

Recent trends in labour market in non-plantation sector in Sri Lanka

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The study intends to find out the recent changes in the labor market in non-plantation sector of Sri Lanka with special reference to factor mobility, labor migration and the impact of using new technology as labour saving methods. The overall objective of the study is to investigate the new trends of the labor market in terms of labor utilization, labor productivity and mobility within the domestic and global economic environment. More broadly, the study examines the demand and supply pattern of labour, productivity, efficiency, wage rates and labour displacements.

According to the findings of the study labour absorption in agriculture has registered a gradual drop indicating the adoption of farm mechanization as a labour saving method. The consequent labour displacements in this sphere have caused a change in the mobility of labour from the rural to the urban areas and overseas. They have also moved into the industrial and service sectors. The demand for labour is linked with such specific factors as experience, gender, and awareness of cultivation, efficiency, honesty and the age. However, the supply of labour is conditioned by the availability of family labour and shared labour. The wage rate, determined by such factors is favorably weighted towards the skilled labour rather than the unskilled. The labour productivity in crop production is relatively higher in irrigated areas than in rain-fed locations.

The study identified six issues to be addressed by the policy makers. Accordingly it suggests some policy recommendations for policy makers to be addressed from macro and micro policy perspectives. Training, capacity building and support services are the most important policy instruments recommended for reaching a win-win situation.

Key words: Labor utilization, Hired labor, Labor productivity, Labor displacement, Migration

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