SRI LANKA

EMPLOYMENT AND ENVIRONMENTAL SUSTAINABILITY FACT SHEETS 2019

The Employment and Environmental Sustainability Fact Sheets series provides key features of employment and environmental sustainability performance. Jobs that are green and decent are central to sustainable development and resource productivity. They respond to the global challenges of environmental protection, economic development and social inclusion. Such jobs create decent employment opportunities, enhance resource efficiency and build low-carbon, sustainable societies. The fact sheets include the most recently available data for selected indicators on employment and environmental sustainability: (i) employment in environmental sectors; (ii) skill levels; (iii) vulnerability of jobs; (iv) jobs in renewable energy; (v) scoring on the Environmental Performance Index; and (vi) air quality.

DEMOGRAPHICS

Sri Lanka[1] is an island nation in South Asia (Fig. 1). Its population is mostly rural and growing, with a fertility rate of 2 children and life expectancy of 75.7 years. Around 66 per cent of the population is of legal working age (15–64 years) (Fig. 2).
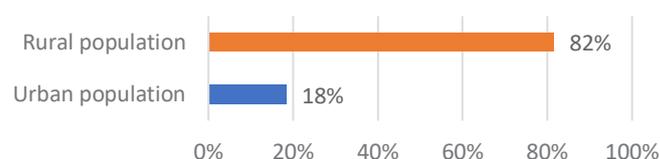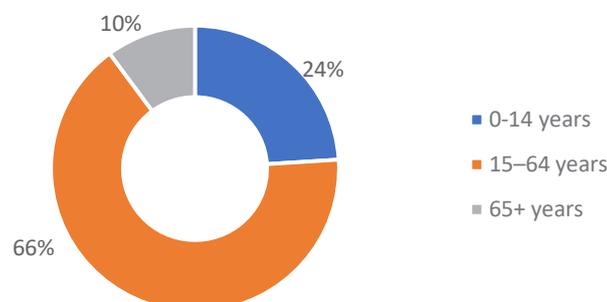
Figure 1. Map of Sri Lanka

Figure 2. Sri Lanka population statistics

Population:[2] 21.4 million

Population growth rate	Fertility rate	Life expectancy at birth
1.1%	**2 children**	**75.7 years**

Rural population 82%
Urban population 18%

Population age categories

10%
24%
66%

- 0-14 years
- 15–64 years
- 65+ years

Note: Data is for 2017, except fertility rate and life expectancy (2018 data).

Source: ILO compilation using World development indicators, last updated: 28/06/2018; http://databank.worldbank.org/data/reports.aspx?source=world-development-indicators# and UN ESCAP Statistics. http://data.unescap.org/escap_stat/ (accessed on 18 July 2018).

[1] Sri Lanka became a member of the International Labour Organization in 1948.
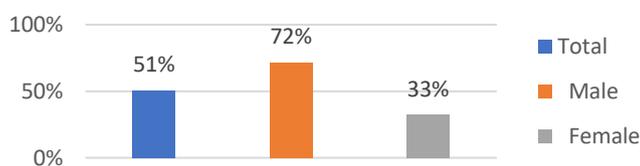[2] Population data based on 2017 data.
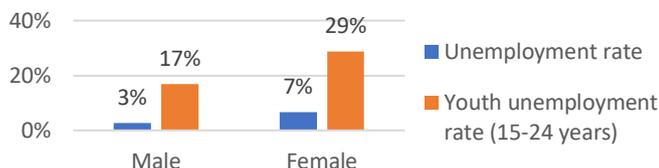
LABOUR FORCE

In 2018, the labour force participation rate was 53 per cent and the employment-to-population ratio was 51.1 per cent. Both these rates are more than 39 percentage points higher for men than for women. The total unemployment rate in 2018 was 4.1 per cent, and the youth unemployment rate was 20.9 per cent, with the female youth unemployment rate 12 percentage points higher than the male rate. The proportion of youths aged 15-24 years not in education, employment or training was 27.7 per cent in 2014.[3] Employment is heavily reliant on services, and on medium-skilled occupations (Fig. 3).

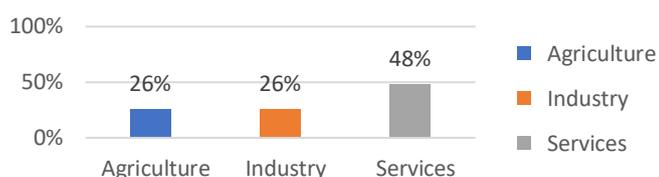### Figure 3. Basic employment statistics for Sri Lanka, 2018

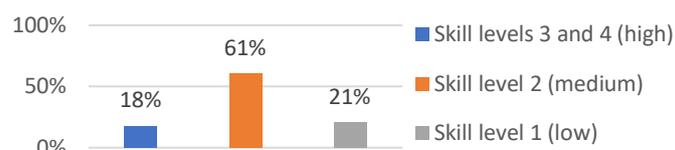**Employment-to-population, 2018 (15+ years)**

Unemployment, 2018

Employment by sector, 2018 (15+ years)

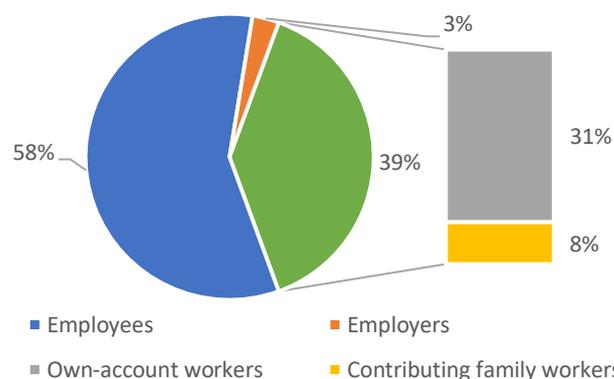**Employment by occupation, 2018**

Note: ILO estimates. Labour force participation rate and unemployment: aged 15 years and older. Youth unemployment: aged 15–24 years. Employment by occupation: skill level 1 (low) for elementary occupations; skill level 2 (medium) for clerical, service and sales workers, skilled agricultural and trade workers, plant machinists and assemblers; and skill levels 3 and 4 (high) for managers, professionals and technicians.

Source: ILO estimates and compilation using ILOSTAT, www.ilo.org/ilostat (accessed 18 July 2018).

Vulnerable employment in Sri Lanka as of 2018 accounted for 38.9 per cent of the labour force, with the majority of those workers having own-account status (Fig. 4). Own-account and contributing family workers are more likely to experience low job and income security than employees and employers, as well as lower coverage by social protection systems and employment regulation.
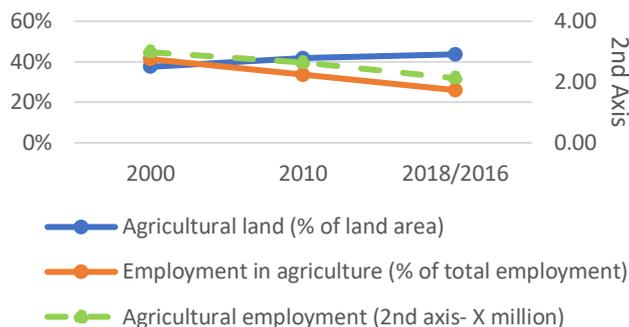
Figure 4. Vulnerable employment, 2018

Note: ILO estimates. Vulnerable employment includes own-account workers and contributing family workers from ILO status of employment data.

Source: ILO estimates and compilation using ILOSTAT, www.ilo.org/ilostat (accessed 18 July 2018).

Rural population growth was 1.04 per cent in 2017. The share of agricultural land in total land area increased by 6 percentage points between 2000 and 2016, while agricultural employment decreased from 3 million to 2.1 million people. The share of agricultural employment within total employment fell by approximately 15 percentage points due to much faster job creation in other sectors (Fig. 5).

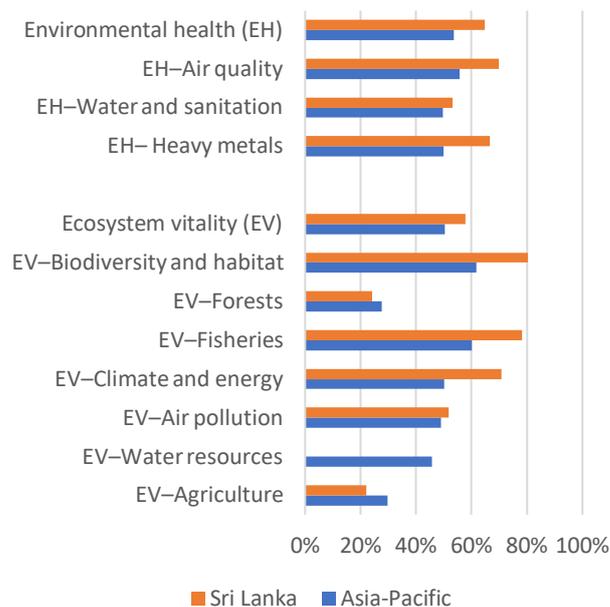## Figure 5. Agricultural land and agricultural employment, 2000-2018

Note: The latest data for agricultural land is from 2016 and other data is from 2018.

Source: ILO compilation using World development indicators, last updated: 28/06/2018; http://databank.worldbank.org/data/reports.aspx?source=world-development-indicators# (accessed on 20 July 2018).

ENVIRONMENTAL ISSUES

Sri Lanka ranks at number 70 of 180 countries in the Environmental Performance Index (EPI),[4] with a score of 60.61 (with 0 being furthest from the high-performance benchmark target of 100). Sri Lanka outperforms the average score for Asia and the Pacific (Fig. 6) in most of the EPI categories, including air quality, water and sanitation, heavy metals, fisheries, air pollution, climate and energy, and biodiversity and habitat). However, there is room for improvement, especially in ecosystem vitality (in forests, water resources and agriculture). Action to address climate change and improve environmental health, ecosystem vitality and resilience to weather disasters all have the potential to provide job creation, green economy growth and innovation in Sri Lanka.

Figure 6. Environmental performance index for Sri Lanka, 2018

Note: Score 0 (worst) –100 (best). Asia-Pacific: data is for ILO member states in the region, excluding Cook Islands, Marshall Islands, Palau and Tuvalu.
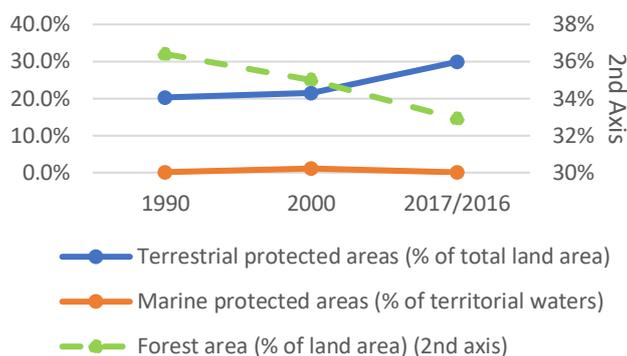
Source: ILO compilation using "2018 EPI Scores – Current". EPI Yale.

Forest area increased between 1990 and 2016, to approximately 33 per cent of total land area. From 1990 to 2017, the share of terrestrial protected area increased, reaching 29.9 per cent of total land area. The proportion of marine protected area first increased slightly and then decreased by 1.03 per cent (Fig. 7). There will be greater prospects for employment opportunities if there is a commitment to transition to a low carbon and resource-efficient economy, such as jobs in resource management and environmental services.[5]

[4] Yale Center for Environmental Law and Policy / Center for International Earth Science Information Network at Columbia University. "2018 EPI Scores – Current". EPI Yale. Retrieved 14-06-2018. Available: https"//epi.envirocenter.yale.edu
[5] Organisation for Economic Co-operation and Development: The jobs potential of a shift towards a low-carbon economy, OECD Green Growth Papers, No. 2012/01 (Paris, 2012); http://dx.doi.org/10.1787/5k9h3630320v-en.

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Work   International Labour Organization

Figure 7. Forest area, terrestrial and marine protection area, 1990-2017

- Terrestrial protected areas (% of total land area)
- Marine protected areas (% of territorial waters)
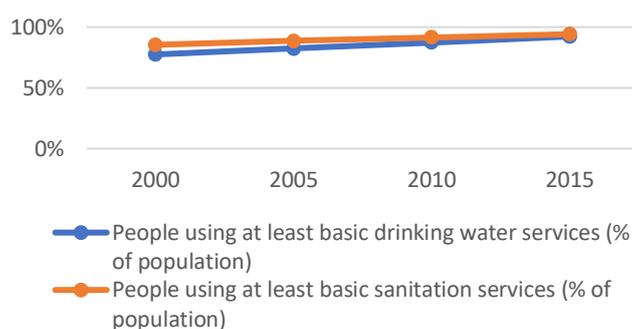- Forest area (% of land area) (2nd axis)

Note: The latest data for forest area is from 2016 and other data is from 2017.

Source: ILO compilation using World development indicators, last updated: 28/06/2018; http://databank.worldbank.org/data/reports.aspx?source=world-development-indicators# (accessed on 19 February 2019).

Since 2000, there has been a gradual increase in access to basic drinking water, to an average of 92.3 per cent in 2015, and an increase in access to basic sanitation, to an average of 94.2 per cent in 2015 (Fig. 8). Both are still below the ideal threshold of 100 per cent. Only 0.3 per cent of the labour force was employed in water supply, sewerage, waste management and remediation activities in 2017 (Fig. 13). Improvement in water supply and sanitation access could provide decent job opportunities in the future.

Figure 8. Basic drinking water and sanitation access, 2000-2015

- People using at least basic drinking water services (% of population)
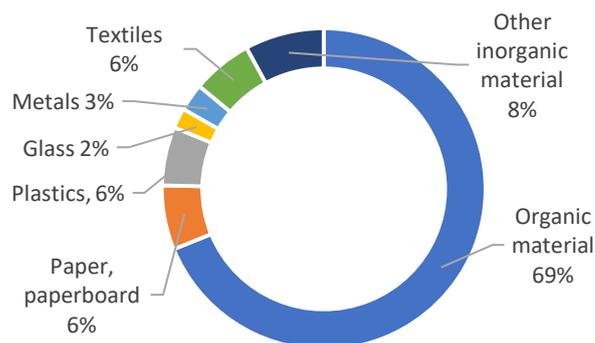- People using at least basic sanitation services (% of population)

Source: ILO compilation using World development indicators, last updated: 21/05/2018; http://databank.worldbank.org/data/reports.aspx?source=world-development-indicators# (accessed on 25-06-2018).

Growth of the urban population in Sri Lanka has meant an increase in solid waste. Waste collection varies between the inner cities and the country's outer urban areas. According to the World Bank, municipal solid waste generation in Sri Lanka in 2004 was 5.1

kilograms per capita per day and is expected to decrease to 4 kilograms per capita per day by 2025.[6] The majority of the waste in 2004 was organic (69 per cent), followed by inorganic material (8 per cent) (Fig. 9). The much-needed implementation of a municipal waste management system for collection, safe and sustainable disposal, recycling and composting practices could create more green jobs that help the environment and general health.

Figure 9. Waste composition, 2004

Note: Data for glass and metal waste composition is not available.

Source: ILO compilation using UNSD-Environment statistics (released on 30 April 2018; https://unstats.un.org/unsd/envstats/qindicators.cshtml) (accessed on 20 July 2018).

AIR QUALITY

The carbon dioxide (CO_2) emission levels for Sri Lanka have increased gradually by an average of 7 per cent from 1990 to 2014 (Fig. 10).[7] The increase was due to the following major sources: energy sector (40%); waste (28%); land use change and forestry (15%); and agriculture (14%) sectors. Industrial processes contributed the least (3%). Energy sector emissions consist of transportation (39%), electricity and heat (28%), other fuel combustion (27%), and manufacturing and construction (5%).[8] The level of emissions is significantly lower than the Asia-Pacific and the ASEAN averages.

The $PM_{2.5}$ (atmospheric particulate matter with a diameter of less than 2.5 micrometres) emission levels for Sri Lanka showed the highest levels in 2000 (Fig. 11). Overall $PM_{2.5}$ emission levels exceeded the World Health Organization's Air Quality Guideline threshold level, thus indicating high emissions. Sri Lanka also shows higher levels of emission than the ASEAN and
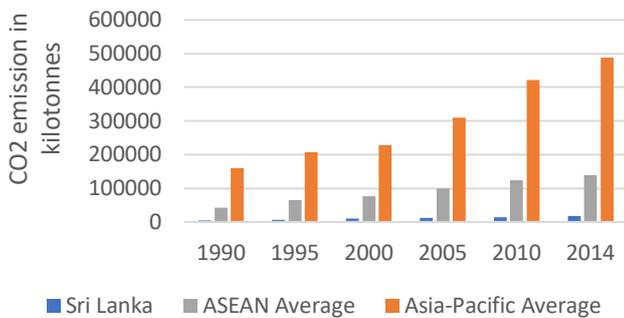
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[6] World Bank: What a waste: A global review of solid waste management (Washington, DC, 2012).
[7] The value is calculated on the basis of CAGR (compound annual growth rate)
[8] Greenhouse gas emissions in Sri Lanka, USAID https://www.climatelinks.org/sites/default/files/asset/document/Sri%20Lanka%20Fact%20Sheet%20-%20rev%2010%2012%2016_Final_0.pdf

Asia-Pacific averages, except in 2016 when the Asia-Pacific average was higher. Soil, aged sea salt, vehicular emissions, biomass burning, and industrial sources are the sources of $PM_{2.5}$ emissions in Sri Lanka.[9]
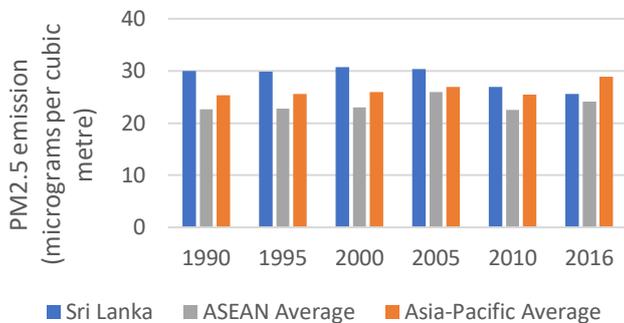
Figure 10. CO_2 emissions for Sri Lanka, 1990-2014

Note: Data for ASEAN and Asia-Pacific are the average of all the ILO member states of the regions. Asia-Pacific: data excludes Cook Islands, Timor-Leste (1990, 1995, 2000).

Source: ILO compilation using World Bank indicators; https://data.worldbank.org/indicator/EN.ATM.PM25.MC.M3?view=chart (accessed on 04-07-2018)

Figure 11. $PM_{2.5}$ emissions for Sri Lanka, 1990-2016

Note: Data for ASEAN and Asia-Pacific are the average of all the ILO member states of the regions. Asia-Pacific: data excludes Cook Islands, Palau and Tuvalu.

Source: ILO compilation using World Bank indicators; https://data.worldbank.org/indicator/EN.ATM.PM25.MC.M3?view=chart (accessed on 04-07-2018).

Applying the Just Transition Guidelines, an area of possible intervention includes efforts to reduce harmful emissions, which could potentially generate green jobs in high emitting sectors such as transportation and fuel-intensive industries. Reducing emissions is a
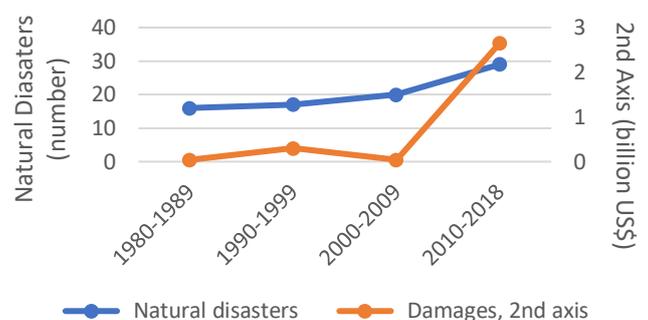
significant challenge, which can be achieved not only by mitigation methods but also by adapting to, and coping with, the changes required by the transition to a low-carbon economy.

CLIMATE CHANGE IMPACTS

According to the *World Risk Report,*[10] Sri Lanka has a high World Risk Index score. It ranks number 63 of 171 countries because of its high exposure to natural hazards and limited institutional capacity to cope and adapt. Part of the country's vulnerability relates to the 3 per cent of the total population who, in 2010, lived in the 2.1 per cent of the total land area below 5 metres above sea level.[11]

According to the *Emergency Events Database,*[12] there was a gradual increase in natural disasters[13] and a sharp increase in the associated damage costs between 2009 and 2018 (Fig. 12). The natural disasters in that time were mostly droughts, floods, storms and landslides. Damage costs have increased significantly since 2009. Developing preventative measures to limit infrastructure and property damage and increase institutional capacity to respond to climate events, particularly for small businesses, can be a source of decent job creation while building resilience.

Figure 12. Natural disaster occurrence and damage costs in Sri Lanka

Note: Natural events include climatological, hydrological and meteorological disasters.

Source: EM-DAT: The emergency events database - Universite catholique de Louvain (UCL) - CRED, D. Guha-Sapir - www.emdat.be, Brussels, Belgium. Data accessed on: 20 July 2018.

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[9] Identification of sources of fine particulate matter in Kandy, Sri Lanka http://www.aaqr.org/article/detail/AAQR-16-03-2015AAC-0123
[10] Bündnis Entwicklung Hilft and United Nations University – EHS (2017) World Risk Report 2017, available at: http://weltrisikobericht.de/english/
[11] World development indicators. http://databank.worldbank.org/data/reports.aspx?source=world-development-indicators# (accessed on 7 August 2018).
[12] EM-DAT: The emergency events database - Universite catholique de Louvain (UCL) - CRED, D. Guha-Sapir - www.emdat.be, Brussels, Belgium. Data accessed on: 20 July 2018.
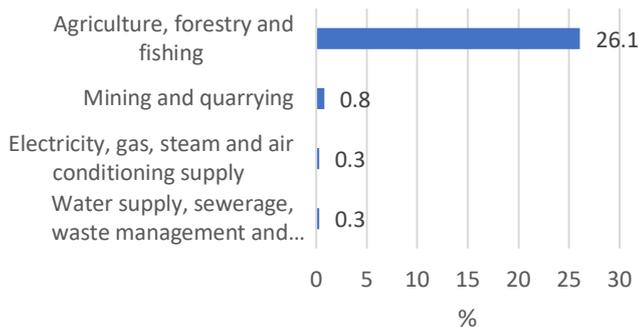[13] Climatological, hydrological and meteorological disasters.

GREEN JOBS POTENTIAL

In 2017, 26.1 per cent of total employment was in the agriculture, forestry and fishing sector (Fig. 13).

Although reliance on agriculture is significant, there are opportunities for job creation in sustainable production and organic farming.

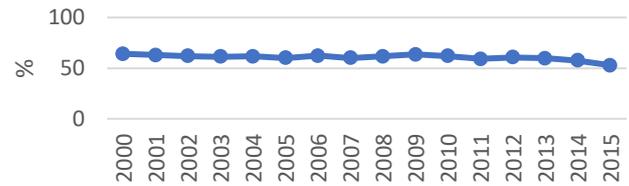### Figure 13. Employment in sectors with strong green jobs potential in 2017

Note: These sectors have the most potential for green job opportunities. Employment by selected 1-digit sector level (ISIC - Rev. 4, 2008)

Source: ILO estimates and compilation using ILOSTAT, www.ilo.org/ilostat (accessed 18 July 2018).

In 2016, approximately 26 per cent of the population relied primarily on clean fuel and technology, in the sense that these do not create pollution within the home.[14] The share of renewable energy in total energy consumption has not kept pace with overall consumption. In 2000, it was 64.16 per cent but fell below 62 per cent in 2010 and, after some fluctuation, reached 52.88 per cent in 2015 (Fig. 14).Renewable energy electricity generation has decreased over the last 6 years, with hydropower being the main renewable energy source in 2016 (Fig. 15).

The country's employment rate in electricity, gas, steam and air conditioning was only 0.3 per cent in 2017 (Fig. 13). With the push for increasing reliance on renewable energy, there is the potential for decent job opportunities in the future.
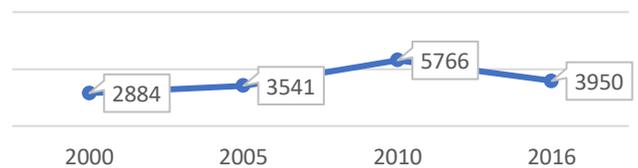
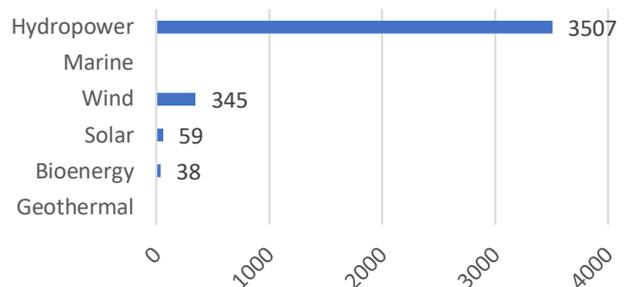### Figure 14. Renewable energy share in total energy consumption, 2000-15

Source: ILO compilation using United Nations statistics division. SDG indicators: Global database. Available at: https://unstats.un.org/sdgs/indicators/database/ (accessed on 19 July 2018).

Figure 15. Renewable energy electricity generation, 2012-2016

Total renewable energy electricity generation (gigawatt hours - GWh)

Renewable energy electricity generation (GWh) in 2016, by technology

Source: ILO compilation using source: IRENA (2018); Renewable electricity capacity and generation statistics, June 2018. Available at: http://resourceirena.irena.org

Better data collection relating to the green economy and the environmental sector would be very valuable for policy-makers in Asia-Pacific countries. In particular, better data on green and decent jobs is needed to assess the impact of climate change and climate-related policies on social inclusion. Without better data, it will be difficult to determine what policy changes are needed to ensure a just transition to environmental sustainability and to monitor progress going forward.

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[14] The proportion of the population with primary reliance on clean fuels and technology is calculated as the number of people using clean fuels and technologies for cooking, heating and lighting divided by the total population reporting any cooking, heating or lighting, expressed as a percentage. "Clean" is defined by the emission rate targets and specific fuel recommendations (against unprocessed coal and kerosene) included in the normative World Health Organization guidelines for indoor air quality; see the data for household fuel combustion, https://unstats.un.org/sdgs/metadata/files/Metadata-07-01-02.pdf.

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