

EMPLOYMENT IN SRI LANKA AND ITS RECENT TRENDS

Labour resources in a country play an important role in the achievement of an economic growth and proceed towards economic development in consequence to it. In the discussion of labour resources in a country two factors indispensably inter-linked are the employment and unemployment.

What is employment? And what is unemployment? What are the different characteristics of unemployment? and what are the advantages and disadvantages of unemployment? In this paper attention will be drawn to both the recent trends in unemployment situation in Sri Lanka as well as the actions that can be adopted to reduce unemployment.

EMPLOYMENT

Although generally the term employment is used in relation to the factor of labour it can be used to explain the employment of any factor of production. A main difference in labour is its ability to determine the price obtainable by it. Consequently in determining the policies relating it holds a special position in relation to social, economic, and political factors.

As the definitions given to labour changes from time to time, it is not easy to agree on a general definition of the term labour.

According to the definition used in the labour-force survey conducted by the Department of Census and Statistics an employee is one who has worked for an hour or a longer duration to earn an income to the family without obtaining a wage, profit or payment, one week before the date on which the survey is conducted. Those who are temporarily out of employment owing either to sickness, adverse weather conditions, or labour disputes are also considered as unemployed. The employees broadly consist of state employees, employers, self-employed persons and unpaid family workers.

UNEMPLOYMENT

Although an explicit definition of this term is not available, it is possible to form an opinion about it considering the definitions given from time to time. Those who are unable to find employment or suitable employment while they are willing to work, and accept the wage offered to them in consideration of their training can be considered as unemployed.

While it is difficult to find data on unemployment in the pre 1946 period, it should be noted that the bases used in the definitions given to the term have changed from time to time.

In the 1953 Census, the term unemployed has been used to identify those who are presently unemployed but were employed prior to the date of collection of data. Those who are looking for employment to the first time were treated not as unemployed but as dependents. By 1955 the above definition did not undergo significant change and those who were looking for employment were treated as dependents.

Providing a wider definition for the term 'unemployment' in the Census of 1971, even those who were able to work, but were not actually looking for employment were treated as unemployed. In the Census of 1981 the balance between the total labour-force and the employed was treated as unemployed.

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In the series of Household Consumer and Finance surveys conducted by the Central Bank those who were unemployed during given period but are willing to work and were actively looking for a job were defined as unemployed. As a result of the difference in these definitions, it is not possible to compare the results of the surveys conducted by the Department of Census and Statistics with that of the Central Bank of Sri Lanka under the Census of Population and Household Surveys in the 1990 period.

CATEGORISATION OF UNEMPLOYMENT

The term unemployment can be discussed under two categories. They are:-

1. Voluntary unemployment.
2. Involuntary unemployment.

VOLUNTARY UNEMPLOYMENT

A person has the ability to find a job but does not accept the employment he finds, owing to various reasons. This may be in the hope of a better employment or he may not agree to the place of work, conditions of labour, payments, or to the risk involved in the job. The term voluntary unemployment is used in the sense that where one is satisfied with all the above matters still prefers not to engage in the employment. This may give the impression that any form of unemployment is voluntary unemployment. In this regard the absents from employment that can be performed by those who consider that such work can be performed even without qualifications and training manually, is known as voluntary absents from employment. However a counter argument to this is that people should not be persuaded to any sort of menial work and that in the case of voluntary unemployment it should be defined on the basis of qualifications and training.

INVOLUNTARY UNEMPLOYMENT

Although this implies keeping away from work involuntarily in fact it carries a broader meaning. Involuntary unemployment is absents from work by reason of the job being not up to the training or skills, or carrying a lower wage and qualifications.

However there is no device to identify when unemployment is voluntary or involuntary. There is no universal measurement. While the existing wages are not corresponding to qualifications and labour is often a attitudinal issue.

In addition to above basic categories of unemployment it can also be classified on the following basis:

1. Temporary Unemployment.
2. Structural Unemployment
3. Seasonal Unemployment.
4. Cyclical Unemployment.

TEMPORARY UNEMPLOYMENT

What is meant by this is the unemployment resulting from day to day incidents. This can be due to the withdrawal of firms from the market or entry of new firms or labour moving out of the market in search of new jobs. Employees when appear for interviews etc makes them unemployed for a certain period of time. This shows that temporary unemployment does not create deep rooted economic problems.

STRUCTURAL UNEMPLOYMENT

This type of unemployment can result from the structural changes in the economy. An example is the obsolescence of certain categories of labour as a result of rapid technological advancement. Certain employees may be in excess when modernising the manually operated billing and cash collection functions in shops. Such employment can occur even in very sound economic environment.

SEASONAL UNEMPLOYMENT

It is seen that certain industries are engage to meet the seasonal demand. The unemployment so created is known as seasonal unemployment.

CYCLICAL UNEMPLOYMENT

Unemployment created by cyclical decline in business is known by this term. Business cycles are the fluctuations and depressions that occur in the economy periodically. These result from both internally and externally generated forces. In a depression the main features are

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the decline in the profits of a business and excess of labour leading to termination of employment. In a depression it is the category of untrained and under-trained labour that is axed first. If the depression continues for a longer period closure of factories and large scale termination of employment can be experienced. Unless the economic policy makers take urgent and intelligent action such a situation can lead to fundamental problems in the economy. It may cause social, and political issues also. As a result of this more and more unskilled employees could be exposed to the problem of unemployment and the gap between income groups can widen.

RATE OF UNEMPLOYMENT OF LABOUR Rate of Employment of Labour (As a Ratio of labour)

Year	Male	Female	Total	Total excluding unpaid Family workers	Total period of survey
1990	11.8	23.4	15.9	18.0	17.4
1991	10.2	32.0	14.7	16.0	16.1
1992	10.7	22.9	14.6	16.1	16.2
1993	9.7	20.17	13.8	15.1	17.5
1994	9.7	20.1	3.1	14.3	12.9
1995	8.8	18.8	12.3	13.4	12
1996	8.5	18.0	11.3	12.4	11.8
1997	7.7	16.1	10.5	11.5	11.6
1998	6.5	14.0	9.2	10.5	10.4
1999	6.7	13.0	8.9	10.0	9.1
1999 -1st Quarter	6.8	11.8	8.6	10.0	8.2
1999 -2nd Quarter	6.3	13.0	8.5	9.6	9.0
1999 -3rd Quarter	7.4	12.6	9.1	10.2	10.2
1999 -4th Quarter	6.3	14.7	9.2	10.2	9.9
2000	5.9	11.0	7.7	8.7	8.4
2000 -1st Quarter	6.4	11.0	8.0	9.1	8.8
2000 -2nd Quarter	5.3	10.1	7.0	8.1	7.8
2000 -3rd Quarter	6.0	11.8	8.0	8.9	8.6

ered it is apparent that the rate of unemployment is at a relatively low level compared to that of 1999. This resulted from the rising rates of employment both in the state and private sectors. The rate of unemployment which dropped to 8.9% in 1999 from 15.9% in 1990 dropped to 7.6% during the first three quarters of 2000. One reason that affected the decline in estimates of unemployment since 1998 was the absorption of certain categories of unpaid family workers to the labour force anew. This was very much contributed by the changes given to the definition of the term "employee". However declining trends in the rate of unemployment can be clearly seen, even when it is calculated excluding the unpaid family workers as employed.

FULL EMPLOYMENT

Source:- Department of Census and Statistics, Central Bank of Sri Lanka.

Employment is employing resources in the provision of services. However the term full employment does not practically denote the meaning of engaging total resources in employment at a given point of time. Some factors by their nature, cannot be employed at all. In case of labour even temporary unemployment may be found even during a prosperity. Because of this under what is meant by full employment is that all employable factors have been employed under existing conditions. An important concept that emerges from this is that a can be seen varying percentage of unemployment, depending on the type of economy. This considered as natural unemployment. According to different economies there can be slight variations in this percentage. What is meant by this is that in situations where major set backs or stimulations are not present and all employable factors have been employed such variations in the percentages can be seen.

With the relaxation of economic policies in 1977 the rate of unemployment declined considerably. According to the 1978/79 Consumer Finance Survey it had declined to 14.8% and this declining trend continued till the early part of 1980s. The factors that led to the decline in the unemployment situation during this period were the launching of a state investment program in the Mahaweli Development Project, Export promotion Zone, and the Urban and Housing Development Program. A marked characteristic of this period was the lessening of unemployment among those having higher educational qualifications.

According to the 1986/ 1987 Consumer Finance Survey the rate of unemployment rose to 15.5%. There are several factors that led to this. They are:-

1. Decline in the labour absorption capacity which was caused by the slow economic growth, that resulted from the civil unrest in the post 1983 period.
2. Completion of major development projects.
3. Decline in the private sector investment as a result of the indecisive conditions created by the unrest in the South in the latter half of 1980s in addition to the Northern crisis.

In 1990s the rate of unemployment began to decrease. According to the Quarterly Labour Force Survey by the Second quarter of 1997 rate of unemployment had decreased to 10.2% Compared to this the rate in 1990 was 16.3%.

When the position during the first three quarters of 2000 is consid-

The rate of unemployment calculated excluding the unpaid family workers was 10.0% in 1990 and this has been estimated as 8.7% in 2000. The pre-adjustment rate of unemployment indicates a decline of 1.0% between 1999 and 2000. Further the Labour Force Survey identified the employed and unemployed on the basis of the availability of persons for work during a period of one year. According to this definition the unemployed were considered to be those who were having work for a period exceeding 26 weeks during a period of 12 months.

DIFFERENT TRENDS IN UNEMPLOYMENT IN SRI LANKA

Unemployment by Age Groups
Unemployment (As Percentage of Labour Force)

Year	Age Group					Total
	15-19	20-29	30-39	40-49	50 or above	
1990	40.1	30.3	8.4	4.3	2.1	15.9
1991	37.6	27.5	9.1	3.6	1.0	14.7
1992	39.1	27.5	7.8	3.5	1.4	14.6
1993	38.4	25.2	8.4	3.3	1.5	13.8
1994	40.7	24.5	7.6	2.5	1.2	13.1
1995	60.5	31.7	8.0	2.9	0.4	12.3
1996	36.5	22.0	6.0	1.9	0.5	11.3
1997	34	21.9	5.2	1.7	0.6	10.5
1998	27.3	19.3	4.9	2.0	0.7	9.2
1999	28.4	18.9	4.4	1.6	1.0	8.9
1st Quarter	25.5	20.2	4.0	1.1	0.8	8.6
2nd Quarter	29.5	17.3	4.2	1.7	1.4	8.5
3rd Quarter	3	18.9	5.3	1.3	0.8	9.1
4th Quarter	27.2	19.3	4.2	2.2	1.0	9.2
2000	22.0	17.9	3.6	1.3	0.9	7.7
1st Quarter	22.1	19.0	3.8	1.1	0.7	8.0
2nd Quarter	22.5	15.0	3.6	1.6	0.9	7.0
3rd Quarter	21.3	19.7	3.3	1.2	1.0	8.0

Source:-Department of Census and Statistics.

RECENT TRENDS IN THE EMPLOYMENT IN SRI LANKA

In reviewing the employment situation in Sri Lanka only after late '50s unemployment became a significant issue. According to the Consumer Finance Survey of 1956 the rate of unemployment was 16.6% in response to this the government gave an important emphasis to the policies aimed at creating employment.

As a result of low rate of growth in employment opportunities in the context of arising labour force by 1970s, the unemployment heavily expanded and developed into a serious problem thereafter. According to the Consumer Finance Survey conducted by the Central Bank in 1973, the rate of unemployment was 24%. It was the highest rate of unemployment so far reported.

According to this definition also the rate of unemployment dropped from 17.4% in 1990 to 8.4% in the first three quarters of 2000.

In analysing the various trends in unemployment in Sri Lanka it is necessary to consider the variations in unemployment by age groups, level of education, sex and the regions

A conspicuous feature of the unemployment situation in Sri Lanka by age groups is the higher rate of young people seeking employment as new entrants to the labour market.

According to the Consumer Finance Surveys of 1963, 1973, 1978/79, 1981/82, and 1986/87 over 70% of the unemployed belonged to the age group of 15-29 years of age and a marked decline has been recorded in the post thirty year-age group. More over it appears that the rate of unemployment in the age group of 15-19 years has considerably dropped since 1999. The unemployment rate in this age group which was 40% in 1990 dropped to 22.0% in the first three quarters of 2000. Further the rate of unemployment in the age group of 15-19 indicates a sharp drop in relation to the drop in the rate of unemployment of the age group of 20-29 from 30.0% in 1990 to 18.1% in 2000.

The rate of unemployment is highest among those possessing higher educational qualifications of GCE (O/Level) and GCE (A/Level) and above in the age group of 20-29. The rate of unemployment in this group was 14.6% in the first three quarters of 2000. Higher age of entry and leaving the universities that prevail in the present education system, failure of the education intimated to them to satisfy the demand in the labour market and involuntary unemployment in this age group, have led to the high level of unemployment in this age group.

A marked feature in the rate of unemployment by level of education in Sri Lanka is that it rises as the level of education goes up. It is among the category of persons with GCE (O/Level) or above that the rate of unemployment is highest. According to the surveys mentioned above over 40.0% of the unemployed was from the category having an education of GCE (O/Level) or above.

During the first three quarters of 2000, the rate of unemployment among those having a higher level of education remained low. Existence of a higher rate of unemployment among the educationally qualified was partly due to failure of the traditional education system which imparted a knowledge in traditional subjects, to supply the persons with knowledge in English, qualifications in computer science, financial management, and mar-

keting which was required by the private sector labour market. While the school and higher education system should be restructured, in keeping with the demand for labour from the private sector, it is expected that the recently introduced educational reforms would meet this challenge and thereby rate of unemployment among the educated could be brought down.

The unemployment pattern by sex indicates a difference. In Sri Lanka there is a higher rate of unemployment among the females than males while there is a declining trend in the case of both sexes.

The rate of unemployment among female which was 22.0% in 1993 dropped to 16.3% in 1997. The rate of unemployment among male population dropped from 9.7% to 7.2% during this period. The rate of unemployment among women with a higher level of education remains at a higher level.

During this year a rapid drop in the rate of male unemployment, relative to that of female could be experienced. The rate of female unemployment dropped from 23.4% in 1990 to 13.0% in 1999 and further to 11.0% in the first three quarters of 2000, while that of male unemployment rate dropped from 11.8% in 1990 to 5.7% in 1999 and stood at 5.9% in the first three quarters of 2000. The increase in employment opportunities for women in recent years in manufacturing and trade and hotel sectors has contributed to the sharp drop in the female employment rates.

In response to the concept of locating garment factories in rural areas by 1992 the employment opportunities for women rose in this sector exceeding the figure of 0.3 Mn. In the state and private sectors the tendency of women moving to the traditionally female jobs so far performed by men contributed to further increasing the female job opportunities. This is affected both by cultural attitudes and economic difficulties.

Various differences in the rate of unemployment can be seen by regions also. In this regard it should be noted that the highest rate of unemployment of 15.0% is reported from the Southern Province. The major contributors to the difference in rates of unemployment by both regional and Urban and rural areas are the economic factors. This is mainly due to the disparities in distribution of infrastructure and service centers in regions and rural areas. The existence of this situation is also fostered by the natural and physical forces.

In reviewing the unemployment in Sri Lanka, it is apparent that it stands comparatively high despite the indications of a decline in the rates of unemployment. If the situation is that it is useful to consider the advantages and disadvantages of unemployment of labour.

DISADVANTAGES OF UNEMPLOYMENT OF LABOUR

The advantages and disadvantages of unemployment of labour can be clearly seen in an unemployed person. The loss of income he would have earned is a direct disadvantage. Another direct disadvantage is the welfare expenditure the government has to incur for him. Had it been not so such expenditure could have been utilised for other productive activities.

Government welfare expenditure is earned from two ways. One of them is taxation which is an additional burden to the tax payer. The other is the policy of deficit budgeting whereby money supply has to be increased to meet the deficit. This is known as bridging the gap by expansionary methods as this money goes to the public through the operation of the economy, thereby raising their purchasing power. If the supply of goods and services cannot be proportionately increased in such a context prices

would move in an upward trend. It is harmful to the whole economy. As the numbers unemployed swell, the adverse impacts also would be aggravated. If the unemployed could be engaged in employment, it could add certain amount of wealth to the national economy. However the unemployment prevents it. The income thus lost can be identified as an opportunity cost of unemployment of labour.

SOCIAL COST

Although this cannot be quantitatively measured, it should be a subject of close attention of a government. In economies where unemployment rates are high suicidal rates have gone up due to inability to afford for daily needs. Another form of social cost is the rise in the anti-social activities. Decline in health conditions due to mental dis-

UNEMPLOYMENT BY LEVEL OF EDUCATION

Unemployment by Level of Education (as a percentage of labour force)

Year	No Schooling	Grade 0-4 Year 1-5	Grade 5-9 year 6-10	GCE (O/L) NCGE	GCE (A/L) HNCE	Total
1990	3.3	5.1	17.2	23.9	29.4	15.9
1991	3.9	4.9	14.9	25	24.6	14.7
1992	3.0	4.7	15.9	22.2	22.4	14.6
1993	3.1	4.9	13.7	21.3	23.3	13.8
1994	2.6	5	13.0	19.6	23.7	13.1
1995	1.8	3.4	12.8	18.4	20	12.3
1996	2.8	3.4	12.2	16.4	19	11.3
1997	2.0	2.4	10.6	15.9	19.3	10.5
1998	1.0	2.4	9.0	13.7	17.5	9.5
1999	0.4	1.9	8.2	13.6	17.9	8.9
1 st Quarter	0.1	1.7	8.0	12.4	19.6	8.6
2 nd Quarter	0.1	1.7	8.2	12.5	15.8	8.5
3 rd Quarter	0.3	2.2	9.1	13.8	16.9	9.1
4 th Quarter	0.1	2.1	7.3	15.6	19.3	9.2
2000	1.4	1.1	7.4	11.5	14.6	7.7
1 st Quarter	1.3	1.1	7.9	11.2	15.4	8.0
2 nd Quarter	1.8	1.1	6.8	11.4	13.1	7.0
3 rd Quarter	1.2	1.0	7.6	12.0	15.2	8.0

Source: Department of Census and Statistics

stress resulting from the compulsion to dispose one's real assets such as house and property and the rise in indebtedness and the adverse effects on the future generations are the other disadvantages.

ADVANTAGES OF UNEMPLOYMENT

Although the unemployment does not bring long term advantages it is not totally devoid of advantages. In a high unemployment environment the employers have a chance to select the best labour. At the same time it promotes discipline among the remaining employees. In a full employment situation the chances for disputes over higher wages and better working conditions are high. However, on the contrary when the supply of labour increases, their power to influence higher labour is low. Despite these minor advantages in general the unemployment of labour is not a healthy situation. On the whole the disadvantages of this are greater and one of the major objectives of a government is to keep the resources employed as much as possible.

STEPS THAT SHOULD BE ADOPTED TO OVERCOME UNEMPLOYMENT OF LABOUR IN SRI LANKA

Although every country in the world experiences an unemployment of labour in the developing and under-developed countries this has a greater weight on the economic development. For this problem of unemployment in Sri Lanka it is necessary to find suitable solutions to deal with the question of annual addition of labour to the market. Unless such steps are taken there is the possibility of such situations aggravating to political uprising levels by the unemployed which would exert unbearable pressure on the economy. This prevents the accomplishment of an economic growth in the context of a new world economic order. This demands a discussion as to how solutions and proposals can be found to this in the present globalisation process.

UNEMPLOYMENT BY SEX

Unemployment by Male & Female
(Period of review one week)

Year	Male	Female
1990	11.8	23.4
1991	10.2	23.0
1992	10.7	212.9
1993	9.7	21.7
1994	9.7	20.1
1995	8.8	18.8
1996	8.5	18.0
1997	7.7	16.1
1998	6.5	14.0
1999	6.7	13.0
1 st Quarter	6.8	11.8
2 nd Quarter	6.3	13.0
3 rd Quarter	7.4	12.6
4 th Quarter	6.3	14.7
2000	5.9	11.0
1 st Quarter	6.4	11.1
2 nd Quarter	5.3	10.1
3 rd Quarter	6.0	11.8

Source: Department of Census.

In case of Sri Lanka in the endeavor to find solutions to bring down the rate of unemployment of labour, the main thrust should be on the causes leading to an unemployment situation and the major sectors of such unemployment and to provide remedies thereto. A major point of attention in an attempt to bring down unemployment in Sri Lanka is the education sector.

An education policy should not only continue to improve the people's knowledge and understanding alone but also should aim at promoting positive impacts on the economy. What this means is that the education also should keep phase with the world socio-economic trends. When the education cannot satisfy the national, social and economic demand it leads to many problems. The education should make a direct contribution to the accomplishment of economic development. Unless this is done it could result in lower rates of labour participation and thereby inevitably bringing down the national product. Therefore rise in unemployment can be explained as a product of the failure to restructure the educational policies to serve the national, economic demand in the context of the globalisation process.

The education should be geared to provide not an employment that suits the education, but an education that suits the employment. The new educational reforms are a result of the socio-economic demand. In this regard it is important to give solutions to this by adding to the curriculum a vocational training inputs in line with the identified skills of the students after completing formal education. It is possible to produce a courageous citizen possessing a vocational security in a reinforced surrounding instead of a citizen who is isolated after leaving the school education, by promoting vocational education either through direct intervention of the state or by extension of state assistance to the private sector for this following the formal education.

It is necessary to find alternative solutions to the problem of unemployment of labour as it is difficult to find remedies to it. Special attention should be given to increasing employment opportunities in the private sector and to achieve this our education should be reformed to suit this sector. What it means is that both the university as well as school education should be modernised to provide an adequate knowledge in areas such as the economic environment, international trade, world economic relations, international cooperation, development administration, management, technology,

UNEMPLOYMENT BY PROVINCES

Unemployment Provinces

Province	Total	Male	Female
Western	11.4	8.3	17.8
Central	12.2	10.0	17.0
Southern	10.6	6.9	17.4
North Western	14.8	10.6	22.7
North Central	8.3	5.4	15.2
Uva	8.1	5.1	14.9
Sabaragamuwa	9.1	7.5	12.2
	12.2	7.8	20.8

Source: 50 Years of Economic History.

use of computers, and English. At the same time vocational training centers should be established countrywide adequately for the school leavers. This will help to give an opportunity to employ large numbers in the private sector, which prefers trained labour. Although the urban sector is furnished with such facilities to a certain extent as the facilities available to the rural sector is very minimal attention should be given to do justice to this sector. Not only that, action should also be taken to direct school leavers to such training. If the government alone cannot shoulder the total cost of essential vocational education the private sector should be given direct incentives and financial assistance to persuade them to invest in such activities as private vocational training institutions. This will help a trainee to gain a training he desires at low cost and find an employment opportunity thereby. Employment opportunities will increase by creating new industries based on modern technology. Therefore the technological base of education should be widened to meet the new demand in technology. Educational facilities should be increased in the fields of computer education, and information technology. Investment in education should be made meaningful as a sector that fosters national development.

An equally important aspect in overcoming unemployment is to emphasize on the political influence. The political sector that determines the policies in a country is directly tied to the unemployment. It is important for an economic system that can reduce unemployment, to have a diplomatic environment that can do implement a valid and locally and internationally acceptable economic program and to have a stable government. It is to such an attractive political and economic environment that the domestic and foreign investors as well as tourists pay more attention. As the politics in Sri Lanka determines all aspects in the country, this political factor is very important. Therefore by the establishment of an honest political system that can elect honest politicians as well as a good government that can effect economic growth in the country not only solutions to the problem of unemployment could be found but also a healthy environment for economic development can be created. To prevent the country from slipping into a precipice with the contributions made by an ethnic conflict, civil unrest, corruption and terror, it is essential for Sri Lanka to have a stable government led by honest politicians. This has been taught and convinced to us by history. For a country it is healthy to have a high quality democracy.

Another factor affecting the unemployment in Sri Lanka is the attitudes of the people. Some people do not like to be employed in certain sectors. For example the reluctance of women to be employed in the garment sector can be cited. Therefore an unemployment situation has arisen among them despite the availability of jobs, as they refrain from taking up such occupations. A fact that influence the existence of unemployment specially among the educated is their reluctance to take up certain jobs with

the feeling that such jobs do not suit them or with the hope of getting better standard jobs.

The reluctance of the youth to be employed in the agricultural or rural sector due to their sole desire to maintain relations with the urban society and the expectation of urban sector jobs have made them unemployed. Traditional thinking and ideologies as well as the feeling that the women are not capable of properly performing their duties are the main contributory factors to their level of unemployment. Overcoming these approaches that prevail among the people is very important in to increase employment opportunities in Sri Lanka.

Further, the expansion of facilities required for taking up self employment activities which have

already drawn much attention could be of very much assistance in increasing employment opportunities. In this regard it is necessary to expand concessionary credit facilities, provision of career guidance services, and expansion of marketing opportunities.

Further the investors are reluctant to move to certain areas owing to poor infrastructure facilities available in such areas. In some of these areas labour is available in abundance. Therefore action should be taken to attract investors by providing adequate infrastructure to such areas. Then it easy to attract labour into these investment industries and thereby reduce unemployment.

In addition it is important to assist the individuals to improve their talents in creative art and technological knowledge by evaluating them.

Not only that proper action should be taken to put the so far idling land into proper use. This also is important in increasing job opportunities in the agricultural sector.

When the unemployment situation in Sri Lanka is comparatively analyzed, it is apparent that, although the problem of unemployment has not taken serious proportions it stands at a higher rate. Further it is also apparent that the chances available to expand employment opportunities or overcome the problem of unemployment also are high. However the problem is that opportunities that can be utilised to successfully implement such programs have been obstructed by some factors which are not per se economic.