

## WAGES

Salaries and wages of public sector employees remained almost unchanged during the first three quarters in 1977. In the Budget proposals of November, however, the wages of all government employees (including pensioners) were increased by 25 per cent subject to a maximum of Rs. 50 per month, with effect from December, 1977. As in the case of the last wage increase in January, 1976 this wage increase too was extended to daily paid employees in government, to employees (including estate labour) in state corporations and statutory boards and to employees covered by the Wages Boards.

As a result of the above wage revision, the minimum wages of government employees (excluding school teachers) had risen by 5.3 per cent at the end of 1977. School teachers received a 3.8 per cent increase, and minor employees 5.9 per cent. Wages of Technical and Clerical employees rose by 4.4 per cent. Nominal wages in Agriculture, mainly in the plantation sector, rose by 28.6 per cent in 1977 compared with a 2.2 per cent increase in the previous year. On the other hand, wages in industry and commerce showed an increase of 10.5 per cent, compared to a 2.6 per cent rise in 1976. These increases could be attributed mainly to the wage increase granted in the Budget from December.

Changes in real wages cannot be estimated owing to the absence of a reliable Consumer Price Index. If the implicit price index is any indication, real wages outside the plantation sector would have declined by the end of 1977.

## EMPLOYMENT

For reasons given in last year's Annual Report it is not possible to make a firm analysis on employment and unemployment in the absence of reliable and continuous data<sup>1</sup>.

The 1971 census data shows a labour force of 4.5 million persons out of a population of 12.7 million. The estimate of the labour force according to the Consumer Finance Survey conducted by the Central Bank in early 1973 was only slightly higher than this figure. The census reveals that the number of unemployed in 1971 was 0.8 million. The corresponding figure according to the Consumer Finance Survey for 1973 was one million. The age structure and the age-specific activity rates in the population indicate that in 1977 about 170,000 youths would have entered the work-force while around 50,000 persons would have left it. These figures net to a demand for over 120,000 new jobs, and compares with the estimate of 100,000 last year. When the age structure and the age-specific activity rates of the population are considered, the work force unemployed as at the end of 1977 would be over 1 million persons.

The Central Bank's annual survey of employment in the public sector for 1977 shows a general increase in employment in government departments and semi-government institutions. This increase, however, is lower than that of 1976. In government departments the number employed has increased by 16,626 or by 4.1 per cent

1. Employment and unemployment data have not been collected on a regular basis. Whatever data are available are found in censuses and ad hoc surveys conducted at irregular intervals, where the data relating to the work force was incidental to the primary objectives of the surveys.