



Sri Lanka Labour Force Survey was designed to measure the levels and trends of employment, unemployment and labour force in Sri Lanka. This survey is being conducted quarterly, since the first quarter of 1990.

The field work of the survey for the fourth quarter 2007 was done in October, November and December in year 2007. Even though it was planned to conduct the survey in Northern and Eastern provinces, the survey was not conducted fully due to the prevailing uncertain conditions in some districts of those provinces. Further the completed number of schedules received were not sufficient to give reliable estimates of those districts. Therefore the national level estimates for the fourth quarter do not cover the Northern and Eastern provinces.

Labour force participation rate

Labour Force: Number of persons who were employed or unemployed during the reference week

Labour force participation rate: Labour force expressed as a percentage of population age 10 yr. & over

Table 1: Economically active population by sex and sector- Fourth Quarter 2007

Sector	Economically active population					
	Total	%	Male	%	Female	%
Total	7597523	100.0	4923913	64.8	2673610	35.2
Urban	857199	100.0	583134	68.0	274066	32.0
Rural	6740324	100.0	4340779	64.4	2399544	35.6

Table 2: Economically Inactive population by sex and sector- Fourth Quarter 2007

Sector	Economically inactive population					
	Total	%	Male	%	Female	%
Total	7552083	100.0	2300269	30.5	5251814	69.5
Urban	1048383	100.0	327269	31.2	721113	68.8
Rural	6503701	100.0	1973000	30.3	4530700	69.7

The survey results revealed that (Table :1), the estimated economically active population (or labour force) was about 7.6 million in fourth quarter 2007. Of which 64.8 percent were males and 35.2 percent were females. (Table :2) Of the economically inactive population 30.5 percent were males and 69.5 percent were females.

Figure 1 : Distribution of Economically active/Inactive population

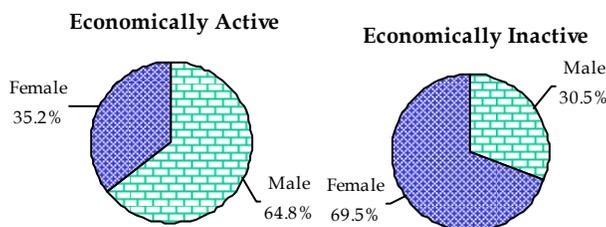


Table 3: Labour Force Participation Rate by sex & year

Year	Labour force participation rate		
	Total	Male	Female
2000	50.3	67.2	33.9
2001	48.8	66.2	31.9
2002	50.3	67.9	33.6
2003	49.7	67.5	32.6
2004	49.6	67.2	33.0
2005	49.3	67.3	32.6
2006	51.2	68.1	35.7
2007Q1	49.8	68.1	33.2
2007Q2	49.0	66.5	32.7
2007Q3	50.2	68.4	33.8
2007Q4	50.1	68.2	33.7

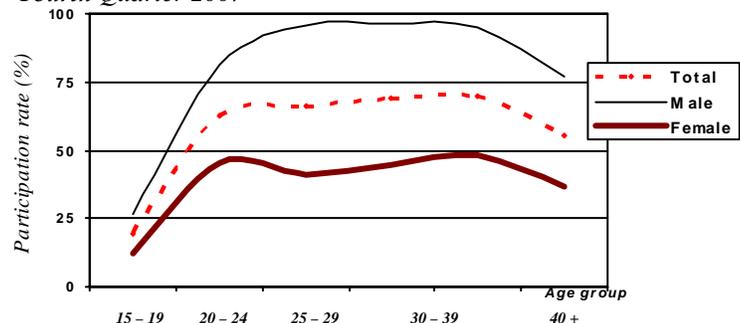
Table 3 provides the information on labour force participation rates since year 2000. As can be seen from this table, male participation rate for the fourth quarter 2007 is about 68 percent and it is 34 percent for females. It is important to note that, male participation to the labour force is much higher than as that of females.

Table 4 : Labour Force Participation Rate by age group & by sex - Fourth Quarter 2007

Age group	Sex		
	Total	Male	Female
Total	50.1	68.2	33.7
15 - 19	19.2	26.8	11.9
20 - 24	62.5	81.3	45.4
25 - 29	66.3	95.9	40.7
30 - 39	69.2	95.7	46.3
40+	55.6	76.8	36.8

Table 4 provides the labour force participation rates by sex and age group. Males in the age group of (25 - 29) yrs shows the highest labour force participation rate (95.9%), for females the highest participation rate (46.3%) is reported from the (30 - 39) yrs age group.

Figure 2 : Labour Force Participation Rate by age group & sex - Fourth Quarter 2007



Employment

Employed: Persons who are engaged in some kind of work for pay or profit or family gain during the reference week.

Table 5 : Distribution of Employed population by main industry, (Fourth quarter 2006 – Fourth quarter 2007)

Year	Major industry group			
	Total	Agriculture	Industries	Services
Oct-Nov-Dec 4 th Qtr - 2006	7149922 (100.0)	2357460 (33.0)	1892086 (26.5)	2900376 (40.6)
Jan-Feb-Mar 1 st Qtr - 2007	7008478 (100.0)	2234200 (31.9)	1889683 (27.0)	2884594 (41.2)
April-May-June 2 nd Qtr - 2007	6879916 (100.0)	2078797 (30.2)	1850588 (26.9)	2950531 (42.9)
July-Aug-Sept. 3 rd Qtr - 2007	7102425 (100.0)	2129201 (30.0)	1920033 (27.0)	3053191 (43.0)
Oct-Nov-Dec 4 th Qtr - 2007	7176679 (100.0)	2366192 (33.0)	1835126 (25.6)	2975360 (41.5)

Note: The tabulation groups based on ISIC (Rev.3) are indicated as A,B,C.....Q..

Agriculture (A)

1. Forestry and Fishery (B)
2. Forestry and Fishery (B)

Industries (I)

1. Manufacturing (D)
2. Construction (F)
3. Mining & Quarrying (C)
4. Electricity, Gas and Water supply (E)

Services

1. Wholesale and Retail Trade, Repair of Motor Vehicles, Motorcycles and Personal and Household Goods (G)
2. Hotels and Restaurants (H)
3. Transport, Storage and Communication (I)
4. Financial Intermediation and Real Estate, Renting and Business Activities (J,K)
5. Public Administration and Defence, Compulsory Social Security (L)
6. Education (M)
7. Health and Social work (N)
8. Other Community, Social and Personal Service Activities (O)
9. Private Households with Employed Persons (P)
10. Miscellaneous Labour work
11. Extra Territorial Organizations & bodies (Q)
12. Industries not adequately described

Table 5 shows the percentage distribution of employed population by main industry from fourth quarter 2006 to fourth quarter 2007.

However it is to be noted that the difference between corresponding figures in any given two quarters may not necessarily be statistically significant.

The total number of employed persons in Sri Lanka is estimated as about 7.2 million in fourth quarter 2007. Of which, about 41.5 percent engaged in services sector employment.

Table 6 : Percentage distribution of employed population by employment status and Agriculture/ non- agriculture sector – Fourth quarter 2007.

Employment status	Total		Sector			
	No	%	Agriculture No	%	Non-Agriculture No.	%
Total	7176679	100.0	2366192	33.0	4810486	67.0
Employee	4055940	100.0	754963	18.6	3300976	81.4
Public	992522	100.0	112878	11.4	879644	88.6
Private	3063418	100.0	642085	21.0	2421333	79.0
Employer	178639	100.0	20739	11.6	157900	88.4
Own account worker	2169707	100.0	1032527	47.6	1137180	52.4
Unpaid family worker	772393	100.0	557963	72.2	214430	27.8

Table 6 shows that, about 81.4 percent of total paid employees are engaged in non-agricultural sector activities, while this percentage is only 18.6 percent for the agriculture sector. Further, 79 percent of private sector paid employees are involved in non-agricultural activities, while this share is 21 percent regarding the agricultural activities.

It is important to see that, 72 percent of unpaid family workers are in the agriculture sector, and the balance, 28 percent are in the non-agriculture sector.

Note (1): Please see the explanatory note under 'labour force' link in the DCS web site www.statistics.gov.lk for detailed concepts & definitions.

Table 7 : Distribution of Employed population by main industry & by sex – Fourth Quarter 2007

Major industry group	Total	Sex	
		Male	Female
Total	100.0	65.7	34.3
Agriculture	100.0	60.8	39.2
Industry	100.0	63.9	36.1
Services	100.0	70.7	29.3

It is very clear that, about 71 percent of services sector employment are males.

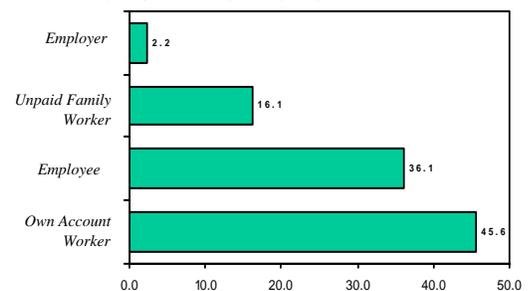
Table 8 : "Informal sector" employment by Agriculture/ Non-agriculture sector – Fourth Quarter 2007

Sector	Total	Agriculture	Non-agriculture
Total	100.0	100.0	100.0
Formal	37.5	16.4	47.9
Informal	62.5	83.6	52.1

It is also important to see that, the employed population according to the formal and informal sector classification. 62.5 percent of the total employment is in the informal sector. 84 percent of the agriculture sector employment is in informal sector, while it is about 52 percent for non agriculture sector.

Further, 45.6 percent of those employed in the informal sector are own account workers, while 36 percent of them are paid employees. (Figure 3).

Figure 3 : Distribution of informal sector employment by Employment status



Underemployment ⁽¹⁾

Table 9 : Underemployment rate by sex – Fourth quarter 2007

Rate	Sex		Economic sector		Total
	Male	Female	Agriculture	Non-agriculture	
Underemployment rate	4.3	6.3	6.8	4.1	5

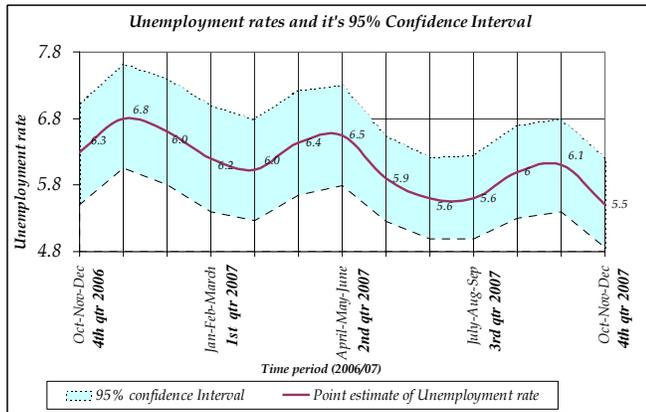
Table 9 reveals that, underemployment rate is higher for females than males. And also it is higher in the agriculture sector than as that of in non-agriculture sector.

Unemployment

Unemployment Rate : The number of unemployed persons as a percentage of the labour force

Unemployed : Persons who are seeking and available for work, but had no employment during the reference period

Figure 4 : Unemployment rates and its 95% confidence intervals (2006 Oct -Dec./2007 Oct - Dec.)



The number of unemployed persons is estimated as about 420844 during the fourth quarter 2007.

The unemployment rate for the fourth quarter 2007 is reported as 5.5 percent.

As seen in figure 4, it is very important to note that, there is no statistically significant difference between the unemployment rates reported in different time periods of 2006/2007, when sampling error⁽²⁾ is considered.

Table 10 : Unemployment rate by level of education Fourth Quarter 2007

Level of Education	Unemployment rate		
	Total	Male	Female
Total	5.5	4.2	8.0
Below G.C.E. (O/L)	3.5	3.1	4.3
G.C.E. (O/L)	8.1	6.9	10.1
G.C.E. (A/L) & above	11.3	6.6	17.0

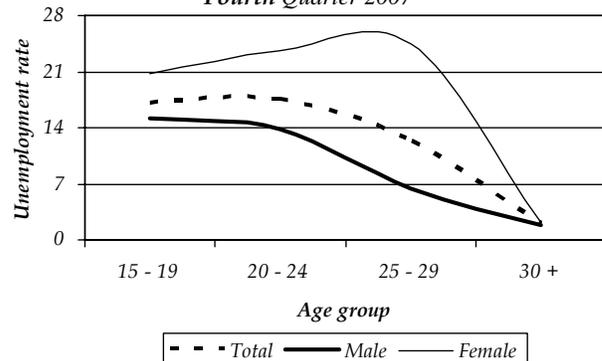


Survey results reveals that, the highest unemployment rate is reported from the G.C.E(A/L) and above group which is about 11.3 percent. That is 6.6 percent and 17.0 percent for male and females respectively. This shows that the problem of unemployment is more acute in the case of educated females than educated males (Table 10).

Table 11: Unemployment rate by age group and sex - Fourth Quarter 2007

Age group	Total	Sex	
		Male	Female
Total	5.5	4.2	8.0
15 - 19	17.0	15.2	20.8
20 - 24	17.6	13.9	23.6
25 - 29	12.3	6.3	24.5
30 +	2.0	1.9	2.2

Figure 5 : Unemployment rate by age group and sex - Fourth Quarter 2007



As can be seen from table 11, the unemployment rate reported for females is 8.0 percent and 4.2 percent for males. However, the unemployment rate among the youth (age 20 - 24 yrs) is higher when compared with other age groups, and it is reported as 17.6 percent. Further it is 14 percent and 24 percent for males and females respectively.

Table 12: Literacy rate by sex & sector

Sex & sector	4th quarter 2006	4th quarter 2007
Total	90.9	91.0
Male	92.6	92.1
Female	89.3	90.0
Urban	93.2	93.4
Rural	91.5	91.9
Estate	74.8	67.8

Literacy ⁽³⁾

Table 12 shows that, during the fourth quarter of 2007, males literacy rate (92.1) is higher than that of females (90.0). Further, the survey results reveal that literacy level of estate sector (67.8) is relatively lower than the urban (93.4) and rural (91.9) sectors.

⁽²⁾ Sampling error :

When a sample, rather than the entire population, is surveyed, estimates differ from the true population values they represent. This difference, or sampling error, occurs by chance, and its variability is measured by the standard error of the estimate. **For more detail, please refer the explanatory note on the labour force link in the DCS website.**

⁽³⁾ Please see the explanatory note under 'labour force' link in the DCS web site www.statistics.gov.lk for detailed concepts & definitions.

Selected Labour Force indicators (Excluding Northern & Eastern provinces)
(2000 - 2007 Fourth quarter)

	2000	2001	2002	2003	2004	2005	2006	2007 Q1	2007 Q2	2007 Q3	2007Q4	2006 Q4
Labour force participation rate												
<i>by sex</i>												
Both sexes	50.3	48.8	50.3	49.7	49.6	49.3	51.2	49.8	49.0	50.2	50.1	51.0
Male	67.2	66.2	67.9	67.5	67.2	67.3	68.1	68.1	66.5	68.4	68.2	67.0
Female	33.9	31.9	33.6	32.6	33.0	32.6	35.7	33.2	32.7	33.8	33.7	36.1
<i>by residential sector</i>												
Total	50.3	48.8	50.3	49.7	49.6	49.3	51.2	49.8	49.0	50.2	50.1	51.0
Urban	44.9	44.2	46.0	45.1	45.6	46.2	45.3	44.5	45.0	45.8	45.0	44.5
Rural	51.2	49.6	50.9	50.3	50.3	49.7	52.1	50.5	49.5	50.7	50.9	51.9
Unemployment rate												
<i>by sex</i>												
Both sexes	7.6	7.9	8.8	8.1	8.1	7.2	6.5	6.2	6.5	5.6	5.5	6.3
Male	5.8	6.2	6.6	6.0	6.0	5.3	4.7	4.4	4.6	4.1	4.2	4.3
Female	11.1	11.5	12.9	12.3	12.1	10.7	9.7	9.5	10.3	8.5	8.0	9.8
<i>by selected age groups(yr)</i>												
20 - 29	17.4	18.4	20.1	19.1	18.6	16.0	15.9	15.2	16.2	14.0	14.8	15.9
20 - 24	23.0	24.4	27.0	25.8	25.2	22.4	21.0	21.8	22.3	22.4	17.6	19.9
25 - 29	10.9	11.3	11.6	11.4	11.1	9.4	11.0	8.9	10.1	6.5	12.3	11.9
<i>by selected educational levels</i>												
G.C.E.(A/L) & above												
Both sexes	14.9	15.3	16.8	16.0	15.7	12.2	11.6	12.3	13.0	10.5	11.3	12
Male	8.8	10.1	10.8	10.1	9.6	7.9	6.9	7.0	7.1	5.6	6.6	7.7
Female	21.5	21.5	23.0	22.4	22.5	17.1	16.8	18.4	19.1	15.5	17.0	16.5
Employed population												
<i>by sex</i>												
Both sexes	6310247	6235588	6519415	6609466	6704006	6788119	7105322	7008478	6879916	7102425	7176679	7149922
Male	4241546	4248877	4395164	4496136	4512082	4546397	4610643	4648446	4594227	4653944	4715651	4622779
Female	2068701	1986711	2124250	2113330	2191924	2241722	2494679	2360032	2285689	2448481	2461027	2527143
<i>by industry (percentage)</i>												
Total	6310247	6235588	6519415	6609466	6704006	6788119	7105322	7008478	6879916	7102425	7176679	7149922
%	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)
Agriculture	2274153	2033343	2247602	2223691	2215282	2059293	2287268	2234200	2078797	2129201	2366192	2357460
%	(36.0)	(32.6)	(34.5)	(33.6)	(33.0)	(30.3)	(32.2)	(31.9)	(30.2)	(30.0)	(33.0)	(33.0)
Industry	1490795	1491408	1459194	1539035	1663383	1787274	1889953	1889683	1850588	1920033	1835126	1892086
%	(23.6)	(23.9)	(22.4)	(23.3)	(24.8)	(26.3)	(26.6)	(27.0)	(26.9)	(27.0)	(25.6)	(26.5)
Services	2545299	2710837	2812619	2846740	2825341	2941552	2928101	2884594	2950531	3053191	2975360	2900376
%	(40.3)	(43.5)	(43.1)	(43.1)	(42.1)	(43.3)	(41.2)	(41.2)	(42.9)	(43.0)	(41.5)	(40.6)
<i>by no. of hours worked per week (percentage)</i>												
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
0 •	7.2	4.3	5.6	7.3	5.3	4.9	6.7	4.3	8.4	7.0	6.2	6.9
1 - 9	1.9	1.5	1.5	1.8	1.7	1.6	1.9	1.3	1.5	1.6	1.7	1.9
10 - 39	32.7	28.2	32.0	32.9	28.4	27.9	28.6	28.2	29.3	27.1	28.7	29.4
40+	58.2	66.1	60.9	58.0	64.7	65.7	62.8	66.2	60.7	64.3	63.4	61.8

• Has a job but not at work during the reference week

Note: However it is to be noted that the difference between corresponding figures in any given two quarters may not necessarily be statistically significant.

Selected Labour Force indicators (2000 - 2007 Fourth quarter)

	Year										
	2000	2001	2002	2003*	2004**	2005***	2006 #	2007 Q1#	2007 Q2 #	2007 Q3#	2007Q4#
Labour force participation rate											
<i>by sex</i>											
Both sexes	50.3	48.8	50.3	48.9	48.6	48.3	51.2	49.8	49.0	50.2	50.1
Male	67.2	66.2	67.9	67.2	66.7	67.1	68.1	68.1	66.5	68.4	68.2
Female	33.9	31.9	33.6	31.4	31.5	30.9	35.7	33.2	32.7	33.8	33.7
<i>by residential sector</i>											
Total	50.3	48.8	50.3	48.9	48.6	48.3	51.2	49.8	49.0	50.2	50.1
Urban	44.9	44.2	46.0	44.4	44.9	45.5	45.3	44.5	45.0	45.8	45.0
Rural	51.2	49.6	50.9	49.6	49.2	48.7	52.1	50.5	49.5	50.7	50.9
Unemployment rate											
<i>by sex</i>											
Both sexes	7.6	7.9	8.8	8.4	8.3	7.7	6.5	6.2	6.5	5.6	5.5
Male	5.8	6.2	6.6	6.0	6.0	5.5	4.7	4.4	4.6	4.1	4.2
Female	11.1	11.5	12.9	13.2	12.8	11.9	9.7	9.5	10.3	8.5	8.0
<i>by selected age groups(yr)</i>											
20 - 29	17.4	18.4	20.1	19.4	19.2	17.2	15.9	15.2	16.2	14.0	14.8
20 - 24	23.0	24.4	27.0	26.4	25.9	24.6	21.0	21.8	22.3	22.4	17.6
25 - 29	10.9	11.3	11.6	11.4	11.4	9.5	11.0	8.9	10.1	6.5	12.3
<i>by selected educational levels</i>											
G.C.E.(A/L) & above											
Both sexes	14.9	15.3	16.8	16.5	16.8	13.8	11.6	12.3	13.0	10.5	11.3
Male	8.8	10.1	10.8	10.4	10.5	8.9	6.9	7.0	7.1	5.6	6.6
Female	21.5	21.5	23.0	23.3	23.8	19.1	16.8	18.4	19.1	15.5	17.0
Employed population											
<i>by sex</i>											
Both sexes	6310247	6235588	6519415	7012755	7440226	7518007	7105322	7008478	6879916	7102425	7176679
Male	4241546	4248877	4395164	4833483	5087861	5134765	4610643	4648446	4594227	4653944	4715651
Female	2068701	1986711	2124250	2179272	2352365	2383241	2494679	2360032	2285689	2448481	2461027
<i>by industry (percentage)</i>											
Total	6310247	6235588	6519415	7012755	7394029	7518007	7105322	7008478	6879916	7102425	7176679
%	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)
Agriculture	2274153	2033343	2247602	2384397	2474725	2306039	2287268	2234200	2078797	2129201	2366192
%	(36.0)	(32.6)	(34.5)	(34.0)	(33.5)	(30.7)	(32.2)	(31.9)	(30.2)	(30.0)	(33.0)
Industry	1490795	1491408	1459194	1611493	1781447	1928014	1889953	1889683	1850588	1920033	1835126
%	(23.6)	(23.9)	(22.4)	(23.0)	(24.1)	(25.6)	(26.6)	(27.0)	(26.9)	(27.0)	(25.6)
Services	2545299	2710837	2812619	3016866	3137857	3283954	2928101	2884594	2950531	3053191	2975360
%	(40.3)	(43.5)	(43.1)	(43.0)	(42.4)	(43.7)	(41.2)	(41.2)	(42.9)	(43.0)	(41.5)
<i>by no. of hours worked per week (percentage)</i>											
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
0 •	7.2	4.3	5.6	7.5	5.2	4.7	6.7	4.3	8.4	7.0	6.2
1 - 9	1.9	1.5	1.5	1.8	1.6	1.5	1.9	1.3	1.5	1.6	1.7
10 - 39	32.7	28.2	32.0	32.6	28.7	27.6	28.6	28.2	29.3	27.1	28.7
40+	58.2	66.1	60.9	58.1	64.5	66.2	62.8	66.2	60.7	64.3	63.4

• Has a job but not at work during the reference week

*Excluding Northern province

***All the districts are included

** Excluding Mullativu & Kilinochchi # Excluding Northern & Eastern provinces

(Before 2003, estimates excluded both Northern & Eastern provinces)