

Statistics on informal employment and employment in the informal sector from Labour Force Surveys

(Country Report – Sri Lanka)

by

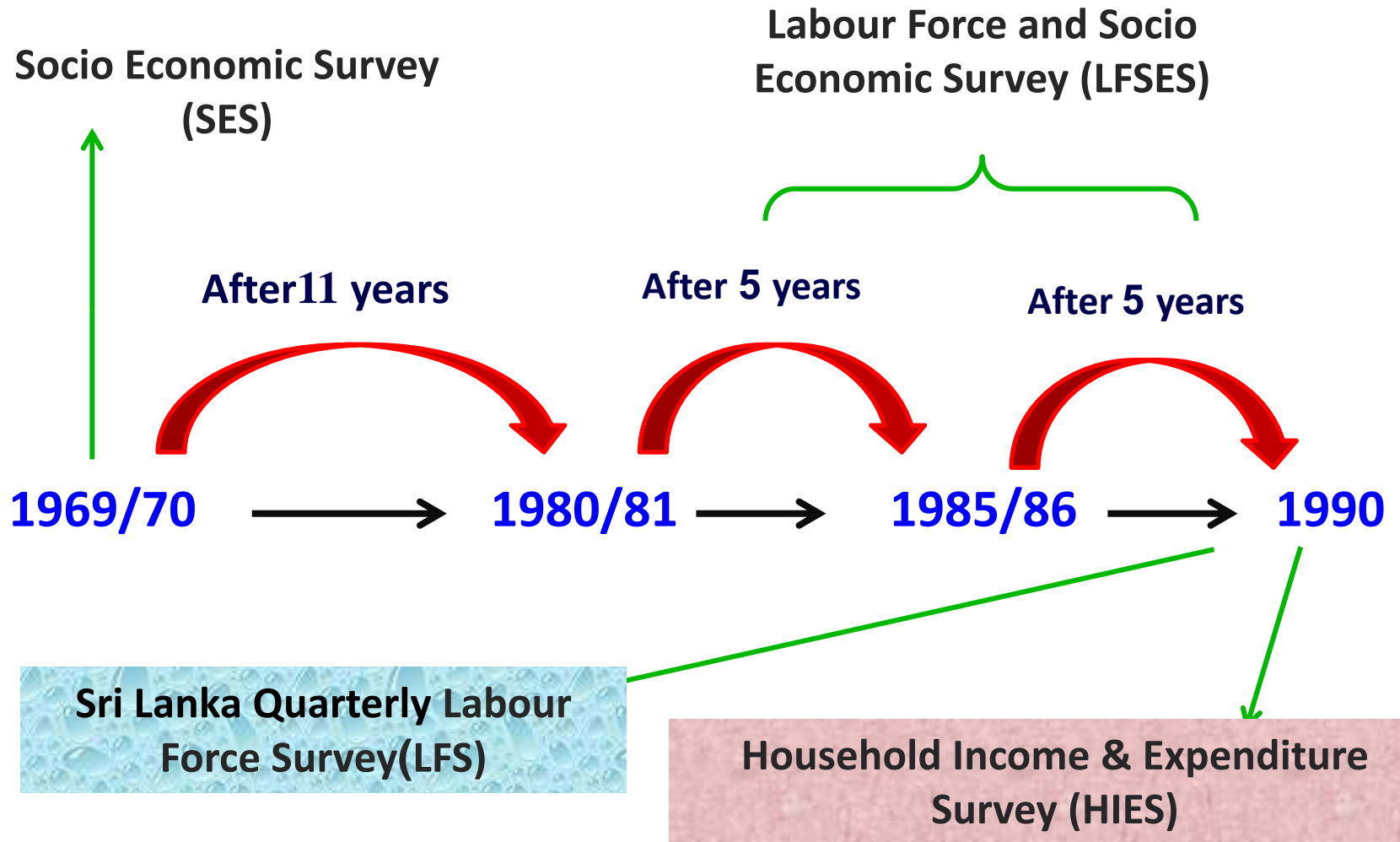
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Regional Course on Statistics on Informality: Informal economy, work and employment

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Household surveys before 1990



Sri Lanka Labour Force Survey

- *Labour force survey was started in 1990 and continued until today.*
- *Beginning in January 2006, some significant improvements were made to the labour force survey schedule focusing on*
 - *literacy*
 - *household economic activities*
 - *informal sector employment*
 - *underemployment*

This revised version had been continued until 2012.

- *In 2013, new improvements were done for the structure of this survey schedule. Some conceptual and classification changes were also incorporated.*

For example :

- ✓ *aged 15 and above population is considered as working age population.*
- ✓ *Several questions regarding the informal employment were also added.*

Coverage and methodology

- The survey covers whole country and conducts in all four quarters based on an annual sample of 25,000 housing units.
- Two stage stratified sampling procedure is adopted to select the sample of 25,000 housing units.
- The list of House Holds of Census of Population and Housing in 2011 was used as the sampling frame for this survey.

Coverage and methodologycontd.

- *Although the data were collected in each months the results were produced at quarterly and annually basis.*
- *Objectives are to provide information on*
 - *economically active, economically inactive & labour force of the country.*
 - *employment, unemployment, underemployment, informal sector employment & literacy.*

Quality of data is assured

- *Trained **permanent** staff is engaged in survey activities.*
- *Quality improvement methods are used at data coding ,entry and editing*
 - *Double data entry for data validation*
 - *Manual editing and computer editing (range, consistency and structural)*
 - *Unique guidelines for data cleaning*
 - *Use Standard code lists (SLSIC-Rev.4, SSCO-08)*
- *Frequent supervision*
 - *Head office*
 - *District office*
- *Current survey concepts and methods are very similar to those introduced at the beginning in 1990. Changes were done to enhance the quality of data and international comparability.*

Labour force key indicators

- Labour force participation rate
- Unemployment rate
- Employment rate
- Literacy rate

Country policies on the informal economy and status

- discussions on this are in progress

Informal Sector Employment

- Informal sector units are identified by using the Formal Sector definition. The establishment belongs to the formal sector, if it satisfies at least one of the following conditions.
 - (i) Registration under EPF Act/ Paying income tax
 - (ii) Accounts keeping practices of the organization
 - (iii) Total number of regular employees of the organization is greater than or equal to 10.Therefore if all of the above conditions are not satisfied it will be considered as an informal sector employment.

Existing data collection activities – Informal Sector

- Through the Labour Force survey schedule

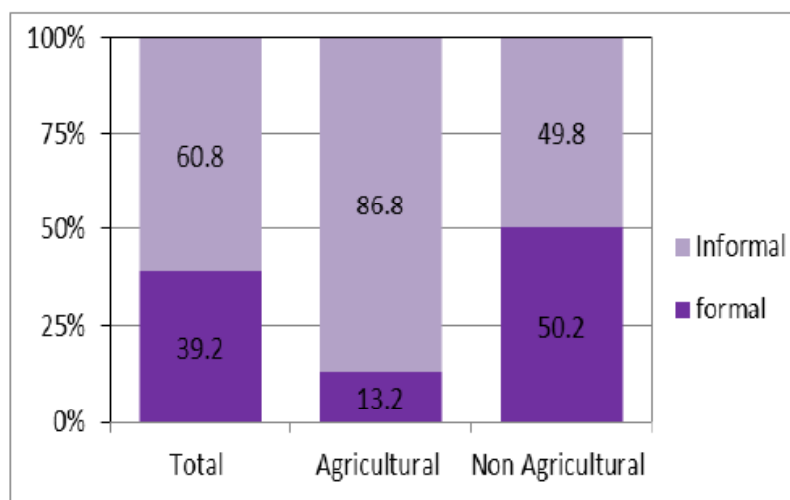
15. Is your institution of work/ your business or enterprise (agricultural/ non-agricultural) registered under employees provident fund or Inland Revenue Department ?	yes	1	
	No	2	
	Do not know	3	
16. How does your institution/business or enterprise (agricultural/ non-agricultural) Maintain account recording system?	1. Formal.....	1	
	2. In formal.....	2	
	3. No account recording system.....	3	
	4. Do not know.....	4	
17. What is the total number of regular employees, employed at your Institution?	1. Less than 5	1	→ Go to Q 20
	2. 5 to 9	2	
	3. 10 to 15	3	
	4. 16 to 49	4	
	5. 50 to 99	5	
	6. 100 or more	6	
	7. No paid employees/ regular employees	7	
	8. Working for household	8	

(For identifying the informal sector)

Other than this in 2013 several questions were being added for identifying the Informal Employment. Still in the testing stage.....

Contribution of the informal sector to the economy

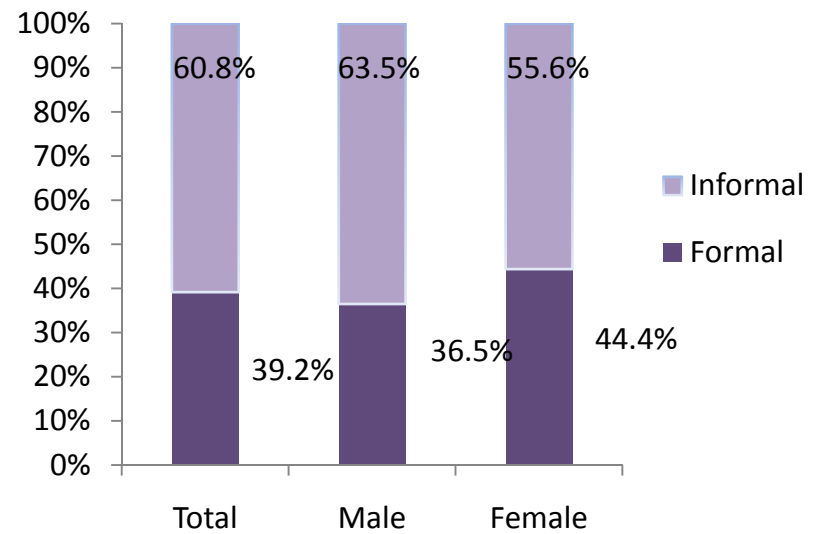
Contribution of Informal / Formal sector employment by economic sector - 2013



Informal / Formal sector		Economic Sector		
		Total	Agricultural	Non Agricultural
Total	No.	8,417,674	2,504,310	5,913,363
	%	100.0	100.0	100.0
Formal sector	No.	3,302,136	330,888	2,971,248
	%	39.2	13.2	50.2
Informal sector	No.	5,115,538	2,173,423	2,942,115
	%	60.8	86.8	49.8

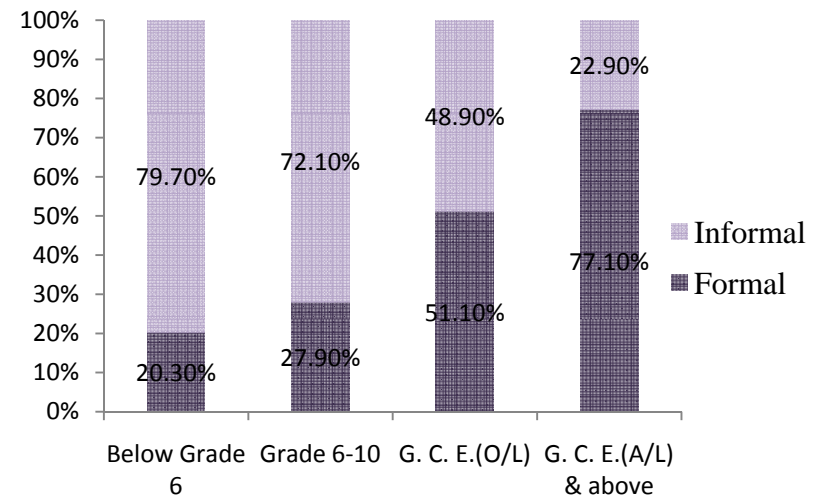
Contribution of Informal / Formal sector employment by gender- 2013

Gender	Total		Sector			
			Formal		Informal	
	No.	%	No.	%	No.	%
Total	8,417,674	100.0	3,302,136	39.2	5,115,538	60.8
Male	5,498,815	100.0	2,005,170	36.5	3,493,645	63.5
Female	2,918,859	100.0	1,296,966	44.4	1,621,893	55.6

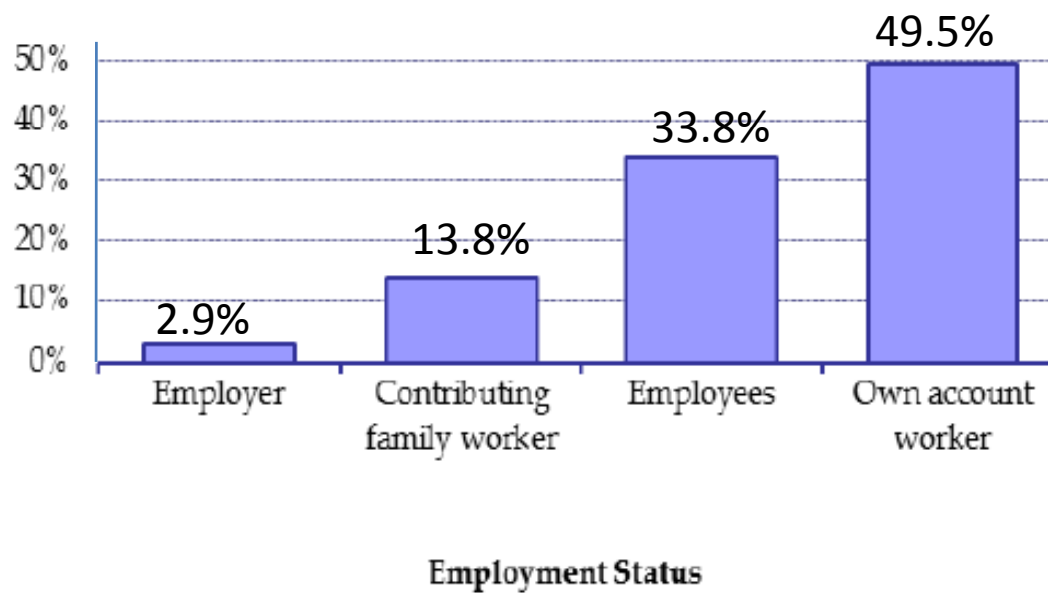


Contribution of Informal / Formal sector employment by level of education - 2013

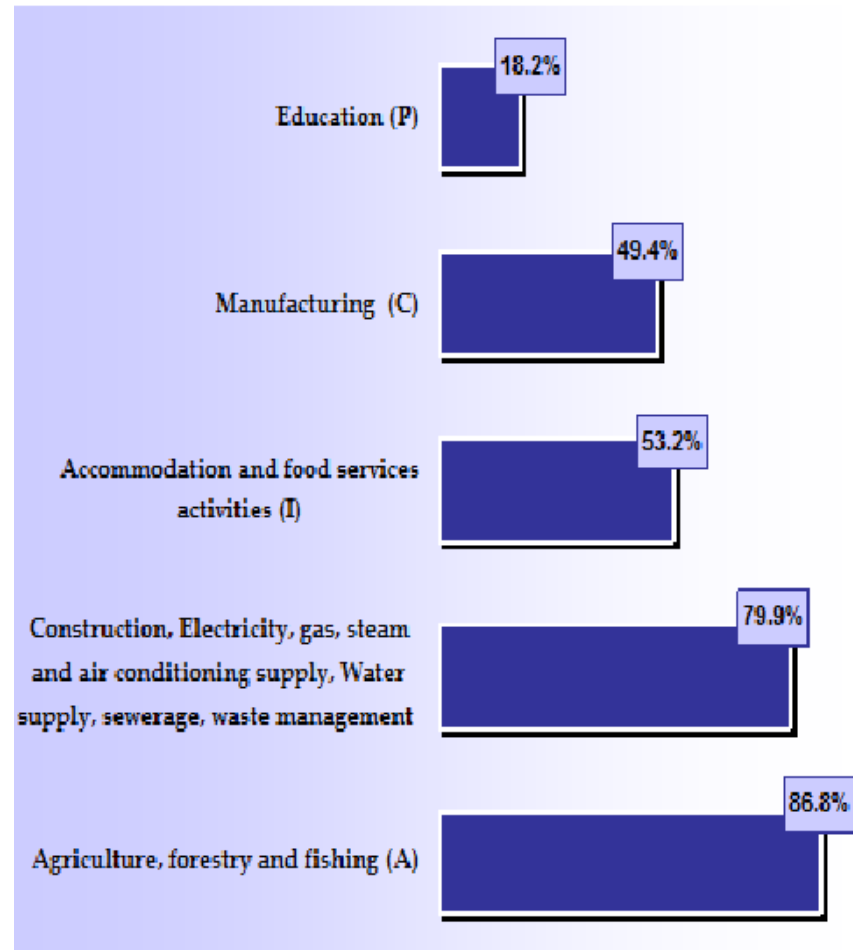
Level of Education	Total		Sector			
			Formal		Informal	
	No.	%	No.	%	No.	%
Total	8,417,674	100.0	3,302,136	39.2	5,115,538	60.8
Below Grade 6	1,505,562	100.0	304,921	20.3	1,200,641	79.7
Grade 6 - 10	4,025,625	100.0	1,122,967	27.9	2,902,658	72.1
G.C.E.(O/L)	1,347,557	100.0	688,450	51.1	659,107	48.9
G.C.E.(A/L) & above	1,538,930	100.0	1,185,798	77.1	353,132	22.9



Contribution of Informal sector employment for each employment status -2013



Distribution of informal sector employment by major industry group - 2013



Indicators of the informal economy

- Informal sector employment as a percentage of total employment (for the year 2013)

$$\frac{5,115,538}{8,417,674} \times 100 \rightarrow 60.8 \%$$

Issues

- Difficulties of meeting the correct respondent
- No record keeping (documentation)
- Difficulties of getting actual details
- Lack of awareness (about the enterprise, account keeping practices, etc.)

ANNEXES

- Sri Lanka Labour Force Survey – Survey Schedule

[SURVEY SCHEDULE](#)

- List of publications :

[PUBLICATIONS](#)

Thank You