



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 2007 was done in July, August and September 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 third 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- Third Quarter 2007**

Sector	Economically active population					
	Total	%	Male	%	Female	%
Total	7525550	100.0	4850809	64.5	2674742	35.5
Urban	797777	100.0	531381	66.6	266396	33.4
Rural	6727774	100.0	4319428	64.2	2408346	35.8

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

Sector	Economically inactive population					
	Total	%	Male	%	Female	%
Total	7480434	100.0	2245263	30.0	5235171	70.0
Urban	943710	100.0	268359	28.4	675351	71.6
Rural	6536725	100.0	1976904	30.2	4559820	69.8

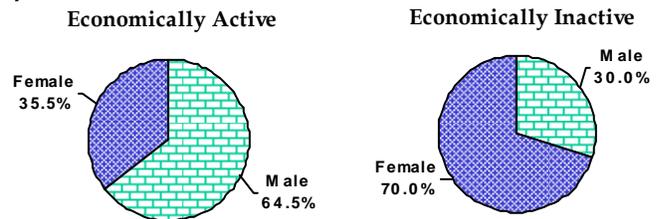
**Table 3: Labour Force Participation Rate by sex & year**

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

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 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.

The survey results revealed that, the estimated economically active population (or labour force) was about 7.5 million in third quarter 2007. Of which 64.5 percent were males and 35.5 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**

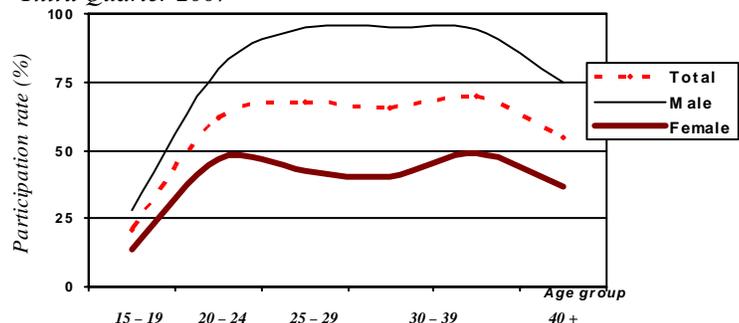


**Table 4: Labour Force Participation Rate by age group & by sex - Third Quarter 2007**

Age group	Sex		
	Total	Male	Female
Total	50.2	68.4	33.8
15 - 19	20.8	28.3	13.7
20 - 24	62.2	79.5	46.7
25 - 29	67.6	94.9	42.3
30 - 39	67.6	94.4	44.7
40+	54.7	75.1	36.5

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 (94.9%), for females the highest participation rate (46.7%) is reported from the (20 - 24) yrs age group.

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

Year	Major industry group			
	Total	Agriculture	Industries	Services
July-Aug-Sept. 3 <sup>rd</sup> Qtr - 2006	7111982 (100.0)	2122239 (29.8)	2017518 (28.4)	2972225 (41.8)
Oct-Nov-Dec 4 <sup>th</sup> Qtr - 2006	7149922 (100.0)	2357460 (33.0)	1892086 (26.5)	2900376 (40.6)
Jan-Feb-Mar 1 <sup>st</sup> Qtr - 2007	7008478 (100.0)	2234200 (31.9)	1889683 (27.0)	2884594 (41.2)
April-May-June 2 <sup>nd</sup> Qtr - 2007	6879916 (100.0)	2078797 (30.2)	1850588 (26.9)	2950531 (42.9)
July-Aug-Sept. 3 <sup>rd</sup> Qtr - 2007	7102425 (100.0)	2129201 (30.0)	1920033 (27.0)	3053191 (43.0)

**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)

### 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 2006 to third 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 7.1 million in third 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 – Third quarter 2007.**

Employment status	Total		Sector			
	No	%	Agriculture No	%	Non-Agriculture No.	%
Total	7102425	100.0	2129201	30.0	4973224	70.0
Employee	4012626	100.0	695260	17.3	3317366	82.7
Public	1063582	100.0	142807	13.4	920776	86.6
Private	2949044	100.0	552453	18.7	2396591	81.3
Employer	182887	100.0	20644	11.3	162244	88.7
Own account worker	2194282	100.0	955571	43.5	1238711	56.5
Unpaid family worker	712630	100.0	457727	64.2	254903	35.8

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, 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, 64 percent of unpaid family workers are in the agriculture sector, and the balance, 36 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 2007**

Major industry group	Total	Sex	
		Male	Female
Total	100.0	65.5	34.5
Agriculture	100.0	59.9	40.1
Industry	100.0	65.0	35.0
Services	100.0	69.7	30.3

It is very clear that, about 70 percent of services sector employment are males.

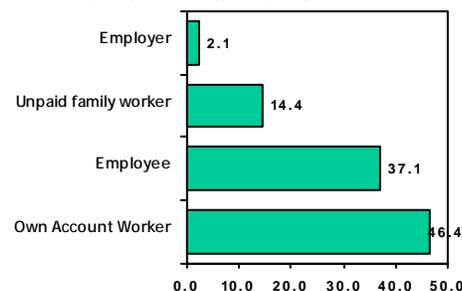
**Table 8 : "Informal sector" employment by Agriculture/ Non-agriculture sector - Third Quarter 2007**

Sector	Total	Agriculture	Non-agriculture
Total	100.0	100.0	100.0
Formal	39.1	18.0	48.1
Informal	60.9	82.0	51.9

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. 82 percent of the agriculture sector employment are in informal sector, while it is about 52 percent for non agriculture sector.

Further, 46 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 <sup>(1)</sup>

**Table 9 : Underemployment rate by sex – Third quarter 2007**

Rate	Sex		Economic sector		Total
	Male	Female	Agriculture	Non-agriculture	
Underemployment rate	4.4	6	7.4	3.9	5

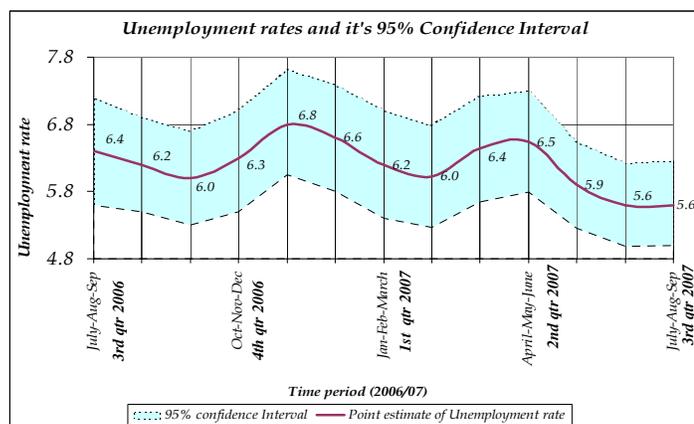
Table 9 reveals that, underemployment rate is higher for females than males. And also it is higher in the agriculture sector than as that of non-agriculture sector.

## 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 July –Sept./2007 July – Sept.)**



The number of unemployed persons is estimated as about 423125 during the third quarter 2007.

The unemployment rate for the third quarter 2007 is reported as 5.6 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.

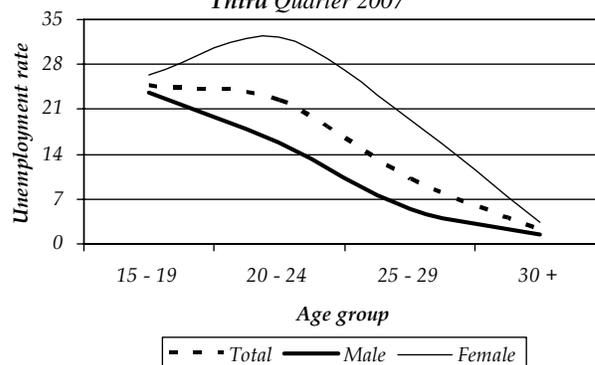
**Table 10 : Unemployment rate by level of education Third Quarter 2007**

Level of Education	Unemployment rate		
	Total	Male	Female
Total	5.6	4.1	8.5
Below Gr. 5	1.0	0.6	1.6
Gr. 5-9	5.2	4.4	7.3
G.C.E. (O/L)	7.1	5.5	10.2
G.C.E. (A/L) & above	10.5	5.6	15.5

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

Age group	Total	Sex	
		Male	Female
Total	5.6	4.1	8.5
15 - 19	25.4	22.8	30.4
20 - 24	22.4	16.9	30.8
25 - 29	6.5	4.2	11.3
30 +	1.5	0.9	2.6

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



As can be seen from table 11, the unemployment rate reported for females is 8.5 percent and 4.1 percent for males. However, the unemployment rate among the youth (age 15 - 19 yrs) is higher when compared with other age groups, and it is reported as 25 percent. Further it is 23 percent and 30 percent for males and females respectively.

Highest unemployment rate among females (30.8) 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 10.5 percent. That is 5.6 percent and 15.5 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	3rd quarter 2006	3rd quarter 2007
<b>Total</b>	92.1	91.6
Male	93.8	92.6
Female	90.5	90.6
Urban	95.1	93.2
Rural	92.2	92.2
Estate	80.6	77.1

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

Table 12 shows that, during the third 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 (77.1) is relatively lower than the urban (93.2) and rural (92.2) 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 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.

**Selected Labour Force indicators (Excluding Northern & Eastern provinces)**  
**( 1998 - 2007 Third quarter )**

	Year											
	1998	2000	2001	2002	2003	2004	2005	2006	2007 Q1	2007 Q2	2007 Q3	2006 Q3
<b>Labour force participation rate</b>												
<i>by sex</i>												
Both sexes	51.7	50.3	48.8	50.3	49.7	49.6	49.3	51.2	49.8	49.0	<b>50.2</b>	<i>50.7</i>
Male	67.5	67.2	66.2	67.9	67.5	67.2	67.3	68.1	68.1	66.5	<b>68.4</b>	<i>68.0</i>
Female	36.4	33.9	31.9	33.6	32.6	33.0	32.6	35.7	33.2	32.7	<b>33.8</b>	<i>35.0</i>
<i>by residential sector</i>												
Total	51.7	50.3	48.8	50.3	49.7	49.6	49.3	51.2	49.8	49.0	<b>50.2</b>	<i>50.7</i>
Urban	45.2	44.9	44.2	46.0	45.1	45.6	46.2	45.3	44.5	45.0	<b>45.8</b>	<i>45.1</i>
Rural	52.7	51.2	49.6	50.9	50.3	50.3	49.7	52.1	50.5	49.5	<b>50.7</b>	<i>51.5</i>
<b>Unemployment rate</b>												
<i>by sex</i>												
Both sexes	9.2	7.6	7.9	8.8	8.1	8.1	7.2	6.5	6.2	6.5	<b>5.6</b>	<i>6.4</i>
Male	6.5	5.8	6.2	6.6	6.0	6.0	5.3	4.7	4.4	4.6	<b>4.1</b>	<i>4.6</i>
Female	14.0	11.1	11.5	12.9	12.3	12.1	10.7	9.7	9.5	10.3	<b>8.5</b>	<i>9.8</i>
<i>by selected age groups(yr)</i>												
20 - 29	19.3	17.4	18.4	20.1	19.1	18.6	16.0	15.9	15.2	16.2	<b>14.0</b>	<i>16.4</i>
20 - 24	25.4	23.0	24.4	27.0	25.8	25.2	22.4	21.0	21.8	22.3	<b>22.4</b>	<i>21.5</i>
25 - 29	12.4	10.9	11.3	11.6	11.4	11.1	9.4	11.0	8.9	10.1	<b>6.5</b>	<i>11.9</i>
<i>by selected educational levels</i>												
G.C.E.(A/L) & above												
Both sexes	17.5	14.9	15.3	16.8	16.0	15.7	12.2	11.6	12.3	13.0	<b>10.5</b>	<i>11.3</i>
Male	9.4	8.8	10.1	10.8	10.1	9.6	7.9	6.9	7.0	7.1	<b>5.6</b>	<i>6.5</i>
Female	25.8	21.5	21.5	23.0	22.4	22.5	17.1	16.8	18.4	19.1	<b>15.5</b>	<i>16.5</i>
<b>Employed population</b>												
<i>by sex</i>												
Both sexes	6049388	6310247	6235588	6519415	6609466	6704006	6788119	7105322	7008478	6879916	<b>7102425</b>	<i>7111982</i>
Male	4004621	4241546	4248877	4395164	4496136	4512082	4546397	4610643	4648446	4594227	<b>4653944</b>	<i>4628710</i>
Female	2044767	2068701	1986711	2124250	2113330	2191924	2241722	2494679	2360032	2285689	<b>2448481</b>	<i>2483272</i>
<i>by industry (percentage)</i>												
Total	6049388	6310247	6235588	6519415	6609466	6704006	6788119	7105322	7008478	6879916	<b>7102425</b>	<i>7111982</i>
%	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	<b>(100.0)</b>	<i>(100.0)</i>
Agriculture	2378572	2274153	2033343	2247602	2223691	2215282	2059293	2287268	2234200	2078797	<b>2129201</b>	<i>2122239</i>
%	(39.3)	(36.0)	(32.6)	(34.5)	(33.6)	(33.0)	(30.3)	(32.2)	(31.9)	(30.2)	<b>(30.0)</b>	<i>(29.8)</i>
Industry	1325735	1490795	1491408	1459194	1539035	1663383	1787274	1889953	1889683	1850588	<b>1920033</b>	<i>2017518</i>
%	(21.9)	(23.6)	(23.9)	(22.4)	(23.3)	(24.8)	(26.3)	(26.6)	(27.0)	(26.9)	<b>(27.0)</b>	<i>(28.4)</i>
Services	2345081	2545299	2710837	2812619	2846740	2825341	2941552	2928101	2884594	2950531	<b>3053191</b>	<i>2972225</i>
%	(38.8)	(40.3)	(43.5)	(43.1)	(43.1)	(42.1)	(43.3)	(41.2)	(41.2)	(42.9)	<b>(43.0)</b>	<i>(41.8)</i>
<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	<b>100.0</b>	<i>100</i>
0 •	5.3	7.2	4.3	5.6	7.3	5.3	4.9	6.7	4.3	8.4	<b>7.0</b>	<i>6.5</i>
1 - 9	2.3	1.9	1.5	1.5	1.8	1.7	1.6	1.9	1.3	1.5	<b>1.6</b>	<i>1.5</i>
10 - 39	32.9	32.7	28.2	32.0	32.9	28.4	27.9	28.6	28.2	29.3	<b>27.1</b>	<i>27.3</i>
40+	59.6	58.2	66.1	60.9	58.0	64.7	65.7	62.8	66.2	60.7	<b>64.3</b>	<i>64.8</i>

• 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 ( 1998 - 2007 Third quarter )

	Year										
	1998	2000	2001	2002	2003*	2004**	2005***	2006 #	2007 Q1#	2007 Q2 #	2007 Q3#
<b>Labour force participation rate</b>											
<i>by sex</i>											
Both sexes	51.7	50.3	48.8	50.3	48.9	48.6	48.3	51.2	49.8	49.0	50.2
Male	67.5	67.2	66.2	67.9	67.2	66.7	67.1	68.1	68.1	66.5	68.4
Female	36.4	33.9	31.9	33.6	31.4	31.5	30.9	35.7	33.2	32.7	33.8
<i>by residential sector</i>											
Total	51.7	50.3	48.8	50.3	48.9	48.6	48.3	51.2	49.8	49.0	50.2
Urban	45.2	44.9	44.2	46.0	44.4	44.9	45.5	45.3	44.5	45.0	45.8
Rural	52.7	51.2	49.6	50.9	49.6	49.2	48.7	52.1	50.5	49.5	50.7
<b>Unemployment rate</b>											
<i>by sex</i>											
Both sexes	9.2	7.6	7.9	8.8	8.4	8.3	7.7	6.5	6.2	6.5	5.6
Male	6.5	5.8	6.2	6.6	6.0	6.0	5.5	4.7	4.4	4.6	4.1
Female	14.0	11.1	11.5	12.9	13.2	12.8	11.9	9.7	9.5	10.3	8.5
<i>by selected age groups(yr)</i>											
20 - 29	19.3	17.4	18.4	20.1	19.4	19.2	17.2	15.9	15.2	16.2	14.0
20 - 24	25.4	23.0	24.4	27.0	26.4	25.9	24.6	21.0	21.8	22.3	22.4
25 - 29	12.4	10.9	11.3	11.6	11.4	11.4	9.5	11.0	8.9	10.1	6.5
<i>by selected educational levels</i>											
G.C.E.(A/L) & above											
Both sexes	17.5	14.9	15.3	16.8	16.5	16.8	13.8	11.6	12.3	13.0	10.5
Male	9.4	8.8	10.1	10.8	10.4	10.5	8.9	6.9	7.0	7.1	5.6
Female	25.8	21.5	21.5	23.0	23.3	23.8	19.1	16.8	18.4	19.1	15.5
<b>Employed population</b>											
<i>by sex</i>											
Both sexes	6049388	6310247	6235588	6519415	7012755	7440226	7518007	7105322	7008478	6879916	7102425
Male	4004621	4241546	4248877	4395164	4833483	5087861	5134765	4610643	4648446	4594227	4653944
Female	2044767	2068701	1986711	2124250	2179272	2352365	2383241	2494679	2360032	2285689	2448481
<i>by industry (percentage)</i>											
Total	6049388	6310247	6235588	6519415	7012755	7394029	7518007	7105322	7008478	6879916	7102425
%	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)
Agriculture	2378572	2274153	2033343	2247602	2384397	2474725	2306039	2287268	2234200	2078797	2129201
%	(39.3)	(36.0)	(32.6)	(34.5)	(34.0)	(33.5)	(30.7)	(32.2)	(31.9)	(30.2)	(30.0)
Industry	1325735	1490795	1491408	1459194	1611493	1781447	1928014	1889953	1889683	1850588	1920033
%	(21.9)	(23.6)	(23.9)	(22.4)	(23.0)	(24.1)	(25.6)	(26.6)	(27.0)	(26.9)	(27.0)
Services	2345081	2545299	2710837	2812619	3016866	3137857	3283954	2928101	2884594	2950531	3053191
%	38.8)	(40.3)	(43.5)	(43.1)	(43.0)	(42.4)	(43.7)	(41.2)	(41.2)	(42.9)	(43.0)
<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 •	5.3	7.2	4.3	5.6	7.5	5.2	4.7	6.7	4.3	8.4	7.0
1 - 9	2.3	1.9	1.5	1.5	1.8	1.6	1.5	1.9	1.3	1.5	1.6
10 - 39	32.9	32.7	28.2	32.0	32.6	28.7	27.6	28.6	28.2	29.3	27.1
40+	59.6	58.2	66.1	60.9	58.1	64.5	66.2	62.8	66.2	60.7	64.3

• 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)