



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 third quarter 2008 was done in July, August and September in year 2008. 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 districts of Northern province. In third quarter 2008 the survey was conducted also in the Eastern province, hence this bulletin consists of summary statistics computed by including Eastern province in table 'Selected Labour Force Indicators' (page 4).

( Please log on to the DCS website ([www.statistics.gov.lk](http://www.statistics.gov.lk)) for detailed tables.)

**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- Third Quarter 2008**

Sector	Economically active population					
	Total	%	Male	%	Female	%
Total	7587847	100.0	4853178	64.0	2734669	36.0
Urban	816351	100.0	578599	70.9	237752	29.1
Rural	6771496	100.0	4274579	63.1	2496917	36.9

\* Excluding Northern & Eastern provinces

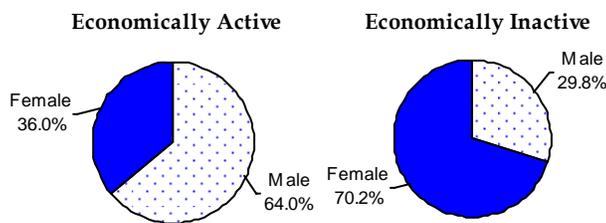
**Table 2: Economically Inactive population by sex and sector- Third Quarter 2008**

Sector	Economically inactive population					
	Total	%	Male	%	Female	%
Total	7264483	100.0	2165830	29.8	5098653	70.2
Urban	933788	100.0	276925	29.7	656863	70.3
Rural	6330695	100.0	1888905	29.8	4441790	70.2

\* Excluding Northern & Eastern provinces

The survey results revealed that (Table 1), the estimated economically active population (or labour force) was about 7.6 million in third quarter 2008. Of which 64.0 percent were males and 36.0 percent were females. Of the economically inactive population 29.8 percent were males and 70.2 percent were females (Table 2) .

**Figure 1 : Distribution of Economically active/Inactive population**



\* Excluding Northern & Eastern provinces

**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
2007	49.8	67.8	33.4
2008 Q1	49.8	67.3	34.2
2008 Q2	49.6	67.8	33.1
2008 Q3	51.1	69.1	34.9

\* Excluding Northern & Eastern provinces

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 third quarter 2008 is about 69.1 percent and it is 34.9 percent for females. It is important to note that, male participation to the labour force is as twice as that of females.

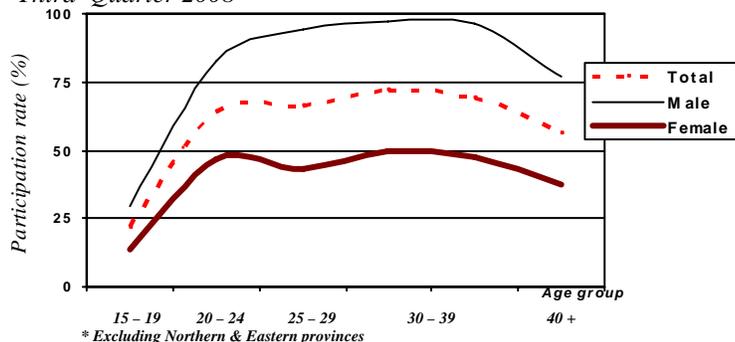
**Table 4 : Labour Force Participation Rate by age group & by sex - Third Quarter 2008**

Age group	Sex		
	Total	Male	Female
Total	51.1	69.1	34.9
15 - 19	21.6	29.3	13.3
20 - 24	63.7	82.4	46.8
25 - 29	66.2	94.1	43.2
30 - 39	70.4	96.5	48.5
40+	55.9	77.0	37.2

\* Excluding Northern & Eastern provinces

Table 4 provides the labour force participation rates by sex and age group. Both males and females in the age group of (30 - 39) yrs shows the highest labour force participation rates 96.5% and 48.5 % respectively.

**Figure 2 : Labour Force Participation Rate by age group & sex - Third Quarter 2008**



\* Excluding Northern & Eastern provinces

## 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, (Third quarter 2007 – Third Quarter 2008)**

Year	Total	Major industry group		
		Agriculture	Industries	Services
July-Aug-Sept. 3 <sup>rd</sup> Qtr - 2007	7102425 (100.0)	2129201 (30.0)	1920033 (27.0)	3053191 (43.0)
Oct-Nov-Dec 4 <sup>th</sup> Qtr - 2007	7176679 (100.0)	2366192 (33.0)	1835126 (25.6)	2975360 (41.5)
Jan-Feb-Mar 1 <sup>st</sup> Qtr - 2008	7148318 (100.0)	2272031 (31.8)	1890286 (26.4)	2986000 (41.8)
April-May-June 2 <sup>nd</sup> Qtr - 2008	7106439 (100.0)	2140712 (30.1)	1935656 (27.2)	3030071 (42.6)
July-Aug-Sept. 3 <sup>rd</sup> Qtr - 2008	7192034 (100.0)	2494966 (34.7)	1878184 (26.1)	2818883 (39.2)

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

*\* Excluding Northern & Eastern provinces*

### Agriculture

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

### Industries

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 third quarter 2007 to third quarter 2008. The total number of employed persons in Sri Lanka is estimated as about 7.2 million in third quarter 2008. Of which, about 39.2 percent engaged in services sector employment, and 34.7% in agriculture sector.

When the distribution of employment between third quarter 2007 to third quarter 2008 is compared agriculture sector shows a marked increase in its relative importance, and for the service sector it is the opposite.

**Table 6 : Percentage distribution of employed population by employment status and Agriculture/ non- agriculture sector - Third quarter 2008.**

Employment Status	Total		Sector			
	No.	%	Agriculture		Non Agriculture	
			No.	%	No.	%
Total	7192034	100.0	2494966	34.7	4697067	65.3
Employee	4016567	100.0	822867	20.5	3193699	79.5
Public	1060436	100.0	168249	15.9	892187	84.1
Private	2956131	100.0	654618	22.1	2301512	77.9
Employer	190679	100.0	35788	18.8	154892	81.2
Own account worker	2161342	100.0	1052182	48.7	1109160	51.3
Unpaid family worker	823446	100.0	584130	70.9	239316	29.1

*\* Excluding Northern & Eastern provinces*

Table 6 shows that, about 79.5 percent of total paid employees are engaged in non-agricultural sector activities, while this percentage is only 20.5 percent for the agriculture sector. Further, about 78 percent of private sector paid employees are involved in non-agricultural activities, while this share is 22 percent regarding the agricultural activities.

It is important to see that, about 71 percent of unpaid family workers are in the agriculture sector, and the balance, 29 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](http://www.statistics.gov.lk) for detailed concepts & definitions.*

**Table 7 : Distribution of Employed population by main industry & by sex - Third Quarter 2008**

Major industry group	Total	Sex	
		Male	Female
Total	100.0	64.9	35.1
Agriculture	100.0	58.9	41.1
Industry	100.0	65.9	34.1
Services	100.0	69.6	30.4

*\* Excluding Northern & Eastern provinces*

It is seen in the above table that, about 70 percent of services sector employment are males.

**Table 8 : "Informal sector" employment by Agriculture/ Non-agriculture sector - Third Quarter 2008**

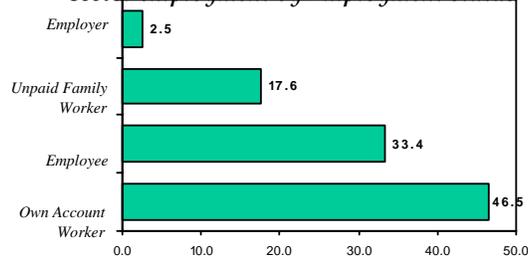
Sector	Total	Agriculture	Non-agriculture
Total	100.0	100.0	100.0
Formal	39.6	17.2	51.6
Informal	60.4	82.8	48.4

*\* Excluding Northern & Eastern provinces*

It is also important to see the distribution of the employed population according to the formal and informal sector classification. Table 8 shows that, 60.4 percent of the total employment is in the informal sector. Further 83 percent of the agriculture sector employment is in informal sector, while it is about 48 percent for non agriculture sector.

Further, 46.5 percent of those employed in the informal sector are own account workers, while 33 percent of them are paid employees. (Figure 3).

**Figure 3 : Percentage Distribution of informal sector employment by Employment status**



*\* Excluding Northern & Eastern provinces*

## Underemployment <sup>(1)</sup>

**Table 9 : Underemployment rate by sex - Third Quarter 2008**

Rate	Sex		Economic sector		Total
	Male	Female	Agriculture	Non-agriculture	
Underemployment rate	3.2	4.7	5.4	2.8	3.7

*\* Excluding Northern & Eastern provinces*

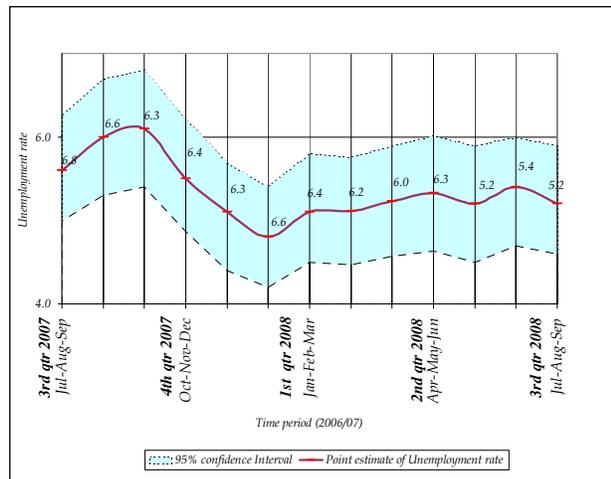
Table 9 reveals that, underemployment rate is higher for females than males. And also it is higher in the agriculture sector than as that of in non-agriculture sector.

## 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 it's 95% confidence intervals (2007 Jul -Sep/2008 Jul -Sep)**



\* Excluding Northern & Eastern provinces

The number of unemployed persons is estimated as about 396,000 during the third quarter 2008.

The unemployment rate for the third quarter 2008 is reported as 5.2 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 2007/2008, when *sampling error*<sup>(2)</sup> is considered.

**Table 10 : Unemployment rate by level of education Third Quarter 2008**

Level of Education	Unemployment rate		
	Total	Male	Female
Total	5.2	3.8	7.8
Below G.C.E. (O/L)	3.4	2.9	4.4
G.C.E. (O/L)	7.9	5.9	11.5
G.C.E. (A/L) & above	10.4	6.1	15.2

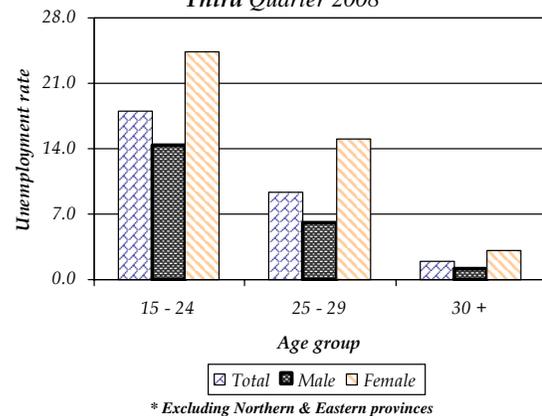
\* Excluding Northern & Eastern provinces

**Table 11: Unemployment rate by age group and sex - Third Quarter 2008**

Age group	Total	Sex	
		Male	Female
Total	5.2	3.8	7.8
15 - 24	18.0	14.4	24.4
25 - 29	9.3	6.1	15.1
30 +	1.9	1.2	3.1

\* Excluding Northern & Eastern provinces

**Figure 5 : Unemployment rate by age group and sex - Third Quarter 2008**



\* Excluding Northern & Eastern provinces

As can be seen from table 11, the unemployment rate reported for females is 7.8 percent and 3.8 percent for males. Youth unemployment rate (15 - 24 yrs) reported for third quarter 2008 is 18.0. Highest unemployment rate is reported from age group (15 - 24 yrs), for both males (14.4) females (24.4). It is clear for all age groups, the unemployment is severe among females than that of males..

Survey results reveal that, the highest unemployment rate is reported from the G.C.E(A/L) and above group which is about 10.4 percent. That is 6.1 percent and 15.2 percent for males 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 12: Literacy rate by sex & sector**

Sex & sector	3 <sup>rd</sup> quarter 2007	3 <sup>rd</sup> quarter 2008
<b>Total</b>	91.6	90.5
Male	92.6	92.2
Female	90.6	89.1
Urban	93.2	91.7
Rural	92.2	91.4
Estate	77.1	73.2

\* Excluding Northern & Eastern provinces

## Literacy <sup>(3)</sup>

Table 12 shows that, during the third quarter of 2008, the literacy rate is about 90.5. The survey reports that male literacy rate (92.2) is higher than that of females' (89.1). Further, the survey results reveal that literacy level of estate sector (73.2) is relatively lower than the urban (91.7) and rural (91.4) sectors.

<sup>(2)</sup> *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 details, please refer the explanatory note on the labour force link in the DCS website.**

<sup>(3)</sup> Please see the explanatory note under 'labour force' link in the DCS web site [www.statistics.gov.lk](http://www.statistics.gov.lk) for detailed concepts & definitions.

**Selected Labour Force indicators  
( 2000 - 2008 Third quarter )**

	Year										
	2000 <sup>#</sup>	2001 <sup>#</sup>	2002 <sup>#</sup>	2003 <sup>*</sup>	2004 <sup>**</sup>	2005 <sup>***</sup>	2006 <sup>#</sup>	2007 <sup>#</sup>	2008Q1 <sup>*</sup>	2008 Q2 <sup>*</sup>	2008 Q3 <sup>*</sup>
<b>Labour force participation rate</b>											
<i>by sex</i>											
Both sexes	50.3	48.8	50.3	48.9	48.6	48.3	51.2	49.8	49.1	<b>49.0</b>	<b>50.3</b>
Male	67.2	66.2	67.9	67.2	66.7	67.1	68.1	67.8	66.9	<b>67.6</b>	<b>69.0</b>
Female	33.9	31.9	33.6	31.4	31.5	30.9	35.7	33.4	33.0	<b>32.1</b>	<b>33.5</b>
<i>by residential sector</i>											
Total	50.3	48.8	50.3	48.9	48.6	48.3	51.2	49.8	49.1	<b>49.0</b>	<b>50.3</b>
Urban	44.9	44.2	46.0	44.4	44.9	45.5	45.3	45.0	45.6	<b>45.9</b>	<b>45.4</b>
Rural	51.2	49.6	50.9	49.6	49.2	48.7	52.1	50.4	49.6	<b>49.4</b>	<b>51.0</b>
<b>Unemployment rate</b>											
<i>by sex</i>											
Both sexes	7.6	7.9	8.8	8.4	8.3	7.7	6.5	6.0	5.1	<b>5.5</b>	<b>5.5</b>
Male	5.8	6.2	6.6	6.0	6.0	5.5	4.7	4.3	3.2	<b>3.8</b>	<b>3.9</b>
Female	11.1	11.5	12.9	13.2	12.8	11.9	9.7	9.0	8.6	<b>8.6</b>	<b>8.4</b>
<i>by selected age groups(yr)</i>											
20 - 29	17.4	18.4	20.1	19.4	19.2	17.2	15.9	15.0	13.4	<b>13.3</b>	<b>14.0</b>
20 - 24	23.0	24.4	27.0	26.4	25.9	24.6	21.0	21.1	18.4	<b>17.2</b>	<b>18.2</b>
25 - 29	10.9	11.3	11.6	11.4	11.4	9.5	11.0	9.4	8.7	<b>9.5</b>	<b>10.2</b>
<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	11.8	11.1	<b>9.5</b>	<b>11.8</b>
Male	8.8	10.1	10.8	10.4	10.5	8.9	6.9	6.6	6.9	<b>4.5</b>	<b>6.9</b>
Female	21.5	21.5	23.0	23.3	23.8	19.1	16.8	17.5	15.8	<b>14.6</b>	<b>17.4</b>
<b>Employed population</b>											
<i>by sex</i>											
Both sexes	6310247	6235588	6519415	7012755	7440226	7518007	7105322	7041874	7581163	<b>7563981</b>	<b>7735132</b>
Male	4241546	4248877	4395164	4833483	5087861	5134765	4610643	4653067	5004644	<b>5051817</b>	<b>5094909</b>
Female	2068701	1986711	2124250	2179272	2352365	2383241	2494679	2388807	2576519	<b>2512164</b>	<b>2640222</b>
<i>by industry (percentage)</i>											
Total	6310247	6235588	6519415	7012755	7394029	7518007	7105322	7041874	7581163	<b>7563981</b>	<b>7735132</b>
%	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	<b>(100.0)</b>	(100.0)
Agriculture	2274153	2033343	2247602	2384397	2474725	2306039	2287268	2202098	2410307	<b>2264792</b>	<b>2665917</b>
%	(36.0)	(32.6)	(34.5)	(34.0)	(33.5)	(30.7)	(32.2)	(31.3)	(31.8)	<b>(29.9)</b>	<b>(34.5)</b>
Industry	1490795	1491408	1459194	1611493	1781447	1928014	1889953	1873857	1989655	<b>2068786</b>	<b>2000537</b>
%	(23.6)	(23.9)	(22.4)	(23.0)	(24.1)	(25.6)	(26.6)	(26.6)	(26.2)	<b>(27.4)</b>	<b>(25.9)</b>
Services	2545299	2710837	2812619	3016866	3137857	3283954	2928101	2965919	3181201	<b>3230403</b>	<b>3068678</b>
%	(40.3)	(43.5)	(43.1)	(43.0)	(42.4)	(43.7)	(41.2)	(42.1)	(42.0)	<b>(42.7)</b>	<b>(39.7)</b>
<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	<b>100.0</b>	<b>100.0</b>
0 •	7.2	4.3	5.6	7.5	5.2	4.7	6.7	6.5	4.0	<b>11.1</b>	<b>6.7</b>
1 - 9	1.9	1.5	1.5	1.8	1.6	1.5	1.9	1.5	1.8	<b>2.9</b>	<b>1.7</b>
10 - 39	32.7	28.2	32.0	32.6	28.7	27.6	28.6	28.3	30.7	<b>29.8</b>	<b>26.6</b>
40+	58.2	66.1	60.9	58.1	64.5	66.2	62.8	63.7	63.6	<b>56.3</b>	<b>65.0</b>

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

\* Excluding Northern province

\*\*\*All the districts are included

\*\* Excluding Mullativu & Kilinochchi districts

# Excluding Northern & Eastern provinces

**Selected Labour Force indicators**  
( 2000 - 2008 Third quarter )

	Year													
	2000*	2001*	2002*	2003*	2004*	2005*	2006*	2007*	2008Q1*	2008Q2*	2007Q3*	2008Q3	2008 Q3 <sup>#</sup>	
<b>Labour force participation rate</b>														
<i>by sex</i>														
Both sexes	50.3	48.8	50.3	49.7	49.6	49.3	51.2	49.8	49.8	49.6	50.2	51.1	50.3	
Male	67.2	66.2	67.9	67.5	67.2	67.3	68.1	67.8	67.3	67.8	68.4	69.1	69.0	
Female	33.9	31.9	33.6	32.6	33.0	32.6	35.7	33.4	34.2	33.1	33.8	34.9	33.5	
<i>by residential sector</i>														
Total	50.3	48.8	50.3	49.7	49.6	49.3	51.2	49.8	49.8	49.6	50.2	51.1	50.3	
Urban	44.9	44.2	46.0	45.1	45.6	46.2	45.3	45.0	45.9	46.1	45.8	46.6	45.4	
Rural	51.2	49.6	50.9	50.3	50.3	49.7	52.1	50.4	50.3	50.0	50.7	51.7	51.0	
<b>Unemployment rate</b>														
<i>by sex</i>														
Both sexes	7.6	7.9	8.8	8.1	8.1	7.2	6.5	6.0	5.1	5.3	5.6	5.2	5.5	
Male	5.8	6.2	6.6	6.0	6.0	5.3	4.7	4.3	3.3	3.6	4.1	3.8	3.9	
Female	11.1	11.5	12.9	12.3	12.1	10.7	9.7	9.0	8.2	8.4	8.5	7.8	8.4	
<i>by selected age groups(yr)</i>														
20 - 29	17.4	18.4	20.1	19.1	18.6	16.0	15.9	15.0	13.4	13.0	14.0	14.1	14.0	
20 - 24	23.0	24.4	27.0	25.8	25.2	22.4	21.0	21.1	18.4	17.4	22.4	18.0	18.2	
25 - 29	10.9	11.3	11.6	11.4	11.1	9.4	11.0	9.4	8.7	8.8	6.5	9.3	10.2	
<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	11.8	11.0	9.1	10.5	10.4	11.8	
Male	8.8	10.1	10.8	10.1	9.6	7.9	6.9	6.6	6.9	4.0	5.6	6.1	6.9	
Female	21.5	21.5	23.0	22.4	22.5	17.1	16.8	17.5	15.6	14.2	15.5	15.2	17.4	
<b>Employed population</b>														
<i>by sex</i>														
Both sexes	6310247	6235588	6519415	6609466	6704006	6788119	7105322	7041874	7148318	7106439	7102425	7192034	7735132	
Male	4241546	4248877	4395164	4496136	4512082	4546397	4610643	4653067	4653378	4693465	4653944	4669346	5094909	
Female	2068701	1986711	2124250	2113330	2191924	2241722	2494679	2388807	2494940	2412974	2448481	2522687	2640222	
<i>by industry (percentage)</i>														
Total	6310247	6235588	6519415	6609466	6704006	6788119	7105322	7041874	7148318	7106439	7102425	7192034	7735132	
%	(100.0)	(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	2202098	2272031	2140712	2129201	2494966	2665917	
%	(36.0)	(32.6)	(34.5)	(33.6)	(33.0)	(30.3)	(32.2)	(31.3)	(31.8)	(30.1)	(30.0)	(34.7)	(34.5)	
Industry	1490795	1491408	1459194	1539035	1663383	1787274	1889953	1873857	1890286	1935656	1920033	1878184	2000537	
%	(23.6)	(23.9)	(22.4)	(23.3)	(24.8)	(26.3)	(26.6)	(26.6)	(26.4)	(27.2)	(27.0)	(26.1)	(25.9)	
Services	2545299	2710837	2812619	2846740	2825341	2941552	2928101	2965919	2986000	3030071	3053191	2818883	3068678	
%	(40.3)	(43.5)	(43.1)	(43.1)	(42.1)	(43.3)	(41.2)	(42.1)	(41.8)	(42.6)	(43.0)	(39.2)	(39.7)	
<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	100.0	
0*	7.2	4.3	5.6	7.3	5.3	4.9	6.7	6.5	4.1	11.4	7.0	6.7	6.7	
1 - 9	1.9	1.5	1.5	1.8	1.7	1.6	1.9	1.5	1.9	3.0	1.6	1.8	1.7	
10 - 39	32.7	28.2	32.0	32.9	28.4	27.9	28.6	28.3	31.1	30.1	27.1	26.6	26.6	
40+	58.2	66.1	60.9	58.0	64.7	65.7	62.8	63.7	62.9	55.5	64.3	64.8	65.0	

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

\* Excluding Northern & Eastern provinces

# Excluding Northern province

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