

# FT View

## Employer of choice

THE Government has rolled out plans to recruit 50,000 graduates by March with special training to be given to them before they are absorbed into the public service. There is a concern that this will add to an already bloated Government sector and make much-needed reforms and systemic changes difficult.

It is in some ways astounding that Sri Lanka, despite being a middle-income country, still has this level of obsession with obtaining public service jobs. Yet when looking at established social ideals it is quite understandable.

Many graduates are gripped with getting employment from the Government, partly because of the security it provides and because in rural areas private companies providing lucrative jobs are few and far between. The public service also provides many perks such as duty free vehicles permits and a non-contributory pension, which is funded by taxpayers. Collective bargaining entrenched within the public service also means that regular pay hikes and promotions are possible without high levels of productivity. All this makes the Government the employer of choice.

According to data released in 2017, Sri Lanka's State and State-Owned Enterprise workers, excluding the military, grew a whopping 30% to 1.1 million from 2006 to 2016. The survey, conducted by the Census and Statistics Department, included the Central Government, Provincial Government, statutory bodies and State enterprises and showed that not only is the public sector inflated, but it often made recruitments to areas of little use to the people.

Finance Ministry data showed that 88,000 so-called 'Development Officers' had been recruited to the state service between 2005 and 2015 but only managed 11,000 medical officers, 33,000 nurses and 3,579 midwives. There are also gaps in technical areas that have left the Government weak when negotiating agreements and fast-tracking economic reforms.

Politically-driven recruitment is clearly a major problem within the public service and continues to be a fiscal liability, especially since each year around 30,000 workers become pensioners. According to Finance Ministry data, the number of pensioners grew from 430,153 in 2006 to 564,472 in 2015, increasing the burden on workers.

It also means that the burden on the taxpayer to fund these jobs is exponential. But graduates who seek private sector employment also do not have an easy time. There is also a large number of informal workers in the private sector as well and they struggle with the few social safety nets available to them.

Many employers say today's university graduates don't quite measure up. In survey after survey, they rate young applicants as deficient in such key workplace skills as written and oral communication, critical thinking and analytical reasoning. As the job market gradually improves, businesses say they aren't finding enough savvy graduates who can start contributing from day one on the job. This has created a difficult labour provision gap in Sri Lanka where labour is hampered from freely moving up the value chain.

Other countries have addressed similar situations by reforming their education sector and establishing policies that address their labour market in a holistic manner. Some introduce flexible retirement benefits that can be shifted from the public sector to the private sector to encourage movement away from the public sector. But it is questionable whether Sri Lanka would ever have the political will to meaningfully effect change to give labour its true value.