

Role of Export Processing Zones as generators of employment opportunities in Sri Lanka: a case study in Wathupitiwala Export Processing Zone

WVW Geethika Waniganeththi¹

Export Processing Zones (EPZ) are a major development strategy which introduced after 1977 under the open economy system in Sri Lanka. as a relief to high unemployment rate prevailed at that time. More than 6.29% of the labor force of Sri Lanka has absorbed into Export Processing Zones by 2007.

Wathupitiwala Export Processing Zone is located at Attanagalla Divisional Secretariat Division (DSD). It was one of the decentralized investment approach of Board of Investment in Sri Lanka. Attanagalla DSD is an agricultural area, though due to low man – land ratio and increasing cost of agricultural production, eventually people were led to non - agricultural sector employment. Specially educated youth who entered to the labor market annually need employment in non agriculture sector. Wathupitiwala EPZ was one of the solutions of this issue. The objective of this study was to examine the contribution made by the Wathupitiwala EPZ as a source of generator Employment opportunities in Attanagalla DSD. The methodology was random sampling and data were collected through questionnaires, interviews and observations.

Wathupitiwala EPZ generated direct and indirect employment opportunities for the local labor force. It also provides employment opportunities to migrants form other part of the country. This helped to reduce labor migration of women to Middle East countries. The EPZ has improved the living standards of local community around the zone. As negative impact of this Zone, employee suffered from socio-physical problems faced by employees as well as the shortage of labor to agricultural sectors are some of the unfavorable impacts of the EPZ. It can be said that Export Processing Zones play a major role as a source of employment opportunities and in reducing the unemployment in Sri Lanka.

Key words: Export Processing Zones, Open economy, Investment, Employment, Labor force

¹ Department of Geography, University of Kelaniya, Sri Lanka