

EMPLOYMENT

Recent trends in employment creation

While employment, in 1985 in the semi-government sector declined, employment in the government sector and the organised and unorganised private sectors showed an increase, according to findings of the Central Bank.

Government Sector

Provisional estimates showed that employment in the government sector had increased by 7,597 persons or 1.5% in 1985 over that of the previous year (the increase in 1984 was 5,874 persons or 1.2%). The main areas in which this new employment occurred was in sectors such as education, agriculture and animal production, health, irrigation, auditing, district administration, labour and prison services. On the other hand there was a significant drop in employment in land settlement, and also machinery and equipment and highway development services.

Employment in the government sector could have been much higher but for the fact that there were procedural delays and also suitable candidates to fill existing vacancies were not available. A survey conducted by the Statistics Department of the Central Bank has revealed that there were over 23,600 unfilled job vacancies in the government sector and over 21,700 job vacancies in the semi-government institutions in 1985 compared to job vacancies of about 13,500 and 18,000 respectively in 1984.

In the government sector, the largest proportion of vacancies was for teachers (37 per cent) and minor employees (30 per cent). Of the total vacancies, about 18 per cent were in subordinate grades and, about 10 per cent in executive grades. The major reason for not filling these vacancies was procedural delays. About 7 per cent of the vacancies have not been filled due to non-availability of suitable candi-

dates, while about 5 per cent of vacancies were not filled in view of intended closure or contraction of staff to reduce costs in government establishments.

Semi Government Institutions

The largest proportion of vacancies in semi-government institutions was among minor employee grades (70 per cent). The proportion of vacancies was also significant for subordinate grades (18 per cent). The main reason for not filling these vacancies was non-availability of suitable candidates (29 per cent). Among other reasons were that nearly 13 per cent of vacancies had not been filled due to a decision not to fill the vacancies and 5 per cent of vacancies were not filled due to procedural delays.

In the semi-government sector the declining trend in employment seen in 1984 continued into 1985. The major reasons for this were the discontinuation from work of casual workers in the state plantations consequent on re-organization of the work force in the plantations; a decrease in employment in semi-government institutions engaged in river valley development, pro-

duction of hardware, cement, paper products, iron and steel and supply of common amenities. In contrast, employment increased significantly in institutions connected with production of petroleum products, building materials, tyres and tubes, textiles, housing development and transport.

Private Sector

In the private sector there is no definite indication of changes in the employment situation and the Central Bank had drawn attention to the lack of an annual series of data on employment in this sector. However, a survey of Business Activities and Planned Investment of the public and private sector limited liability companies, conducted by the Central Bank estimated that the increase in employment in these companies was 8.6 per cent in 1984/85 over that of the previous year; while a 10.8 per cent increase in company employment was expected in 1985/86.

Another indicator of employment creation in the private sector is the records of the investments approved by the Greater Colombo Economic Commission (GCEC), the Foreign Investment Advisory Committee (FIAC)

EMPLOYMENT POTENTIAL IN GCEC, FIAC and LIAC projects 1978-86

Year	GCEC Actual Employment No. at end of year Cumulative Total	FIAC No. for each year	LIAC Potential Employment No. for each year	LIAC Potential Employment No. for each year
1978	261		3,887	43,313
1979	5,876	5,815	15,806	32,617
1980	10,538	4,862	14,060	15,371
1981	19,727	9,189	14,415	11,026
1982	24,926	5,199	12,717	8,429
1983	28,705	3,779	15,715	10,038
1984	32,725	4,020	10,040	21,524
1985	35,786	3,061	4,339	12,850
1986				
Jan-Nov.	45,047	9,261	936	n.s.
Total	45,047	44,786	91,715	155,118

Source: *Central Bank Monthly Bulletin*

and the Local Investment Advisory Committee (LIAC). See Table above. LIAC labour absorption potential has been on the decline over the last two years. In 1984 the employment potential in LIAC projects approved was 21,524 persons. This dropped to 12,850 in 1985 and in 1986 it is expected to drop further to about 7,500. The labour absorption potential in projects approved by the FIAC declined from 10,040 in 1984 to 4,339 in 1985; although in 1986 it is expected to be around 7,000. Meanwhile, the labour potential in enterprises coming under the GCEC went up from 32,725 in 1984 to 35,786 in 1985, an increase of 3,061 in 1985; while in 1986 the number had exceeded 45,000, an increase of nearly 9,000 for the year. The number of units in commercial production in the GCEC went up from 67 in 1983 to 81 in 1985 and to 89 by November 1986. The commissioning of these GCEC enterprises would also have created indirect employment opportunities although its magnitude is difficult to assess due to the lack of data.

Tourist arrivals continued their decline from 402,349 in 1982. In 1983 the number of arrivals were 317,734 and in 1985 it came down to 257,456; while in 1986 Jan.-November it was only 204,926. The result was that employment in this sector has ceased to grow and in certain areas many persons lost their source of employment. However, in the transport sector and in import-export trading there were signs of growth, which also could have helped to increase employment in these sectors.

A review of the employment situation, in 1985, according to the estimates based on the above data, indicates that in the formal sector (government, semi government and private) around 50,000 were placed in employment. In the informal sector the figure would have been over twice this exceeding 100,000, with total open-

ings amounting to about 150,000. Estimates of those coming into the labour market can be made from the approximate 500,000 in grades 10, 11 and 12 of the schooling system in 1985. Of this number there were about 300,000 school leavers. C.G.