

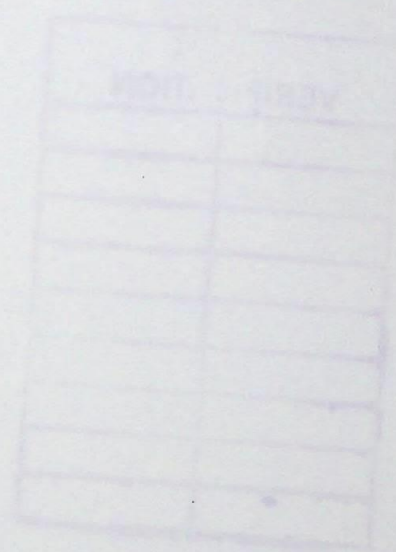
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**MOONLIGHTING:
AN ECONOMIC ANALYSIS OF SECONDARY
JOB HOLDING IN SRI LANKA**



G.R.S.R.C. SAMARAWEERA

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Department of Economics

University of Colombo

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ABSTRACT

This study focuses on the economic analysis of secondary job holding (moonlighting) in Sri Lanka. Holding two or more jobs by one individual is called moonlighting. Moonlighting has been increasing in Sri Lanka for the last decade. The main objective of this study is to identify the factors and impacts associated with moonlighting in Sri Lanka in order to provide support for appropriate labour market policy formulation. Analysing the composition and the patterns of moonlighting and identifying macro and micro factors and impacts associated with moonlighting are the specific objectives of the research.

The study has used secondary data from the Quarterly Labour Force Surveys conducted by the Department of Census and Statistics and other macro data from the Central Bank of Sri Lanka. Macro analysis of the Study has used data from 1996 to 2010 with tools such as the aggregate logit models, ordinary least square regression models, vector auto regressive model based on time series data and panel data regression models. The micro factors associated with moonlighting have been based on data from the QLFS, 2010. The Probit model has been used to study moonlighting determinants while semilog regression model has been used to identify the determinants of the number of hours of moonlighting. Micro economic impacts of moonlighting on economic wellbeing have been analysed using QLFS data from 2008 to 2010 with Mincerian earning functions and switching regression model.

The study has revealed that moonlighting is largely a rural phenomenon and is prominent in agro based districts of Sri Lanka. Underemployment growth ('hours-constraints' motive), vulnerable rate of employment, past experience of inflation rates and unemployment growth (financial motive) have been identified as the key macro factors associated with moonlighting. Moonlighting has a significant positive impact on the economic growth while the impact of moonlighting on productivity growth is insignificant. Supply side factors including age, gender, marital status, ethnicity, child dependency ratio, family structure, underemployment in primary job and work sectors along with demand side factors including residential sector and Province as well as interactive factors of demand and supply such as the occupation sector of workers are the key micro economic factors associated with moonlighting behaviour of workers. When micro impacts of moonlighting are taken into consideration, the study found that moonlighting results in long working hours leading to negative socio and health implications. Moonlighting has been identified as an optimal decision-making factor for both moonlighters and non-moonlighters in relation to earnings. Moonlighting causes increased ethnic and residential disparities of earnings which cause reduced social welfare. It further leads to reduced gender specific wage disparities. Finally, the policy suggestions on moonlighting are mainly divided into two in terms of national and firm specific policy marking. Moonlighting could be promoted as a poverty reduction and pro growth policy strategy at the macro level while moonlighting of workers creates new challenges for the human resource management policies of the firms.