

**STATISTICAL STUDY OF UNEMPLOYMENT IN
SRI LANKA**


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**Thesis submitted to the University of Sri Jayewardenepura for the
award of the Degree of Master of Science in Applied Statistics in
2006.**

Declaration

The work described in this thesis was carried out by me under the supervision of Mr. P. Dias and a report on this has not been submitted whole or in part to any university or any other institution for another Degree/Diploma.

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Declaration

I certify that the above statement made by the candidate is true and that this thesis is suitable for submission to the University for the purpose of evaluation.

A handwritten signature in blue ink, appearing to read 'P. Dias', is written over a horizontal dotted line. A solid blue line extends from the end of the signature to the right.

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A STATISTICAL STUDY OF UNEMPLOYMENT IN SRI LANKA

Bothalegama Hemanthi Pushpa Kumari

ABSTRACT

Labour Force Surveys provide estimates of employment and unemployment which are most important measures of performance of a country's economy. The aim of this study was to further analyze the factors relating to the unemployment in Sri Lanka.

The report presents findings based on the data extracted from Sri Lanka Labour Force Survey-2003, Conducted by the Department of Census and Statistics. Department has used stratified two-stage probability sampling technique to select the sample.

The result of the statistical analysis was that Employment Status of a person is associated with the Gender of the person, Religion, Marital status, Age of the person, Ethnic group, Place of birth (District), Sector (Urban, Rural, Estate), Educational Attainment, Whether the selected person had a Vocational/Technical training and Vocational/Technical training formal or informal.

According to the study unemployed rate is higher, for the people who had Vocational/Technical training than persons who had not got Vocational/Technical training. The reason may be persons who had Voc/Tech training are waiting for white collar jobs or mismatch between the skills provided by Sri Lanka's

Vocational/Technical training institutions and the skills demanded by the industry and the service sector.

This study constructs a model which Express the Employment ratio in terms of some influential factors.

CHAPTER 1

Introduction

1.1 Labour Force Surveys in Sri Lanka

Labour force is a main resource of a developing country like Sri Lanka. To make effective future plans, a country should have an in depth knowledge and understanding about its Labour Force and obstacles connected to it. Detailed statistical information on unemployment is very important to a country for several reasons. These statistics clearly indicate the number of persons who are not employed during a specific period. Therefore analysis of unemployment information presents a better insight into the economic health of a country.

Labour force surveys are essential to obtain necessary information. The last labour force survey was conducted in 1985/86. The variables measured in those previous surveys were not enough to give valuable information to the country. (*Sri Lanka Labour Force Survey Sample Design-Departement of Census and Statistics*) Therefore the Department of Census and Statistics of Government of Sri Lanka was interested in conducting regular ongoing household survey to obtain up to date and accurate labour force information on quarterly basis. The survey is being conducted quarterly since the first quarter of 1990. Nationally representative samples of about 16000 housing units are selected annually. From that annual sample about 4000 housing units were enumerated quarterly. This survey was designed to measure the levels and trends of employment and labour force in Sri Lanka.

1.2 Field Work of the Survey

The fieldwork of the survey in 2003 was done in quarterly basis. Together the maps and listing records (Sampling frame obtained from the population census -2001) provided a complete account of all housing units within the sample while the maps provided visual identification of the block boundaries and housing units on the ground. The list provided such detailed information as the name of head of household, street address, description and occupancy status.

1.2.1 Sample Design of the Survey

A stratified two stage probability sample design used with census block (CB) as primary sampling units (psu's) and housing units (HH) as secondary and final sampling units. (ssu's)

There are three levels of stratification.

- (I) The 9 provinces were divided into urban and rural sectors and the Greater Colombo area was considered separately. (Greater Colombo includes Colombo Municipal Council, Dehiwala Mount Lavinia Municipal Council and Kotte Municipal Council.)
- (II) In the rural area, estate and non estate substrata were considered separately. (The estate sector is composed of large plantations of tea, rubber coconut and other crops.)
- (III) Districts were considered separately in the third phase.