

## Labour force shrinks in 1Q20; agri sector labour expands

■ Unemployment rate up at 5.7 from 4.7 percent a year ago

Persons employed in the broader agriculture sector have expanded from the first quarter of 2019 through the first quarter of 2020 amid a shrinking labour force, defying expectations that more people are migrating into industrial and service-oriented jobs when an economy advances.

According to the labour force survey conducted for every quarter by the Department of Census and Statistics, persons employed

in the agriculture sector, which also includes forestry and fishing, has increased by 108,261 persons between the first quarter of 2019 and the first quarter of 2020.

However, if this is a trend which holds up in the medium term that is yet to be seen, the more recent policies aimed at uplifting the country's agricultural sector after the new coronavirus could see more people getting into farming and cultivation with stable and guaranteed prices, subsidies and other government assistance.

The fact that this has happened while the total

employed population was shrinking makes it a even more compelling socio-economic case for policy makers to struggle with as they devise plans to improve incomes and living standards of the people in the agriculture sector.

Unless their incomes improve, the sector could become an overhang as a source for income inequality and poverty as the sector's contribution to the overall economy is less than 10 percent despite it employing little more than a quarter of the workforce.

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### Labour force....

Sri Lanka's total employed population shrank by 162,524 persons to 8,020,446 by the end of 1Q20 from a year ago.

As per the most recent data, Sri Lanka had 2,127,212 persons employed in the agriculture sector in total by the end of 1Q20, accounting for 26.5 percent of the total employed in the sector.

Sri Lanka had 2,018,951 persons employed in the agriculture sector, with a share of 24.7 percent from the total employed persons a year ago.

More people have taken to agriculture between the two periods while the industrial and services sector workforces dwindling, adding to the jobless rate of the period. The industry sector lost 138,523 persons while the services sector shed 132,262 persons during the two periods.

By the end of 1Q20, there were 2,174,148 persons working in the industrial sector while there were 3,719,086 persons employed in the services sector.

The two sectors' shares of the total employed population narrowed to 27.1 percent and 46.4 percent respectively from 28.3 percent and 47.1 percent in the year earlier period.

Sri Lanka's unemployed population rose to 483,172 by 1Q20 with a jobless rate of 5.7 percent from 399,784 persons or 4.7 percent a year ago.

The agriculture sector has showed relative resilience during economic downturns compared to manufacturing and services sectors which are more vulnerable, according to interpreted data.