they may be interested in and also to get an idea on what the private sector would expect from them, if they are to be employed in the private sector.

It is absolutely essential to encourage the private sector to absorb graduates, as much as possible, as there is no way for the state sector to absorb all of them. It is a waste of valuable resources and skilled manpower if they are to be recruited to lower level positions in the state sector for which a degree is not a requirement. In addition to this they will be frustrated throughout their carrier, which neither be beneficial to the organization, to the country, nor to the individual. Out of the total around 350,000 children entering the schools each year only 2 to 3 percent, who are suppose to be the best, enter the universities. It is a crime to waste the talents of these young men and women who have spent more than 20 years on education. Some say that graduates the universities are producing are not employable, which is totally incorrect. Everything depends on how efficiently we make use of their talents, how we treat them, how we

give them responsibilities. It is very easy to say that they are useless and therefore not give any responsible work. Then definitely they will be useless. This is exactly what is happening to most of the Graduates, who are being absorbed into the state sector as Graduate Trainees. In many organizations their services are not been used, they are not given any responsibilities and most of them are just idling without any work. If anyone say that they are useless, then who should take the responsibility. If the most intelligent 2 to 3 percent of the youth are not employable, then there should be something wrong with the entire system and not the graduates. If that is the case, then immediate action should be taken to rectify the situation. This attitude towards the graduates should be changed. They should be given more responsibilities and suitable of employment opportunities, preferably according to their capabilities and skills. For example, there is no point in appointing a graduate as a translator, (say, Sinhala – English) if that person is not conversant in English. However, same graduate will be very useful in some other discipline, which will suit his/her talents. Short term and long term plans need to be formulated immediately to solve the graduate unemployment problem, before it is too late. One cannot just avoid responsibility by saying that they are not employable, which is not true. With proper guidance and encouragement, it is possible to make use of their talents, for the benefit of the entire country, without much of a difficulty.

- **Unemployment among other Educated Youth:**

Statistics shows that around 50 percent of the unemployed, are either G.C.E.(O/L) qualified (around 27 percent) or G.C.E.(A/L) qualified (around 20 percent). As majority of them are below 25 years of age, their skills could be developed easily to suit the present demand. Few suggestions are given below.

- (i) Skills development strategies should be demand driven. It is necessary to study the types of skills, which are in demand currently as well as in the future and the training facilities provided by Technical Colleges, Vocational Training Institutes etc., should be geared to meet such demand.
- (ii) Investments in Hightech Industries should be encouraged. BOI should get the information on the types of skilled manpower needed, from prospective investors, well in advance, so that necessary training facilities could be arranged to develop the skills required, by the technical colleges and other training institutions.
- (iii) Software development is one of the areas, which could create a lot of job opportunities. There is a demand for persons with such skills, all over the world and specially in USA. Large numbers of Indians are migrating to USA to take up jobs in software development. This is an area Sri Lanka also should consider seriously. This could also bring considerable amount of foreign exchange to the country. Software development could also be done with-in Sri Lanka. This is being already done, but could be and should be improved further.

- (iv) Incentives should be given to Industrialists specially in 'Hightech' industries, who create specified number of job opportunities, for educated youth.
- (v) An information system should be developed and maintained to provide guidance and advice the youth on type of jobs that are available and skills required for such jobs, so that they could equip themselves for the jobs they may be interested in. Information should be available pertaining to the current demand as well as future demand.

- **Unemployment among less Educated Youth:**

Out of the total unemployed, around 45 percent are having an education from Grade 5 to 10. As nearly half the unemployed population is in this group, it is essential to develop strategies to absorb them into employed labour force early. This category seems to have been neglected and therefore needs immediate attention of the authorities. Skills development for this category should be improved further. Construction sector is one of the areas to which they could be absorbed. Large scale infrastructure development programmes which are already in the pipelines, will create sufficient job opportunities for such persons, if they could be provided with the necessary training in advance.

- **Garment Factory Workers:**

More than 50 percent of the total value of exports of Sri Lanka is from Garments and Textiles. However, the facilities and services provided to Garment Factory Workers, are inadequate at present. As such, many workers leave their jobs after sometimes. One of the main reasons for this is the non-availability of proper accommodation, cooking and other facilities for most of the workers. If these workers could be provided with proper accommodation and other welfare facilities, it would be possible to retain the skilled workers for a longer periods of time and at the same time attract more persons to fill the job opportunities that are already available but no takers. The social image of the factory workers and the general attitude towards them should also be changed. The media should play an active role regarding this problem.

- **Migrant Workers:**

Labour migration especially to Middle East, since early 1980, has also contributed to a very great extent to the reduction in unemployment in Sri Lanka. In addition to this, it is one of the main source of foreign exchange to the country. At present the Foreign Employment Bureau is doing a good job by providing training for those leaving for employment abroad and looking after their welfare. This should be continued and improved further. One area which may need attention is the welfare of the families of the migrant workers. When the mother leaves the country for employment abroad the young children suffer and sometime they are being abused. As such, there should be some way to look after the welfare of the families of the migrant workers, specially the young girls, because there are a number of reported cases of abuse within their own homes. Perhaps the Non-Governmental Organizations may have a role to play in this regard.

Certain news items appearing in the print media about the migrant workers are alarming. If these news items are true, immediate action need to be taken to safeguard these innocent workers, who are making a substantial contribution, in earning much needed foreign exchange to the country. As such, it should be the responsibility of the agencies entrusted with the activities related to foreign employment, to ensure the safety of these workers, when they are in helpless situations in foreign lands. The licences of Foreign Employment Agencies with reported cases of cheating the innocent migrant workers, should be cancelled. Existing laws may have to be amended to take appropriate legal action against such agencies and to get such agencies to pay compensation to the victims.

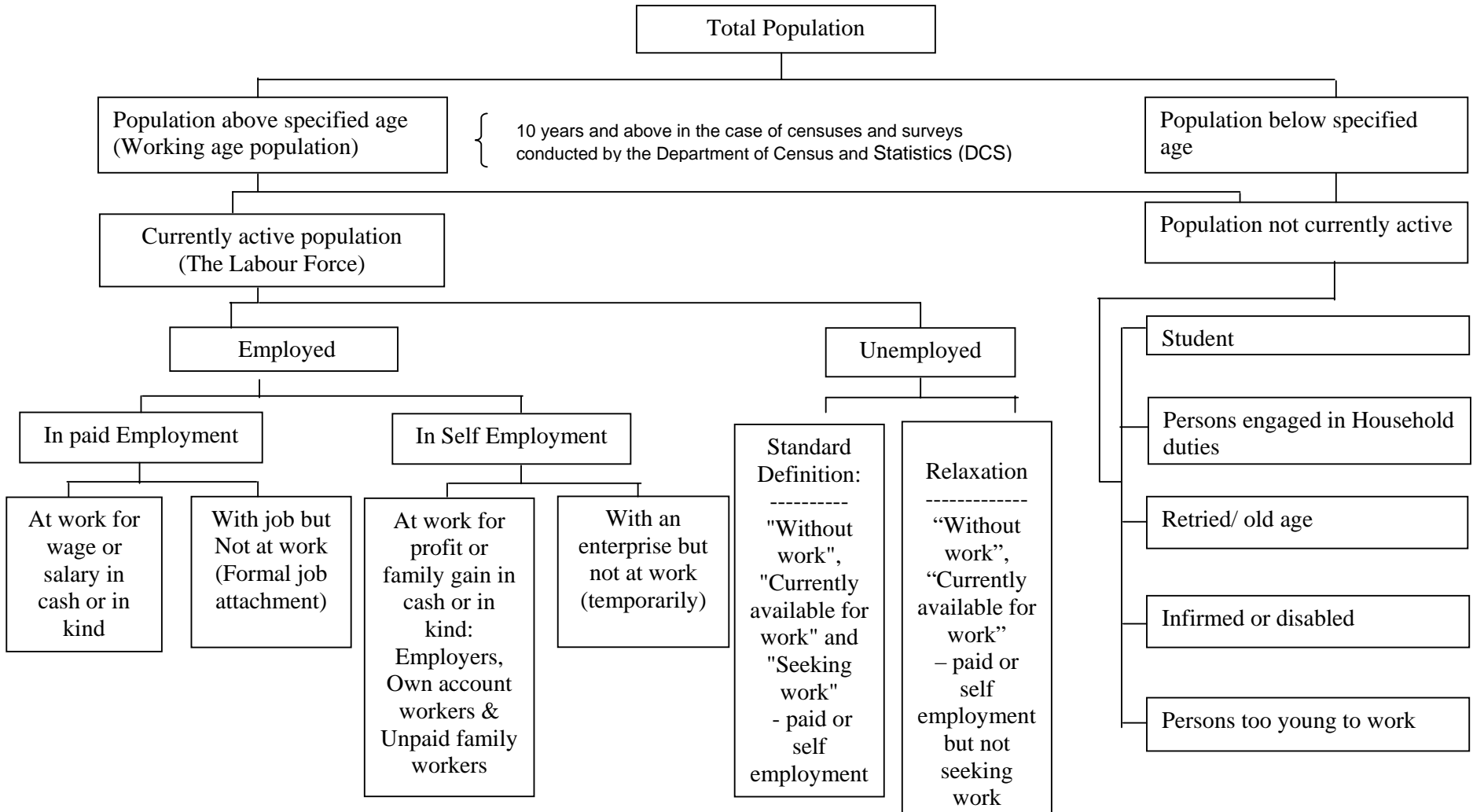
- **Few general suggestion on creation of employment opportunities:**
  - (i) The share of the employment in Agriculture is gradually decreasing, which is inevitable when the country is developing. However, this trend should not affect the agriculture sector. As such it is necessary to encourage the use of modern technology and more scientific methods in improving productivity. This may attract educated youth to Agriculture. In addition to this, agro-based industries should also be encouraged in the agricultural areas so that the youth who do not want to get engaged in traditional agriculture, could find employment in such industries or start self-employment in their own local areas.
  - (ii) Extension services for Agriculture should be improved to advice farmers on how they could improve their productivity, use of modern technology available, and how they could market their produce. Private sector organizations should also be encouraged to provide extension services to farmers while they provide other services to them.
  - (iii) Improve infra-structure facilities like Electricity, Transport and Communication, to disadvantaged areas, so that more job opportunities could be created in those areas. Proper roads, electricity and communication facilities are essential to improve industries and service activities in these areas. Indepth analysis on poverty shows that there is a very high coorelation between incidence of poverty and non-availability of proper road network.
  - (iv) Credit facilities, which could be easily obtained, should be made available to youth who intend starting self-employment in Agriculture as well as non-agricultural sector.
  - (v) Marketing facilities should be improved to assist those who are engaged in self-employment, so that they could find suitable markets for their produce, without having to sell their produce at very low prices, to traders, who try to exploit from their helplessness.

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**LABOUR FORCE FRAME - WORK**

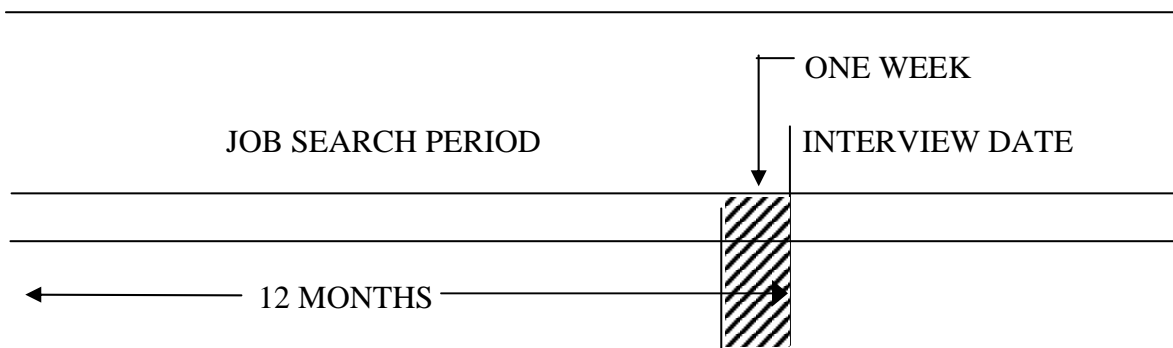
**Appendix - 1**



**UNEMPLOYED POPULATION**

**THE ‘UNEMPLOYED POPULATION’ COMPRISED OF ALL PERSONS 10 YEARS (OR 15 YEARS) OF AGE AND ABOVE, WHO DURING THE SPECIFIED REFERENCE PERIOD WERE ...**

- I. ‘WITHOUT WORK’ (i.e. persons not in paid or self employment)
- II. ‘CURRENTLY AVAILABLE FOR WORK’ (i.e. those persons who were available for paid or self employment)
- III. ‘SEEKING WORK’ (i.e. those who have taken specific step during the last 12 months)

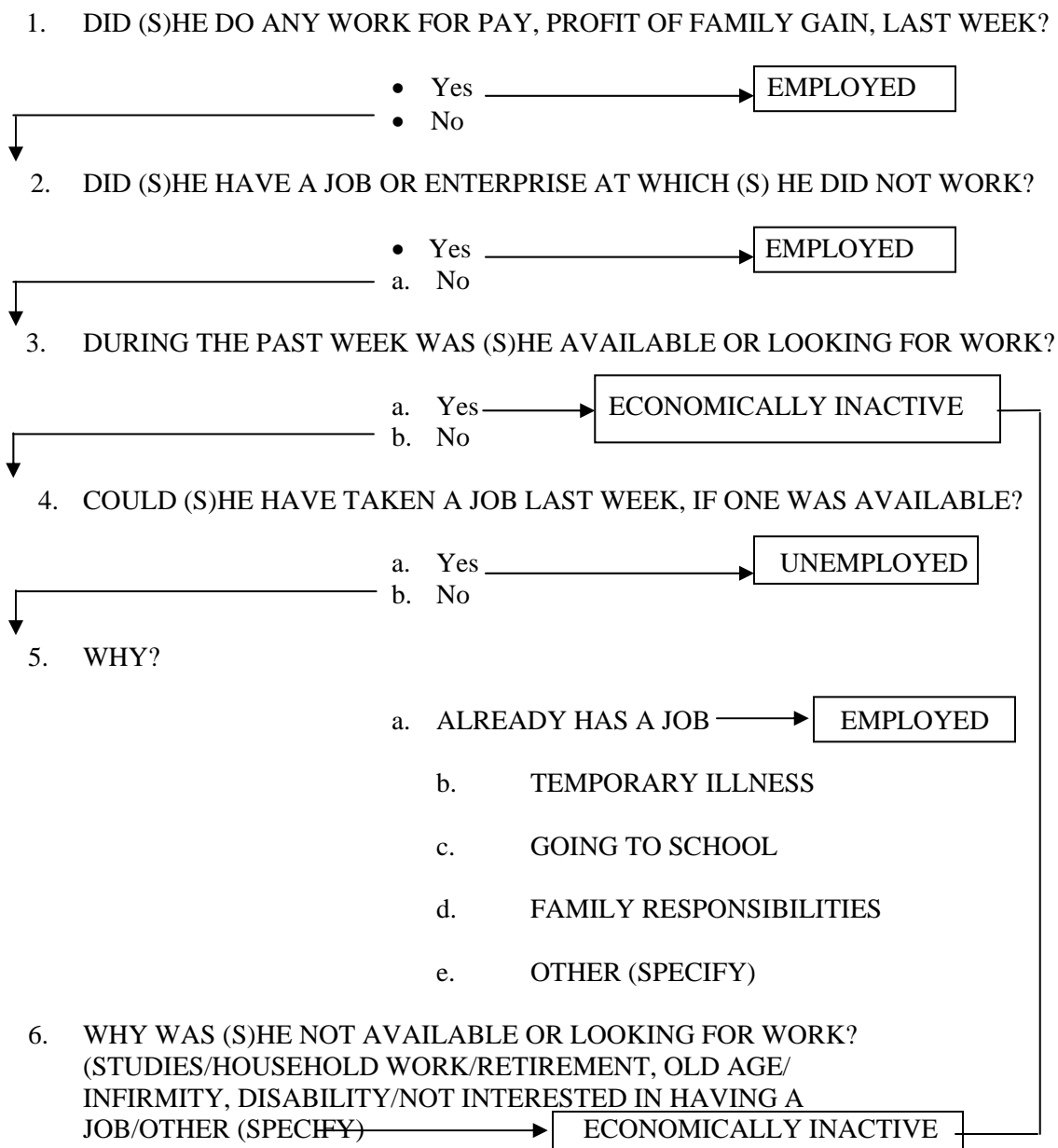


Steps taken in search of work

- 1. Registered at Employment Agencies
- 2. Applied to Prospective Employers
- 3. Checked at farms, factories, estates, market, work sites, etc.
- 4. Placed or answered advertisements
- 5. Sought help from friends or relatives
- 6. Looked for land, building, machinery, equipment or finance for setting up own enterprise
- 7. Applied for permit or license to setup own enterprise.
- 8. Other steps taken (specify).....
- 9. No steps taken



**SEQUENCE OF QUESTIONS IN THE QUARTERLY LABOUR FORCE SURVEY TO IDENTIFY THE UNEMPLOYED PERSONS**



Appendix - 4

**Table A1 - EDUCATION – SCHOOL AND UNIVERSITY**

YEAR	1998	1999	2000	2001	2002	2003*
• Total No. of functioning School ..	10,722	10,694	10,615	10,552	10,508	10,475
Government Schools	10,088	10,057	9,976	9,891	9,829	9,790
Private Schools	79	77	78	78	80	85
Pirivenas	555	560	561	583	599	600
• Total No. of Pupils ..	4,279,315	4,277,064	4,340,447	4,337,314	4,179,217	4,097,336
Government Schools	4,136,029	4,134,082	4,193,908	4,187,146	4,027,075	3,941,685
Private Schools	91,370	93,325	95,383	97,262	97,174	101,047
Pirivenas	51,916	49,657	51,156	52,906	54,968	54,604
• Total No. of Teachers ..	194,808	194,589	194,718	198,410	196,407	194,920
Government Schools	186,484	186,184	186,097	189,485	186,999	185,036**
Private Schools	3,990	4,154	4,332	4,343	4,569	4,895
Pirivenas	4,334	4,251	4,289	4,582	4,839	4,989
• New Admissions in Govt. School ..	345,531	340,941	332,892	330,316	325,763	315,606
• No. of Universities ..	12	13	13	13	13	13
No. of Universities Students ..	38,594	41,584	48,296	48,061	48,667	-
No. of Universities Teachers ..	3,050	3,228	3,241	3,268	3,225	-

\* Provisional

\*\* This includes 2331 volunteer teachers and teachers paid by other than government.

Source: (i) Ministry of Human Resources Development, Education and Cultural Affairs  
(ii) University Grants Commission  
(iii) Department of Census and Statistics

**Table A2 - Expenditure on Education 1998 to 2001**

Item	Expenditure	Rs. Mn									
		1998	% Share to GDP	1999	% Share to GDP	2000	% Share to GDP	2001	% Share to GDP	2002	% Share to GDP
1.Total Expenditure* on Education	Recurrent	36,038		36,250		41,510		50,585		56,518	
	Capital	7,202		8,403		6,874		6,085		5,370	
	Total	43,240	4.25	44,653	4.03	48,384	3.86	56,670	4.06	61,888	3.94
2.Total Expenditure on Higher Education	Recurrent	3,608		3,642		3,947		4,945		5,212	
	Capital	1,519		1,353		1,464		1,439		1,097	
	Total	5,127	0.50	4,995	0.45	5,411	0.43	6,384	0.46	6,309	0.40
3.Total Expenditure on University Education	Recurrent	3,471		3,518		3,832		4,729		5,068	
	Capital	1,407		1,141		1,279		1,432		1,037	
	Total	4,878	0.48	4,659	0.42	5,111	0.41	6,161	0.44	6,105	0.39
GDP at Current Prices		1,018,330		1,108,845		1,253,622		1,396,314		1,570,260	

\* Including Expenditure of Provincial Councils

Source: University Grant Commission  
Department of Census and Statistics

**Table A3 - Departures for Foreign Employment by Sex 1986 – 2002**

Year	Male		Female		Total
	No:	Percentage	No:	Percentage	
1986	11,023	67.0	5,433	33.0	16,456
1987	10,647	66.0	5,480	34.0	16,127
1988	8,309	45.0	10,119	55.0	18,428
1989	8,680	35.0	16,044	65.0	24,724
1990	15,377	36.0	27,248	64.0	42,625
1991	21,423	33.0	43,560	67.0	64,983
1992	15,493	35.0	29,159	65.0	44,652
1993	17,153	35.0	31,600	65.0	48,753
1994	16,377	27.0	43,791	73.0	60,168
1995	46,021	27.0	126,468	73.0	172,489
1996	43,112	26.5	119,464	73.5	162,576
1997	37,552	25.0	112,731	75.0	150,283
1998	53,867	33.7	105,949	66.3	159,816
1999	63,720	35.4	116,015	64.5	179,735
2000	59,793	32.8	122,395	67.2	182,188
2001	59,807	32.5	124,200	67.5	184,007
2002*	70,726	34.7	132,984	65.3	203,710

\*Provisional

Source: Research Division - SLBFE  
Information Technology Division - SLBFE

Note: It should be noted that Sri Lanka Foreign Employment Bureau commenced the registration of all those who leave Sri Lanka for employment abroad in 1995. As such figures upto 1994 do not included all departures for Foreign Employment.

**TABLE A4 - EMPLOYMENT STATISTICS OF EXPORT PROCESSING ZONES ENTERPRISES - 1995 - 2001 (As at June each year)**

	1995			1999			2000			2001		
	KEPZ	BEPZ	KOEPZ	KEPZ	BEPZ	KOEPZ	KEPZ	BEPZ	KOEPZ	KEPZ	BEPZ	KOEPZ
<b>Enterprises EMPLOYMENTS</b>	94	40	11	92	60	13	92	59	15	87	59	16
<b>(A) LOCAL</b>												
TRAINEES	10,822	3,435	655	9,654	4,761	951	9,506	5,857	1,147	8,631	4,534	986
UN-SKILLED	8,011	3,493	1,023	7,258	3,533	770	7,756	2,930	1,388	6,754	3,795	856
SUPERVISORY	2,176	540	157	2,949	969	280	2,735	1,073	297	2,665	969	343
TECHNICAL	877	319	25	1,402	446	120	1,746	428	121	1,568	636	101
ADMINISTRATIVE AND SUPPORTING STAFF	2,946	895	189	3,412	1,324	413	3,582	1,550	384	3,507	1,422	460
SUB TOTAL	59,748	21,337	5,327	59,452	25,234	7,229	60,022	26,401	8,388	56,943	26,285	8,878
<b>(B). EXPATRIATES</b>												
TECHNICAL	297	118	9	220	131	14	212	117	13	198	122	13
ADMINISTRATIVE	67	47	5	70	67	8	69	77	3	76	42	4
SUB TOTAL	364	165	14	290	198	22	281	194	16	274	164	17
GRANDE TOTAL	60,112	21,502	5,341	59,742	25,432	7,251	60,303	26,595	8,404	57,217	28,449	8,895

Source: BOI, Sri Lanka

Note: KEPZ – KATUNAYAKE; BEPZ – BIYAGAMA; KOEPZ - KOGGALA

**Table A5 - Unemployment Rate by Province, Level of Education and Sex – 2002**

Province	Total	Educational Attainment		
		Grade 5 - 9	G.C.E. (O/L)	G.C.E. (A/L) & above
<b>Both Sexes</b>				
Total	<b>8.8</b>	7.9	<b>13.3</b>	<b>16.8</b>
Western	<b>8.9</b>	7.8	10.6	12.2
Central	<b>8.9</b>	9.2	15.0	18.2
Southern	<b>10.6</b>	10.9	15.3	21.9
North Western	<b>7.8</b>	6.8	12.7	19.3
North Central	<b>8.4</b>	6.2	14.9	25.4
Uva	<b>6.0</b>	4.8	13.7	18.2
Sabaragamuwa	<b>9.8</b>	8.1	18.6	25.7

Source: Quarterly Labour Force Survey, DCS

Source: Quarterly Labour Force Survey – DCS

**Table A6 - Unemployment Rate by Level of Education and Districts – 1997**

District	Total	Educational Attainment					
		No Schooling	Grade 0 - 4	Grade 5 - 9	G.C.E. (O/L) N.C.G.E.	G.C.E. (A/L) H.N.C.E.	Degree & above
<b>Total</b>	<b>10.5</b>	<b>1.9</b>	<b>2.4</b>	<b>10.6</b>	<b>15.9</b>	<b>21.9</b>	<b>10.3</b>
Colombo	9.8	7.5	3.9	10.5	11.6	11.1	2.3
Gampaha	11.0	7.2	2.6	11.7	12.8	15.2	8.6
Kalutara	12.3	2.8	2.1	13.0	16.7	20.8	1.5
Kandy	15.5	0.2	1.6	12.9	21.9	37.1	14.3
Matale	15.0	5.8	5.4	14.4	22.7	33.4	12.4
Nuwara Eliya	6.4	2.9	2.7	9.3	13.3	7.4	11.1
Galle	12.6	0.0	1.1	14.5	16.4	22.7	16.2
Matara	14.3	0.0	2.7	12.9	23.1	34.7	17.7
Hambantota	14.5	1.7	2.5	15.7	25.4	34.0	27.9
Kurunegala	8.1	3.6	2.8	7.3	14.1	21.3	8.6
Puttalam	9.6	0.0	3.3	10.5	16.6	15.4	10.4
Anuradhapura	5.9	0.0	0.6	6.8	8.2	18.7	3.2
Polonnaruwa	8.4	1.5	2.1	6.1	21.8	22.9	0.0
Badulla	7.9	0.3	3.0	7.1	13.1	30.6	11.7
Monaragala	7.6	0.0	1.3	6.5	18.2	32.3	18.9
Ratnapura	8.9	0.1	2.3	7.6	16.8	31.3	15.0
Kegalle	11.4	1.7	1.2	13.4	17.1	25.0	3.0

**Table A7 - Unemployment Rate by Level of Education and District – 1992**

District	Total	Educational Attainment				
		No Schooling	Gr 0-4 Yr 1-5	Gr 5-9 Yr 6-10	G.C.E.(O/L) N.C.G.E.	G.C.E. (A/L) HNCE & above
<b>Total</b>	<b>14.5</b>	<b>3.0</b>	<b>4.7</b>	<b>15.9</b>	<b>22.2</b>	<b>22.4</b>
Colombo	16.3	5.2	10.3	18.6	19.7	11.3
Gampaha	14.5	-	3.9	15.6	17.3	15.5
Kalutara	16.9	1.9	6.5	19.6	20.9	20.4
Kandy	15.3	4.4	3.8	17.3	24.4	21.4
Matale	12.4	5.6	4.0	8.8	31.9	52.5
Nuwara Eliya	11.2	4.5	6.0	15.2	16.0	24.3
Galle	18.1	0.7	2.6	21.1	27.4	35.9
Matara	22.0	2.8	9.3	23.2	35.7	40.7
Hambantota	14.7	0.4	3.1	15.9	26.5	43.7
Kurunegala	11.1	2.8	3.3	11.6	15.0	24.6
Puttalam	11.2	0.4	4.6	12.8	18.3	23.7
Anuradhapura	8.8	-	0.3	7.8	20.3	23.0
Polonnaruwa	8.2	-	2.2	8.7	15.6	22.6
Badulla	11.1	0.5	4.2	13.4	24.4	19.8
Monaragala	11.8	-	2.0	10.0	38.2	29.0
Ratnapura	13.7	4.5	4.5	16.4	24.1	31.1
Kegalle	18.9	9.0	4.8	20.8	29.2	26.8

Source : Quarterly Labour Force Survey - DCS

**Table A8 - Unemployment Rate by Level of Education and District (Both Sexes) - 1985/86**

District	All Levels	Level Education					
		No Schooling	Passed Grade 0-4 1-5 Year	Passed Grade 5-7 / 6-8 Year	Passed Grade 8-9 / 9-10 Year	Passed G.C.E. (O/L) N.C.G.E.	Passed G.C.E. (A/L) H.N.C.E. or above
<b>Sri Lanka</b>	<b>13.2</b>	<b>4.7</b>	<b>6.0</b>	<b>10.5</b>	<b>20.2</b>	<b>21.5</b>	<b>24.5</b>
Colombo	17.7	12.5	12.6	19.2	24.5	17.3	8.4
Gampaha	10.1	5.0	10.2	16.1	24.9	19.7	16.6
Kalutara	16.8	6.9	6.8	13.4	23.8	23.9	27.2
Kandy	18.0	3.8	7.4	12.5	31.4	28.2	35.6
Matale	10.3	10.1	2.9	8.7	12.8	20.3	32.0
Nuwara Eliya	6.0	4.9	2.4	5.4	8.2	17.9	11.8
Galle	17.5	4.0	8.5	12.9	27.7	28.3	34.3
Matara	17.5	2.1	3.8	10.9	24.3	35.1	55.5
Hambantota	18.0	2.2	7.5	13.1	25.4	42.0	45.5
Jaffna	8.9	-	1.4	4.5	12.4	14.1	43.2
Mannar	15.3	23.4	15.0	14.8	8.2	16.0	20.1
Vavu.mula,kili.	3.3	-	0.1	0.1	0.8	16.5	28.1
Batticaloa	6.5	4.2	2.9	4.8	16.6	16.4	30.0
Ampara	9.6	2.5	8.3	8.4	13.0	15.6	26.0
Trincomalee	13.3	9.4	3.7	24.2	14.3	15.7	46.8
Kurunegala	9.7	2.8	5.8	8.1	13.4	15.7	22.5
Puttalam	8.4	2.7	5.6	5.3	14.4	14.2	14.4
Anuradhapura	6.4	2.9	4.5	4.3	7.5	14.3	16.2
Polonnaruwa	6.3	3.2	2.7	3.6	8.2	15.3	20.5
Badulla	8.7	4.0	5.4	5.0	14.0	21.3	17.0
Monaragala	8.7	5.1	3.1	7.5	9.6	21.7	34.8
Ratnapura	10.8	3.4	5.0	6.8	19.2	26.3	37.8
Kegalle	14.6	5.3	6.0	9.5	25.7	25.0	27.2

Source: Labour Force and Socio-Economic Survey – 1985/86

**Appendix – 5**

Map 1 - Unemployment Rate by Level of Education and Province – 2002

Map 2 - Unemployment Rate by Level of Education and District – 1997

Map 3 - Unemployment Rate by Level of Education and Province – 1992

Map 4 - Unemployment Rate by Level of Education and District – 1985/86

**SPATIAL PATTERNS OF EMPLOYMENT AND UNEMPLOYMENT  
OF SRI LANKA**