



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 second quarter 2007 was done in April, May and June in year 2007. Even though it was planned to conduct the survey in Northern and Eastern provinces, the survey did not conduct 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. Therefore the national level estimates for the first 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- Second Quarter 2007

Sector	Economically active population					
	Total	%	Male	%	Female	%
Total	7361582	100.0	4814662	65.4	2546920	34.6
Urban	782050	100.0	551315	70.5	230734	29.5
Rural	6579532	100.0	4263346	64.8	2316186	35.2

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

Sector	Economically inactive population					
	Total	%	Male	%	Female	%
Total	7667190	100.0	2424985	31.6	5242204	68.4
Urban	957629	100.0	277002	28.9	680627	71.1
Rural	6709560	100.0	2147983	32.0	4561577	68.0

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

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 second quarter 2007 is about 67 percent and it is 33 percent for females. It is important to note that, male participation to the labour force is much higher than as that of females.

The survey results revealed that, the estimated economically active population (or labour force) was about 7.4 million in second quarter 2007. Of which 65 percent were males and 35 percent were females. Of the economically inactive population 32 percent were males and 68 percent were females.

Figure 1: Distribution of Economically active/Inactive population

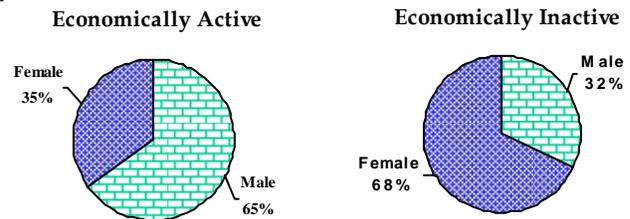
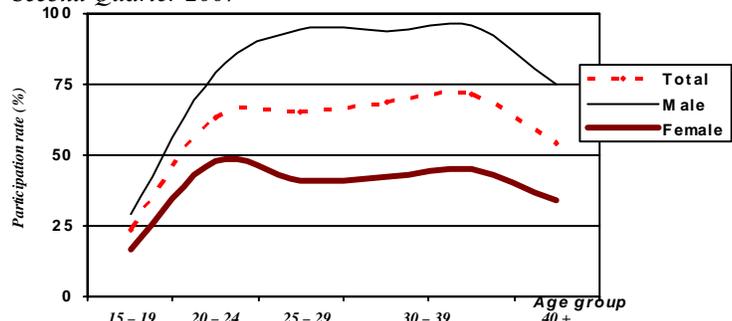


Table 4: Labour Force Participation Rate by age group & by sex - Second Quarter 2007

Age group	Sex		
	Total	Male	Female
Total	49.0	66.5	32.7
15 - 19	23.4	29.4	16.7
20 - 24	63.3	79.3	48.2
25 - 29	65.5	94.6	40.8
30 - 39	68.3	94.7	43.9
40+	53.4	75.2	34.3

Table 4 provides the labour force participation rates by sex and age group. Males in the age group of (30 - 39) yrs shows the highest labour force participation rate (94.7%), for females the highest participation rate (48.2%) is reported from the (20 - 24) yrs age group.

Figure 2: Labour Force Participation Rate by age group & sex - Second 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, (Second quarter 2006 – Second quarter 2007)

Year 2006	Major industry group			
	Total	Agriculture	Industries	Services
April-May-June (2 nd Qtr)	7022019 (100.0)	2319676 (33.0)	1795515 (25.6)	2906828 (41.4)
July-Aug-Sept. (3 rd Qtr)	7111982 (100.0)	2122239 (29.8)	2017518 (28.4)	2972225 (41.8)
Oct-Nov-Dec (4 th Qtr)	7149922 (100.0)	2357460 (33.0)	1892086 (26.5)	2900376 (40.6)
Jan-Feb-Mar 1 st Qtr)	7008478 (100.0)	2234200 (31.9)	1889683 (27.0)	2884594 (41.2)
April-May-June 2 nd Qtr)	6879916 (100.0)	2078797 (30.2)	1850588 (26.9)	2950531 (42.9)

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

Agriculture

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

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

Industries

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

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

The total number of employed persons in Sri Lanka is estimated as about 6.9 million in second quarter 2007. Of which, about 43 percent engaged in services sector employment.

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

Employment status	Total		Sector			
	No	%	Agriculture No	%	Non-Agriculture No.	%
Total	6879916	100.0	2078797	30.2	4801119	69.8
Employee	3860955	100.0	636340	16.5	3224614	83.5
Public	932141	100.0	82740	8.9	849402	91.1
Private	2928813	100.0	553600	18.9	2375213	81.1
Employer	230259	100.0	19821	8.6	210438	91.4
Own account worker	2081867	100.0	946224	45.5	1135642	54.5
Unpaid family worker	706836	100.0	476412	67.4	230424	32.6

Table 6 shows that, about 83 percent of total paid employees are engaged in non-agricultural sector activities, while this percentage is only 17 percent for the agricultural sector. Further, 81 percent of private sector paid employees are involved in non-agricultural activities, while this share is 19 percent regarding the agricultural activities.

It is important to see that, 67 percent of unpaid family workers are in the agriculture sector, and the balance, 33 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 – Second Quarter 2007

Major industry group	Total	Sex	
		Male	Female
Total	100.0	66.8	33.2
Agriculture	100.0	60.4	39.6
Industry	100.0	65.9	34.1
Services	100.0	71.8	24.2

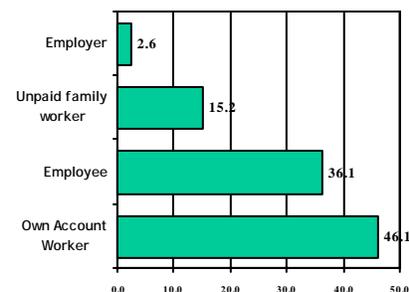
It is very clear that, about 72 percent of services sector employment are males.

Table 8 : "Informal sector" employment by Agriculture/ Non-agriculture sector - Second Quarter 2007**

Sector	Total	Agriculture	Non-agriculture
Total	100.0	100.0	100.0
Formal	39.4	16.5	49.3
Informal	60.6	83.5	50.7

It is also important to see that, the employed population according to the formal and informal sector classification. 61 percent of the total employment are in the informal sector. 83.5 percent of the agriculture sector employment are in informal sector, while it is about 51 percent for non agriculture sector. Further, 46 percent of the total informal sector employment are own account workers, while 36 percent are paid employees. (Figure 3).

Figure 3 : Distribution of informal sector employment by Employment status



Underemployment (1)

Table 9 : Underemployment rate by sex – Second quarter 2007

Rate	Sex		Economic sector		Total
	Male	Female	Agriculture	Non-agriculture	
Underemployment rate	3.6	5.1	5.6	3.5	4.1

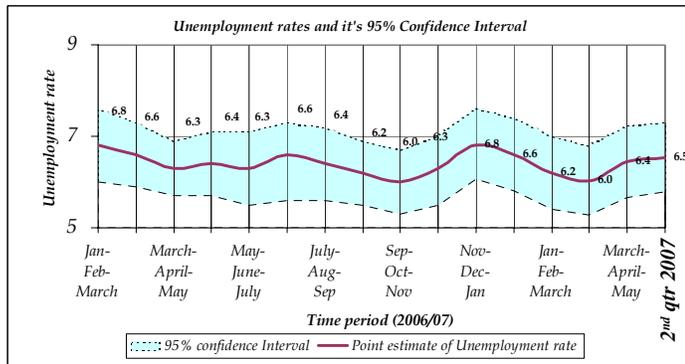
Table 9 reveals that, underemployment rate is higher for females than males. And also it is higher in the agriculture sector than as that of non-agriculture sector.

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 (Jan 2006 - May 2007)



The number of unemployed persons is estimated as about 481,666 during the second quarter 2007.

The unemployment rate for the first quarter 2007 is reported as 6.5 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.

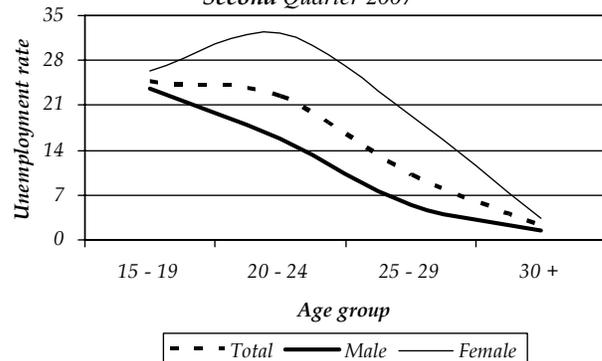
Table 10 : Unemployment rate by level of education Second Quarter 2007

Level of Education	Unemployment rate		
	Total	Male	Female
Total	6.5	4.6	10.3
Below Gr. 5	1.6	1.6	1.6
Gr. 5-9	5.3	4.4	7.4
G.C.E. (O/L)	9.5	6.6	15.3
G.C.E. (A/L) & above	13.0	7.1	19.1

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

Age group	Total	Sex	
		Male	Female
Total	6.5	4.6	10.3
15 - 19	24.6	23.7	26.3
20 - 24	22.3	15.9	32.2
25 - 29	10.1	5.4	19.4
30 +	2.1	1.4	3.4

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



As can be seen from table 11, the unemployment rate reported for females is 10.3 percent and 4.6 percent for males. However, the unemployment rate among the young youth (age 15 - 19 yrs) is higher when compared with other age groups, and it is reported as 25 percent. Further it is 24 percent and 26 percent for males and females respectively.

Highest unemployment rate among females (32.2) is recorded from (20 - 24) age group.

Survey results reveals that, the highest unemployment rate is reported from the G.C.E(A/L) and above group which is about 13 percent. That is 7 percent and 19 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 12: Literacy rate by sex & sector

Sex & sector	2nd quarter 2006	2nd quarter 2007
Total	90.8	91.0
Male	92.7	92.6
Female	89.1	89.5
Urban	93.2	93.0
Rural	91.3	91.6
Estate	75.7	73.8

Literacy ⁽³⁾

Table 12 shows that, during the second quarter of 2007, males literacy rate (92.6) is higher than as that of females. Further, the survey results reveal that literacy level of estate sector is relatively lower than the urban (93.0) and rural sectors.

These results are not significantly different from the results of 2006 second quarter.

⁽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)
(1996 - 2007 Second quarter)

	Year										
	1996	1998	2000	2001	2002	2003	2004	2005	2006	2007 Q1	2007 Q2
Labour force participation rate											
<i>by sex</i>											
Both sexes	48.6	51.7	50.3	48.8	50.3	49.7	49.6	49.3	51.2	49.8	49.0
Male	65.9	67.5	67.2	66.2	67.9	67.5	67.2	67.3	68.1	68.1	66.5
Female	31.6	36.4	33.9	31.9	33.6	32.6	33.0	32.6	35.7	33.2	32.7
<i>by residential sector</i>											
Total	48.6	51.7	50.3	48.8	50.3	49.7	49.6	49.3	51.2	49.8	49.0
Urban	44.4	45.2	44.9	44.2	46.0	45.1	45.6	46.2	45.3	44.5	45.0
Rural	49.5	52.7	51.2	49.6	50.9	50.3	50.3	49.7	52.1	50.5	49.5
Unemployment rate											
<i>by sex</i>											
Both sexes	11.3	9.2	7.6	7.9	8.8	8.1	8.1	7.2	6.5	6.2	6.5
Male	8.2	6.5	5.8	6.2	6.6	6.0	6.0	5.3	4.7	4.4	4.6
Female	17.7	14.0	11.1	11.5	12.9	12.3	12.1	10.7	9.7	9.5	10.3
<i>by selected age groups(yr)</i>											
20 - 29	22.0	19.3	17.4	18.4	20.1	19.1	18.6	16.0	15.9	15.2	16.2
20 - 24	29.1	25.4	23.0	24.4	27.0	25.8	25.2	22.4	21.0	21.8	22.3
25 - 29	14.4	12.4	10.9	11.3	11.6	11.4	11.1	9.4	11.0	8.9	10.1
<i>by selected educational levels</i>											
G.C.E.(A/L) & above											
Both sexes	19.0	17.5	14.9	15.3	16.8	16.0	15.7	12.2	11.6	12.3	13.0
Male	10.1	9.4	8.8	10.1	10.8	10.1	9.6	7.9	6.9	7.0	7.1
Female	28.3	25.8	21.5	21.5	23.0	22.4	22.5	17.1	16.8	18.4	19.1
Employed population											
<i>by sex</i>											
Both sexes	5536216	6049388	6310247	6235588	6519415	6609466	6704006	6788119	7105322	7008478	6879916
Male	3856411	4004621	4241546	4248877	4395164	4496136	4512082	4546397	4610643	4648446	4594227
Female	1679805	2044767	2068701	1986711	2124250	2113330	2191924	2241722	2494679	2360032	2285689
<i>by industry (percentage)</i>											
Total	5536216	6049388	6310247	6235588	6519415	6609466	6704006	6788119	7105322	7008478	6879916
%	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)
Agriculture	2071764	2378572	2274153	2033343	2247602	2223691	2215282	2059293	2287268	2234200	2078797
%	(37.4)	(39.3)	(36.0)	(32.6)	(34.5)	(33.6)	(33.0)	(30.3)	(32.2)	(31.9)	(30.2)
Industry	1217977	1325735	1490795	1491408	1459194	1539035	1663383	1787274	1889953	1889683	1850588
%	(22.0)	(21.9)	(23.6)	(23.9)	(22.4)	(23.3)	(24.8)	(26.3)	(26.6)	(27.0)	(26.9)
Services	2246475	2345081	2545299	2710837	2812619	2846740	2825341	2941552	2928101	2884594	2950531
%	(40.6)	(38.8)	(40.3)	(43.5)	(43.1)	(43.1)	(42.1)	(43.3)	(41.2)	(41.2)	(42.9)
<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 •	4.9	5.3	7.2	4.3	5.6	7.3	5.3	4.9	6.7	4.3	8.4
1 - 9	1.8	2.3	1.9	1.5	1.5	1.8	1.7	1.6	1.9	1.3	1.5
10 - 39	32.0	32.9	32.7	28.2	32.0	32.9	28.4	27.9	28.6	28.2	29.3
40+	61.3	59.6	58.2	66.1	60.9	58.0	64.7	65.7	62.8	66.2	60.7

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

Selected Labour Force indicators (1996 - 2007 First quarter)

	Year										
	1996	1998	2000	2001	2002	2003*	2004**	2005***	2006 #	2007 Q1#	2007 Q2 #
Labour force participation rate											
<i>by sex</i>											
Both sexes	48.6	51.7	50.3	48.8	50.3	48.9	48.6	48.3	51.2	49.8	49.0
Male	65.9	67.5	67.2	66.2	67.9	67.2	66.7	67.1	68.1	68.1	66.5
Female	31.6	36.4	33.9	31.9	33.6	31.4	31.5	30.9	35.7	33.2	32.7
<i>by residential sector</i>											
Total	48.6	51.7	50.3	48.8	50.3	48.9	48.6	48.3	51.2	49.8	49.0
Urban	44.4	45.2	44.9	44.2	46.0	44.4	44.9	45.5	45.3	44.5	45.0
Rural	49.5	52.7	51.2	49.6	50.9	49.6	49.2	48.7	52.1	50.5	49.5
Unemployment rate											
<i>by sex</i>											
Both sexes	11.3	9.2	7.6	7.9	8.8	8.4	8.3	7.7	6.5	6.2	6.5
Male	8.2	6.5	5.8	6.2	6.6	6.0	6.0	5.5	4.7	4.4	4.6
Female	17.7	14.0	11.1	11.5	12.9	13.2	12.8	11.9	9.7	9.5	10.3
<i>by selected age groups(yr)</i>											
20 - 29	22.0	19.3	17.4	18.4	20.1	19.4	19.2	17.2	15.9	15.2	16.2
20 - 24	29.1	25.4	23.0	24.4	27.0	26.4	25.9	24.6	21.0	21.8	22.3
25 - 29	14.4	12.4	10.9	11.3	11.6	11.4	11.4	9.5	11.0	8.9	10.1
<i>by selected educational levels</i>											
G.C.E.(A/L) & above											
Both sexes	19.0	17.5	14.9	15.3	16.8	16.5	16.8	13.8	11.6	12.3	13.0
Male	10.1	9.4	8.8	10.1	10.8	10.4	10.5	8.9	6.9	7.0	7.1
Female	28.3	25.8	21.5	21.5	23.0	23.3	23.8	19.1	16.8	18.4	19.1
Employed population											
<i>by sex</i>											
Both sexes	5536216	6049388	6310247	6235588	6519415	7012755	7440226	7518007	7105322	7008478	6879916
Male	3856411	4004621	4241546	4248877	4395164	4833483	5087861	5134765	4610643	4648446	4594227
Female	1679805	2044767	2068701	1986711	2124250	2179272	2352365	2383241	2494679	2360032	2285689
<i>by industry (percentage)</i>											
Total	5536216	6049388	6310247	6235588	6519415	7012755	7394029	7518007	7105322	7008478	6879916
%	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)
Agriculture	2071764	2378572	2274153	2033343	2247602	2384397	2474725	2306039	2287268	2234200	2078797
%	(37.4)	(39.3)	(36.0)	(32.6)	(34.5)	(34.0)	(33.5)	(30.7)	(32.2)	(31.9)	(30.2)
Industry	1217977	1325735	1490795	1491408	1459194	1611493	1781447	1928014	1889953	1889683	1850588
%	(22.0)	(21.9)	(23.6)	(23.9)	(22.4)	(23.0)	(24.1)	(25.6)	(26.6)	(27.0)	(26.9)
Services	2246475	2345081	2545299	2710837	2812619	3016866	3137857	3283954	2928101	2884594	2950531
%	(40.6)	38.8)	(40.3)	(43.5)	(43.1)	(43.0)	(42.4)	(43.7)	(41.2)	(41.2)	(42.9)
<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 •	4.9	5.3	7.2	4.3	5.6	7.5	5.2	4.7	6.7	4.3	8.4
1 - 9	1.8	2.3	1.9	1.5	1.5	1.8	1.6	1.5	1.9	1.3	1.5
10 - 39	32.0	32.9	32.7	28.2	32.0	32.6	28.7	27.6	28.6	28.2	29.3
40+	61.3	59.6	58.2	66.1	60.9	58.1	64.5	66.2	62.8	66.2	60.7

• 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

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