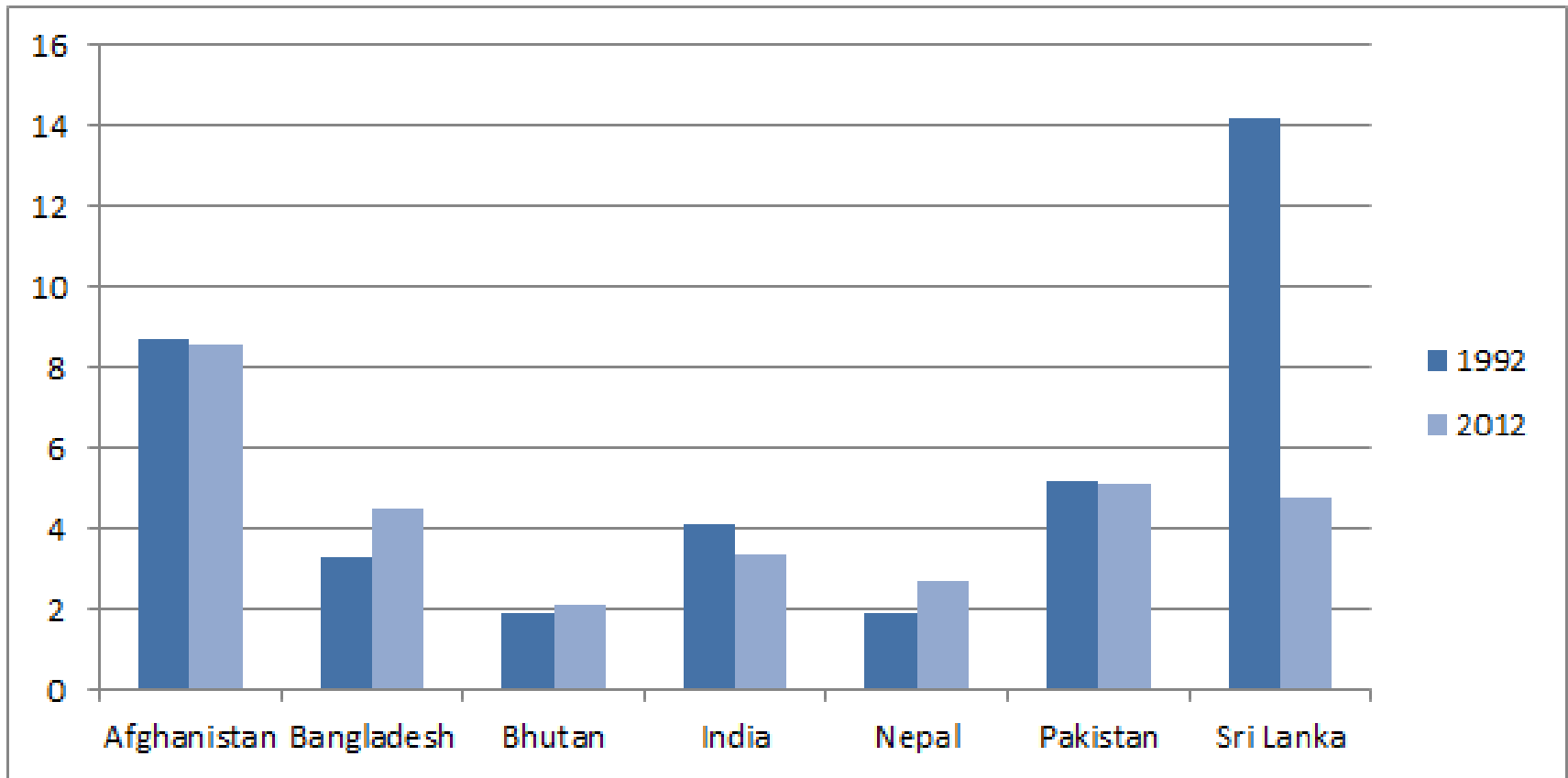


Jobs for Development: Challenges and Solutions

Nisha Arunatilake

02 December 2014

Unemployment rate has come down sharply in Sri Lanka



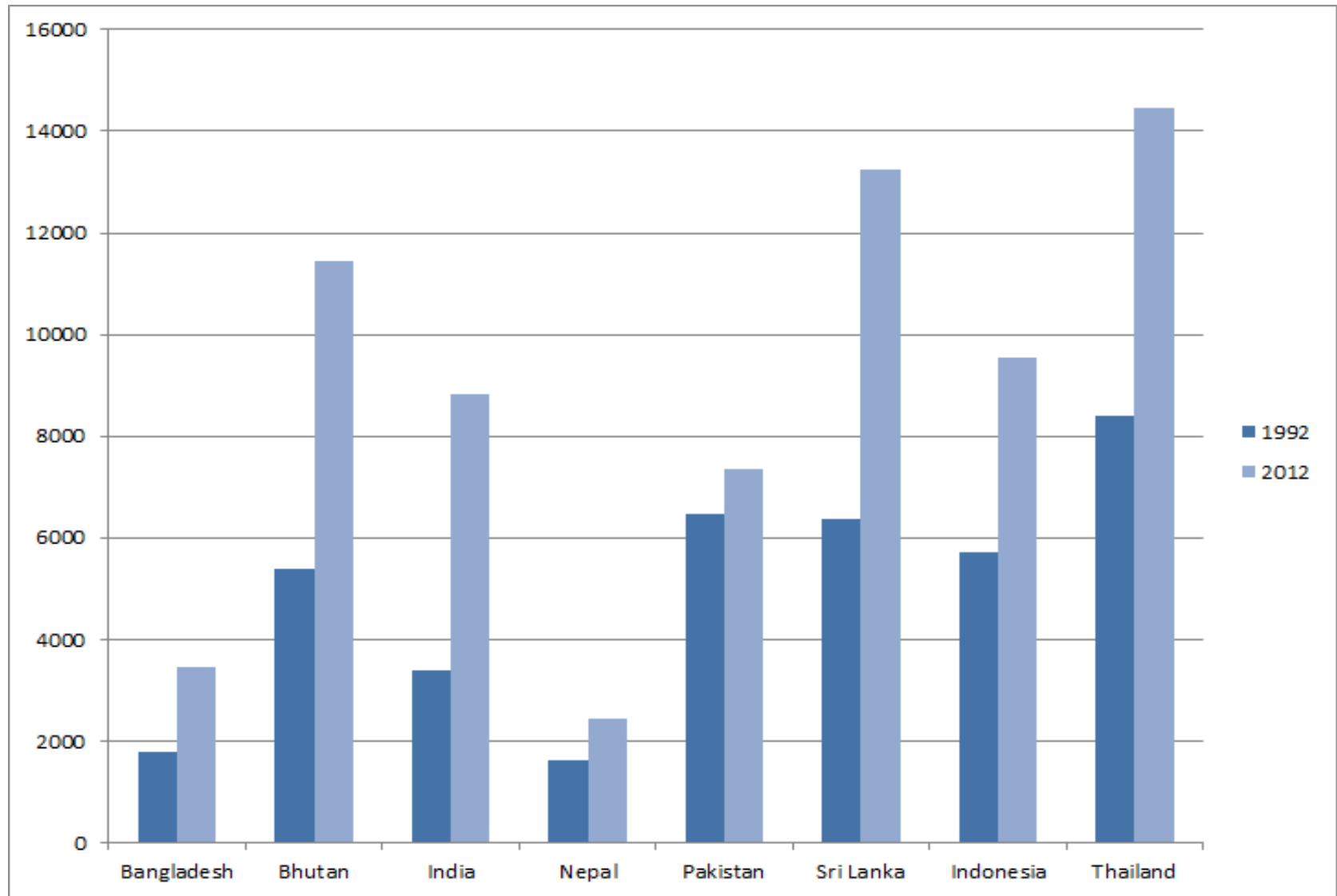
Source: ILO, KILM

Unemployment rate has come down for all

	2006	2012
Both	6.5	3.9
Male	4.7	2.8
Female	9.7	5.8
Youth (20-29)	15.9	10.8
Educated male (A/L +)	6.9	3.9
Educated female (A/L +)	16.8	10.2

DCS, LFS: 2012 (excludes N&E)

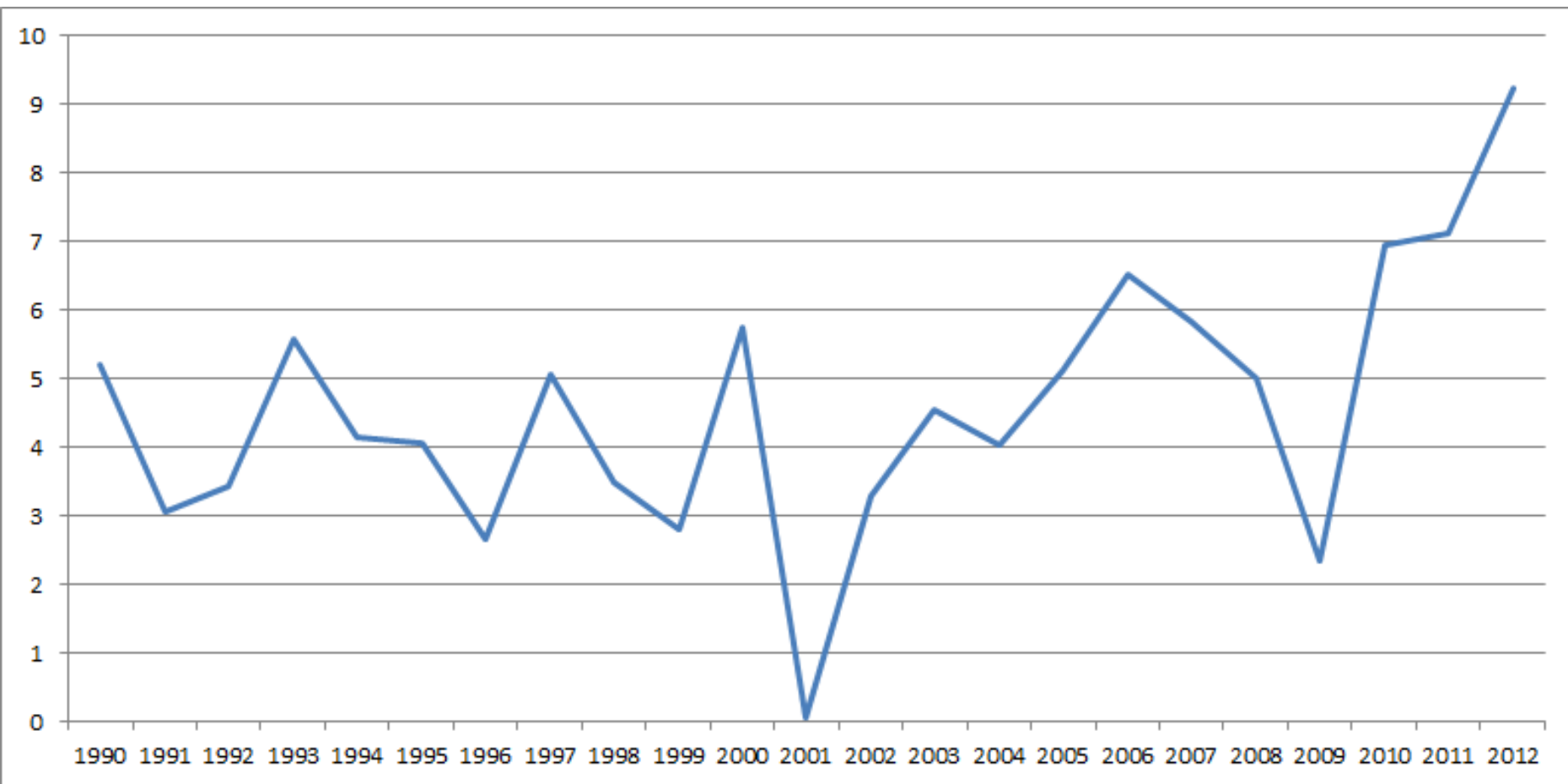
Output per worker has increased sharply



(GDP constant 2005 international \$ in PPP)

Source: ILO 2013, KILM

GDP per capita has been on the increase



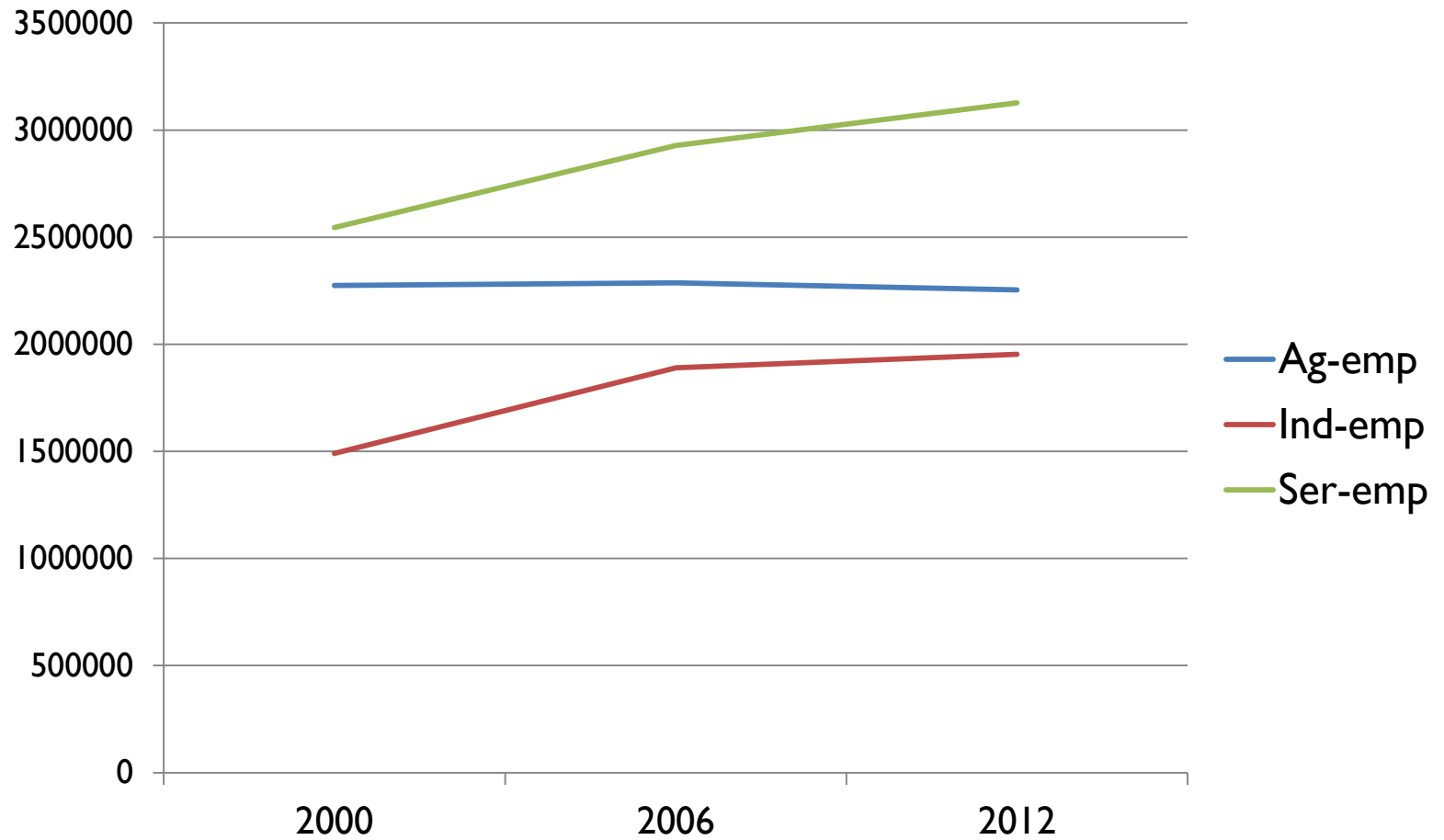
Real GDP p.c. growth constant LCU

Source: WB World Development Indicators

Quality of jobs

- Share of vulnerable employment is much lower in SL (compared to SA region)
- The percentage of working poor has almost halved
- Productivity per (output per worker) is much higher in Sri Lanka

This partly due to employment shifting away from agriculture

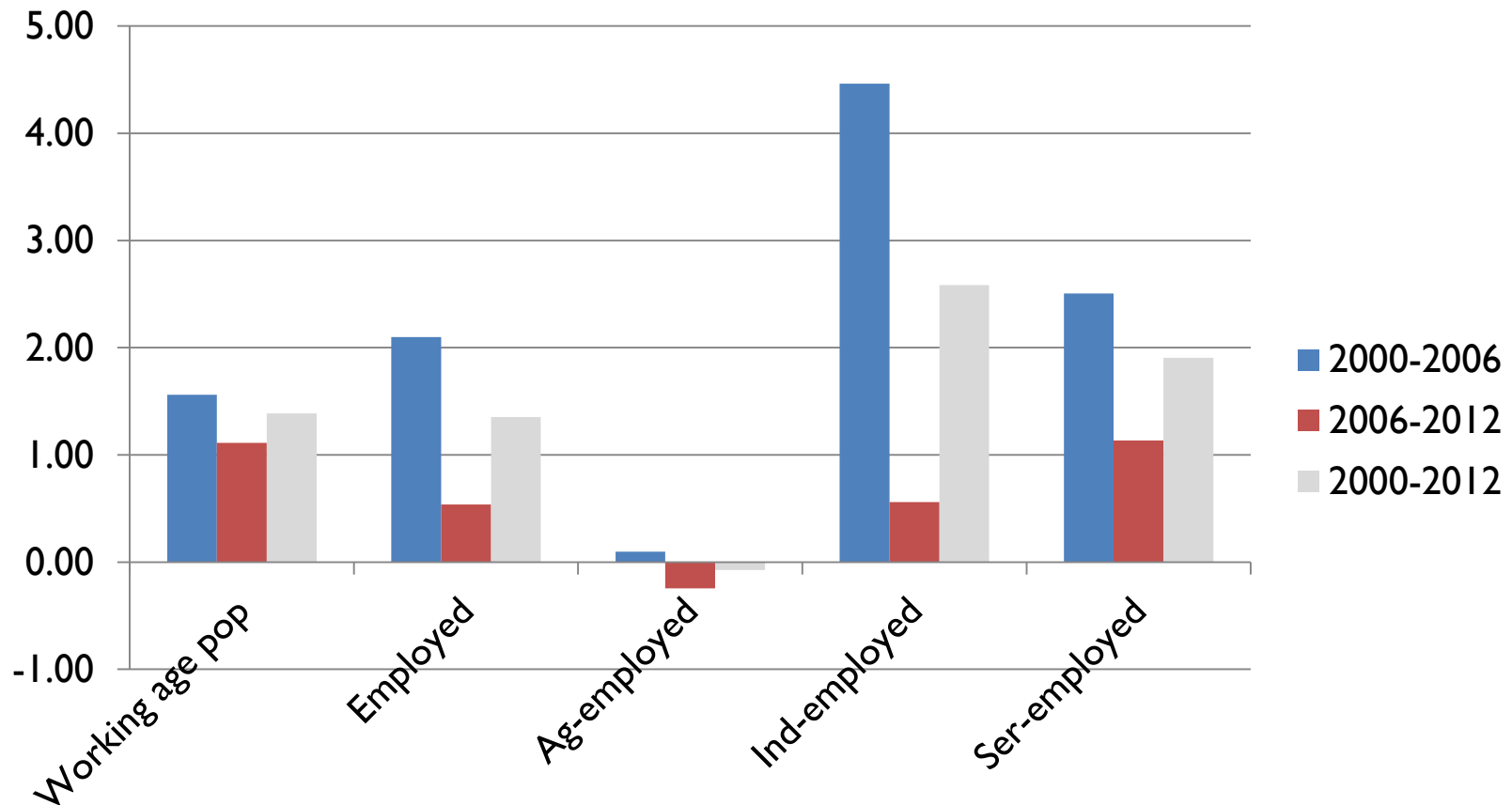


But ...

Labour Force Participation rate has declined for males, females in both urban and rural areas

	2006	2012
Both	51.2	48.2
Male	68.1	67.2
Female	35.7	31.3
Urban	45.3	44.5
Rural	50.4	49.0

Growth in employment has slowed relative to the growth in working age population



Annualized growth rates, employed and working age population

Change in Employment, by sector

(2006-2012)

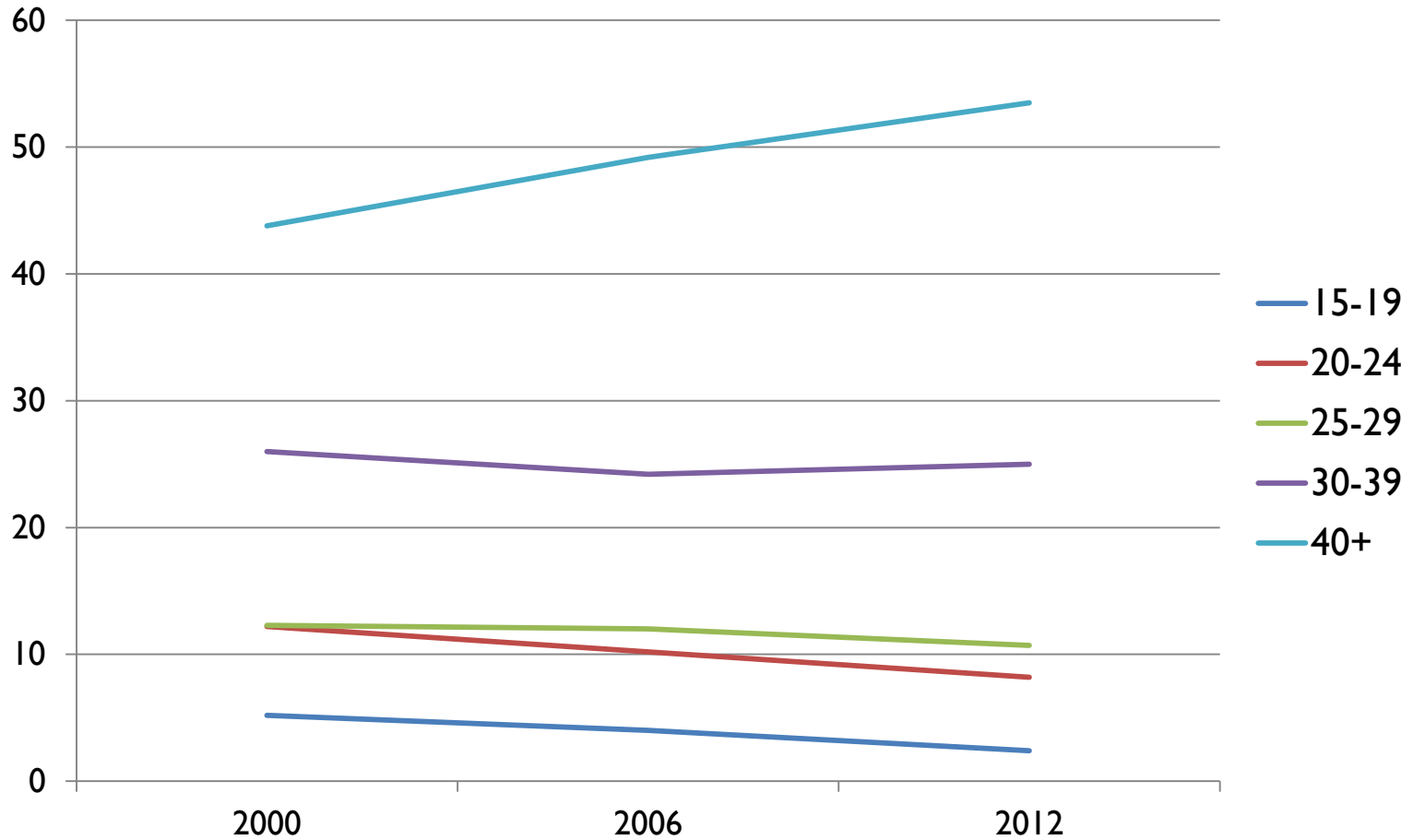
Sector	Ave. Annual Rate of Change
All employees	2.50%
Public	4.80%
Semi government	2.80%
Formal private	1.40%
Informal private	2.40%
Employer	0.56%
Own Account worker	3.08%
Unpaid family worker	(0.50)%
All employed	2.41%

Source: IPS

Skills shortages

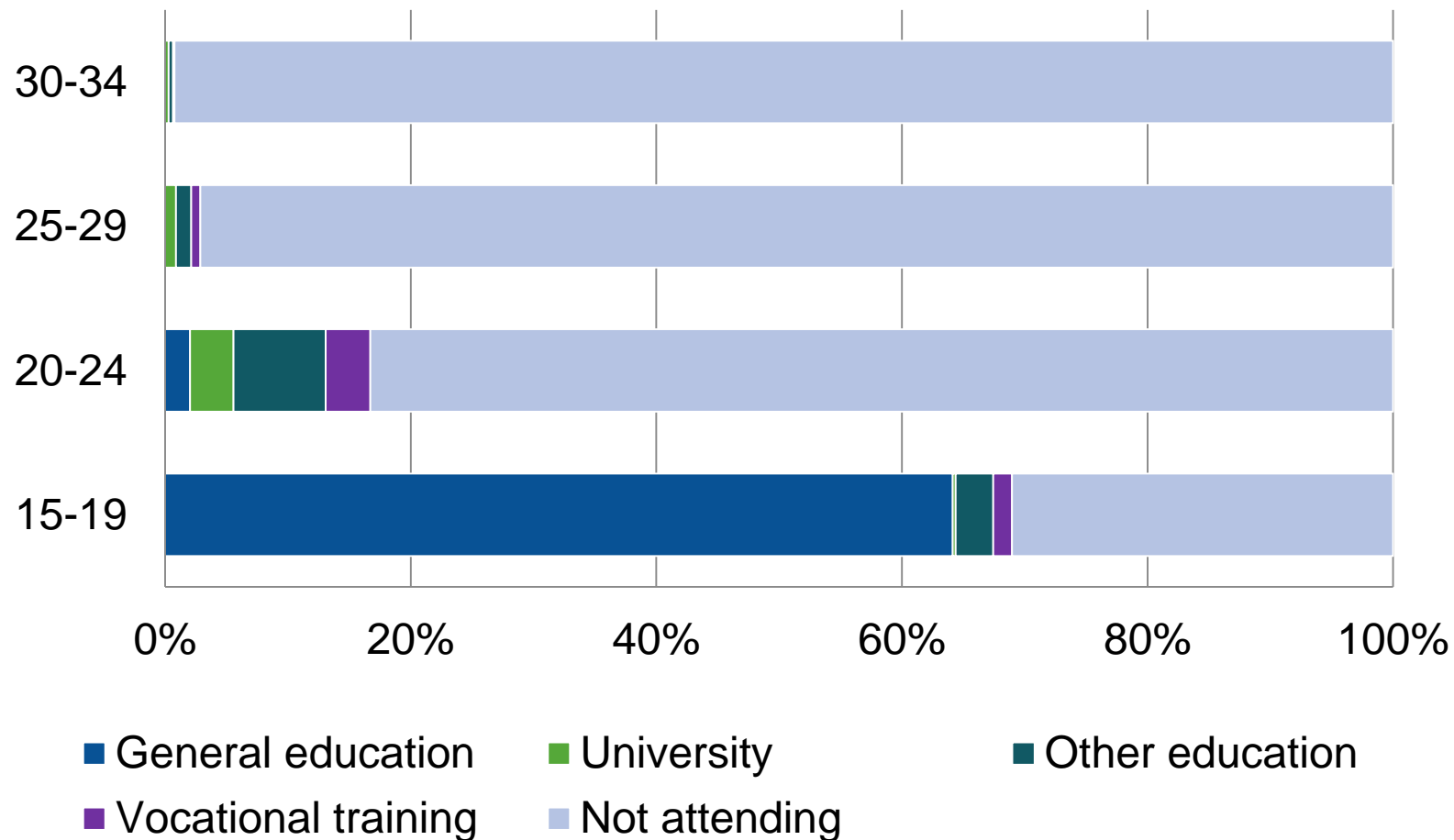
- Labour shortage is a constraint for growth
- Lack of educated
 - only 3.6% 20-24 year olds in tertiary education
 - further 3.6% in vocational training
- Few opportunities for reskilling for older workers

Structure of the LF, by age group



Training opportunities are low for adults

Current education status (2009)



Challenges and solutions

- Employment creation in the private sector
 - Better business environment for small businesses
- Improving quality of education
 - Professional teachers and accountability
 - Equal quality education for all
 - Science Education
- Improving skills
 - Modernized curriculum
- Improving employment prospects for older workers
- Improved access to social security

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