

EMPLOYMENT

In 1983, employment increased in both the Government and Semi-government sectors. Final estimates of employment in the private sector, based on Employment Provident Fund data, are not available. Indications are that there have been increases in employment in the unorganised private sector and in foreign investment based enterprises in the private sector.

Employment in the Government Sector increased by 4,670 in 1983. This marginal increase in employment of 1 per cent in the Public Sector was despite a reduction in Government expenditure.

In the Semi-government sector, employment increased by only 0.2 per cent and was somewhat less than in 1982, when the increase in the sector was 0.5 per cent. This is due to retrenchment policies of some Semi-government institutions, such as the Sri Lanka Central Transport Board (SLCTB) and the Fisheries Corporation, with a view to reducing operating costs.

Final estimates of employment in the organised private sector for 1983 based on active accounts with the Employment Provident Fund are not yet available. However, in the particular area of foreign investment, for which there are definite statistics, there have been increases in employment. In the Greater Colombo Economic Commission (GCEC) employment increased by 3,779 in 1983. In addition, 4,865 new jobs have been created in the first half of the year in projects approved by the Foreign Investment Advisory Committee (FIAC) bringing a total number of jobs created in FIAC enterprises during the period 1977 to 1983 to 26,944.

A substantial area of the private sector is in unorganised activities such as traditional agriculture, construction and self-employment for which statistics are not available. However, there are sufficient reasons to support the view that some increase in employment has occurred in these sectors in the year under review as economic growth of these sectors implies increases in employment in them. Such increases in employment were most likely to have taken place in paddy cultivation, mining and quarrying, trade and in private transport. The acreage under paddy production has increased by 7 per cent over the previous year, and generated a growth of 14 per cent. Transport, mining & quarrying and trade have recorded growth rates of 5 per cent, 8 per cent and 5 per cent respectively.

There have been significant increases in employment since 1978, as can be seen from Table 1.31. Most of the increased employment has been in the private sector, while some increases have also been recorded in Semi-government institutions and Government Departments. However, the rates of annual increase over the last five years, indicate that much of the increased employment arose in the first three years and that there has been a levelling off of new employment opportunities since then.

TABLE 1.31
Estimates of Employment in Public and Private Sectors

Year	Public		Private		Total
	Govt.	Semi Govt.	G.C.E.C.	Others ¹	
1977	422,647	617,033	—	283,427	1,323,107
1978	446,085	681,034	261	321,690	1,449,070
1979	470,188	749,034	5,876	310,096	1,535,194
1980	476,086	769,122	10,538	348,597	1,604,343
1981	481,475	778,199	19,729	348,365	1,627,768
1982	484,802	784,370	24,926	320,753	1,614,851
1983	489,472	785,717	28,705	n.a.	n.a.

Source : Greater Colombo Economic Commission
Central Bank of Ceylon.

¹ Based on Employees Provident Fund Data.

An indicator of the emerging employment situation, derived from the Consumer Finances & Socio Economic Surveys, is that the unemployment rate has declined from 14.8 per cent in 1978/79 to 11.7 per cent in 1981/82. This rate of unemployment is the lowest recorded in recent decades.

PRICES

The main feature of price behaviour in 1983 was the reversal of the downward trend in prices experienced during the last two years. There was a rise in the rate of increase of prices at the retail level, as well as the primary market level.

This reversal of the declining trend observed during the preceding two years was discernible in the Colombo Consumers' Price Index as well as in the Wholesale Price Index. The increase in the annual average of the Colombo Consumers' Price Index in 1983, over the preceding year was 14 per cent compared to a 10.8 per cent increase in 1982. The corresponding increase in the Wholesale Price Index of the Central Bank was 25 per cent in 1983, compared to a 5.5 per cent increase in 1982. However, the rate of increase of the Colombo Consumers' Price Index in 1983 was lower than those of 1980 and 1981.

The higher rate of increase in price levels in 1983 was a combined result of several factors. The sharp increase in the prices of export commodities brought about increases in the domestic market prices of these commodities. Some of the other major factors that contributed to an accentuation of price levels were the upward revision of the Turn Over and Tobacco Taxes, increased transport fares and the upward price revisions of essential consumer items especially kerosene.

Almost all the sub indices of the Colombo Consumer's Price Index increased. A 12.4 per cent increase in the sub index for the Food group which has the highest weight (61.9 per cent) in the index, made a greater impact on the overall index.