



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 first quarter 2007 was done in January, February and March 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

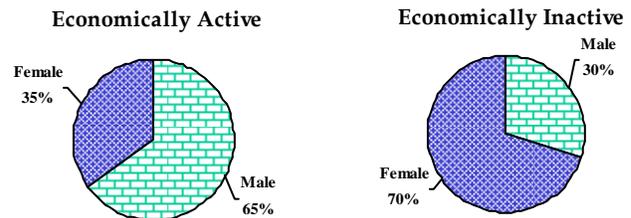
Labour force participation rate: Labour force expressed as a percentage of population age 10 yr. & over

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

Sector	Economically active population					
	Total	%	Male	%	Female	%
Total	7470927	100.0	4861769	65.1	2609159	34.9
Urban	796119	100.0	554183	69.6	241936	30.4
Rural	6674808	100.0	4307586	64.5	2367222	35.5

The survey results revealed that, the estimated economically active population (or labour force) was about 7.5 million in first quarter 2007. Of which 65 percent were males and 35 percent were females. Of the economically inactive population 30 percent were males and 70 percent were females.

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



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

Sector	Economically inactive population					
	Total	%	Male	%	Female	%
Total	7536238	100.0	2277035	30.2	5259203	69.8
Urban	994094	100.0	294968	29.7	699127	70.3
Rural	6542144	100.0	1982068	30.3	4560076	69.7

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

Age group	Sex		
	Total	Male	Female
Total	49.8	68.1	33.2
15 - 19	20.6	26.0	15.0
20 - 24	64.8	82.2	48.7
25 - 29	69.7	94.8	45.8
30 - 39	69.8	96.8	47.0
40+	54.0	76.9	33.9

**Table 3: Labour Force Participation Rate by sex**

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

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 (96.8%), for females the highest participation rate (48.7%) is reported from the (20 - 24) yrs age group.

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

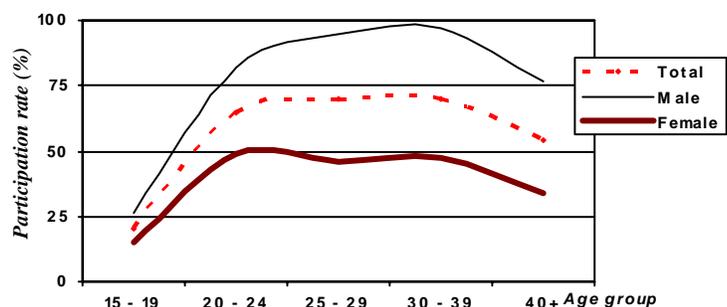


Table 3 provides the information on labour force participation rates since year 2000. As can be seen from this table, male participation rate for the first quarter 2007 is about 68 percent and it is 33 percent for females. It is important to note that, male participation to the labour force is much higher than as that of females.

## 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 – First quarter 2007)**

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

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

The total number of employed persons in Sri Lanka is estimated as about 7.0 million in the first quarter 2007. Of which, about 41 percent engaged in services sector employment.

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

Agriculture	Services
1. Agriculture (A)	1. Wholesale and Retail Trade, Repair of Motor Vehicles, Motorcycles and Personal and Household Goods (G)
2. Forestry and Fishery (B)	2. Hotels and Restaurants (H)
<b>Industries</b>	3. Transport, Storage and Communication (I)
1. Manufacturing (D)	4. Financial Intermediation and Real Estate, Renting and Business Activities (J,K)
2. Construction (F)	5. Public Administration and Defence, Compulsory Social Security (L)
3. Mining & Quarrying (C)	6. Education (M)
4. Electricity, Gas and Water supply (E)	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 6 : Percentage distribution of employed population by employment status and Agriculture/ non- agriculture sector – First quarter 2007.**

Employment status	Total		Sector			
	No	%	Agriculture No	%	Non-Agriculture No.	%
Total	7008478	100.0	2234200	31.9	4774277	68.1
Employee	3976974	100.0	669983	16.8	3306992	83.2
Public	885853	100.0	53866	6.1	831987	93.9
Private	3091121	100.0	616117	19.9	2475005	80.1
Employer	209728	100.0	41561	19.8	168167	80.2
Own account worker	2114700	100.0	1011041	47.8	1103660	52.2
Unpaid family worker	707075	100.0	511616	72.4	195459	27.6

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 agriculture sector. Further, 80 percent of private sector paid employees are involved in non-agricultural activities, while this share is 20 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](http://www.statistics.gov.lk) for detailed concepts & definitions.**

**Table 7 : Distribution of Employed population by main industry – First Quarter 2007**

Major industry group	Total	Sex	
		Male	Female
Total	100.0	66.3	33.7
Agriculture	100.0	58.9	41.1
Industry	100.0	66.9	33.1
Services	100.0	71.7	28.3

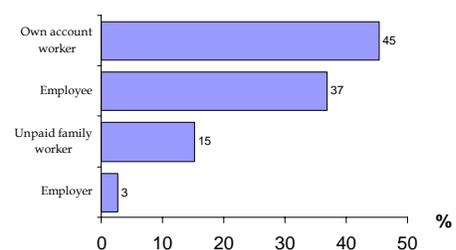
It is very clear that, 72 percent of services sector employment are males.

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

Sector	Total	Agriculture	Non-agriculture
Total	100.0	100.0	100.0
Formal	36.5	15.9	46.2
Informal	63.5	84.1	53.8

It is also important to see that, the employed population according to the formal and informal sector classification. 64 percent of the total employment are in the informal sector. Agriculture sector comprises 84 percent of informal sector employment. Further, 45 percent of the total informal sector employment are own account workers, while 37 percent are paid employees. (Figure 3).

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



### Underemployment (1)

**Table 9 : Underemployment rate by sex - First quarter 2007**

Rate	Sex		Economic sector		Total
	Male	Female	Agriculture	Non-agriculture	
Underemployment rate	3.3	5.2	5.8	3.1	3.9

Table 9 reveals that, underemployment rate is higher for female than male.

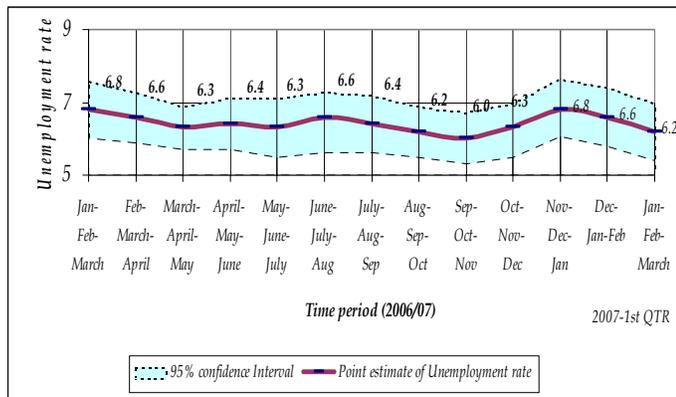
It is also apparent that, underemployment rate is higher in the agriculture sector than as that of non-agriculture sector.

## 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 it's 95% confidence intervals (Jan 2006 - March 2007)**



The number of unemployed persons is estimated as about 462,000 during the first quarter 2007.

The unemployment rate for the first quarter 2007 is reported as 6.2 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 2006/2007, when *sampling error*<sup>(2)</sup> is considered.

**Table 10 : Unemployment rate by level of education First Quarter 2007**

Level of Education	Unemployment rate		
	Total	Male	Female
Total	6.2	4.4	9.5
Below Gr. 5	1.4	1.5	1.3
Gr. 5-9	5.6	4.0	9.3
G.C.E. (O/L)	8.3	7.4	9.9
G.C.E. (A/L) & above	12.3	7.0	18.4



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

**Table 12: Literacy rate by sex & sector**

Sex & sector	1st quarter 2006	1st quarter 2007
<b>Total</b>	<b>91.4</b>	<b>90.8</b>
Male	93.1	92.4
Female	89.8	89.4
Urban	94.0	92.8
Rural	91.6	91.3
Estate	78.4	77.1

<sup>(2)</sup> *Sampling error :*

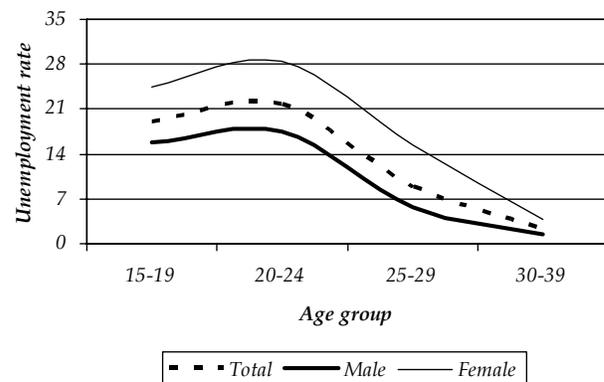
When a sample, rather than the entire population, is surveyed, estimates differ from the true population values they represent. This difference, or *sampling error*, occurs by chance, and its variability is measured by the standard error of the estimate. **For more detail, please refer the explanatory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

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

Age group	Total	Sex	
		Male	Female
Total	6.2	4.4	9.5
15 - 19	18.9	15.8	24.4
20 - 24	21.8	17.5	28.6
25 - 29	8.9	5.6	15.5
30 +	2.3	1.4	3.9

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



As can be seen from table 11, the unemployment rate reported for females is 9.5 percent and 4.4 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 22 percent. Further it is 17.5 percent and 29 percent for males and females respectively.

Survey results reveals that, the highest unemployment rate is reported from the G.C.E(A/L) and above group which is about 12.3 percent. That is 7 percent and 18 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 12 shows that, during the first quarter of 2007, males literacy rate is higher than as that of females. Further, the survey results reveal that literacy level of estate sector is relatively lower than the urban and rural sectors.

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

## Selected Labour Force indicators ( 1996 - 2007 First quarter )

	Year									
	1996	1998	2000	2001	2002	2003*	2004**	2005***	2006 #	2007 Q1#
<b>Labour force participation rate</b>										
<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
Male	65.9	67.5	67.2	66.2	67.9	67.2	66.7	67.1	68.1	68.1
Female	31.6	36.4	33.9	31.9	33.6	31.4	31.5	30.9	35.7	33.2
<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
Urban	44.4	45.2	44.9	44.2	46.0	44.4	44.9	45.5	45.3	44.5
Rural	49.5	52.7	51.2	49.6	50.9	49.6	49.2	48.7	52.1	50.5
<b>Unemployment rate</b>										
<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
Male	8.2	6.5	5.8	6.2	6.6	6.0	6.0	5.5	4.7	4.4
Female	17.7	14.0	11.1	11.5	12.9	13.2	12.8	11.9	9.7	9.5
<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
20 - 24	29.1	25.4	23.0	24.4	27.0	26.4	25.9	24.6	21.0	21.8
25 - 29	14.4	12.4	10.9	11.3	11.6	11.4	11.4	9.5	11.0	8.9
<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
Male	10.1	9.4	8.8	10.1	10.8	10.4	10.5	8.9	6.9	7.0
Female	28.3	25.8	21.5	21.5	23.0	23.3	23.8	19.1	16.8	18.4
<b>Employed population</b>										
<i>by sex</i>										
Both sexes	5536216	6049388	6310247	6235588	6519415	7012755	7440226	7518007	7105322	7008478
Male	3856411	4004621	4241546	4248877	4395164	4833483	5087861	5134765	4610643	4648446
Female	1679805	2044767	2068701	1986711	2124250	2179272	2352365	2383241	2494679	2360032
<i>by industry (percentage)</i>										
Total	5536216	6049388	6310247	6235588	6519415	7012755	7394029	7518007	7105322	7008478
%	(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
%	(37.4)	(39.3)	(36.0)	(32.6)	(34.5)	(34.0)	(33.5)	(30.7)	(32.2)	(31.9)
Industry	1217977	1325735	1490795	1491408	1459194	1611493	1781447	1928014	1889953	1889683
%	(22.0)	(21.9)	(23.6)	(23.9)	(22.4)	(23.0)	(24.1)	(25.6)	(26.6)	(27.0)
Services	2246475	2345081	2545299	2710837	2812619	3016866	3137857	3283954	2928101	2884594
%	(40.6)	38.8)	(40.3)	(43.5)	(43.1)	(43.0)	(42.4)	(43.7)	(41.2)	(41.2)
<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
0 •	4.9	5.3	7.2	4.3	5.6	7.5	5.2	4.7	6.7	4.3
1 - 9	1.8	2.3	1.9	1.5	1.5	1.8	1.6	1.5	1.9	1.3
10 - 39	32.0	32.9	32.7	28.2	32.0	32.6	28.7	27.6	28.6	28.2
40+	61.3	59.6	58.2	66.1	60.9	58.1	64.5	66.2	62.8	66.2

\*Excluding Northern province

\*\*\*All the districts are included

\*\* Excluding Mullativu & Kilinochchi districts

# Excluding Northern & Eastern provinces

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

**Selected Labour Force indicators (Excluding Northern & Eastern provinces)**  
**( 1996 - 2007 First quarter )**

	Year									
	1996	1998	2000	2001	2002	2003	2004	2005	2006	2007 Q1
<b>Labour force participation rate</b>										
<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
Male	65.9	67.5	67.2	66.2	67.9	67.5	67.2	67.3	68.1	68.1
Female	31.6	36.4	33.9	31.9	33.6	32.6	33.0	32.6	35.7	33.2
<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
Urban	44.4	45.2	44.9	44.2	46.0	45.1	45.6	46.2	45.3	44.5
Rural	49.5	52.7	51.2	49.6	50.9	50.3	50.3	49.7	52.1	50.5
<b>Unemployment rate</b>										
<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
Male	8.2	6.5	5.8	6.2	6.6	6.0	6.0	5.3	4.7	4.4
Female	17.7	14.0	11.1	11.5	12.9	12.3	12.1	10.7	9.7	9.5
<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
20 - 24	29.1	25.4	23.0	24.4	27.0	25.8	25.2	22.4	21.0	21.8
25 - 29	14.4	12.4	10.9	11.3	11.6	11.4	11.1	9.4	11.0	8.9
<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
Male	10.1	9.4	8.8	10.1	10.8	10.1	9.6	7.9	6.9	7.0
Female	28.3	25.8	21.5	21.5	23.0	22.4	22.5	17.1	16.8	18.4
<b>Employed population</b>										
<i>by sex</i>										
Both sexes	5536216	6049388	6310247	6235588	6519415	6609466	6704006	6788119	7105322	7008478
Male	3856411	4004621	4241546	4248877	4395164	4496136.1	4512082	4546397	4610643.4	4648446
Female	1679805	2044767	2068701	1986711	2124250	2113329.8	2191924	2241722	2494678.6	2360032
<i>by industry (percentage)</i>										
Total	5536216	6049388	6310247	6235588	6519415	6609465.8	6704006	6788119	7105322	7008478
%	(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	2223690.7	2215282.3	2059293	2287268	2234200
%	(37.4)	(39.3)	(36.0)	(32.6)	(34.5)	(33.6)	(33.0)	(30.3)	(32.2)	(31.9)
Industry	1217977	1325735	1490795	1491408	1459194	1539035	1663382.8	1787274	1889953.1	1889683
%	(22.0)	(21.9)	(23.6)	(23.9)	(22.4)	(23.3)	(24.8)	(26.3)	(26.6)	(27.0)
Services	2246475	2345081	2545299	2710837	2812619	2846740.1	2825340.8	2941552	2928100.9	2884594
%	(40.6)	(38.8)	(40.3)	(43.5)	(43.1)	(43.1)	(42.1)	(43.3)	(41.2)	(41.2)
<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
0 •	4.9	5.3	7.2	4.3	5.6	7.3	5.3	4.9	6.7	4.3
1 - 9	1.8	2.3	1.9	1.5	1.5	1.8	1.7	1.6	1.9	1.3
10 - 39	32.0	32.9	32.7	28.2	32.0	32.9	28.4	27.9	28.6	28.2
40+	61.3	59.6	58.2	66.1	60.9	58.0	64.7	65.7	62.8	66.2

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