

IMPACT OF PUBLIC SERVICE EMPLOYMENT ON ECONOMIC GROWTH IN SRI LANKA

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The public service personnel comprise persons employed by public authorities at central, regional, and local levels and include both civil servants and public employees. 15% of the total employment in Sri Lanka is employed in the public sector. These employees were engaged in the economic activities of both industry and service sectors, thereby contributing to the country's gross domestic product (GDP). Accordingly, the main objective of this study is to investigate the impact of public service employment on economic growth in Sri Lanka and examine whether public service is sufficient for Sri Lanka's economic growth. This study used secondary data from 2000 to 2022. The data analysis has been done to identify the relationship between public service employment and economic growth in Sri Lanka and the contribution of the public sector to the gross domestic product as well as the government expenditure of the government employees as well and the calculation of the productivity of the public employment. Empirical and descriptive analysis was used to analyze data using SPSS and Excel software. Productivity Although the service sector contributes more than 25% to the overall productivity, the productivity of the public sector which is a sub-sector is very low. A trend of decreasing productivity in the public sector has been shown by 2022. This can be concluded from the low efficiency of the public sector compared to other sectors and the excess services in that sector employment. Also, the government spends a lot of money annually on the government employees to pay salaries and wages and it gradually increased. Implementation of programs to increase public employment and productivity by cutting excess employment or using that employment productively can be transformed into a sector that contributes more to economic growth.

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