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2nd UNDERGRADUATE RESEARCH SYMPOSIUM ON BUSINESS ECONOMICS (URSBE)

THE INVISIBLE HAND IN A DIGITAL WORLD

ORGANIZED BY ECON CLUB

ON 9th OF JULY 2026

DEPARTMENT OF BUSINESS ECONOMICS
FACULTY OF BUSINESS STUDIES
UNIVERSITY OF VAVUNIYA

UNDERGRADUATE RESEARCH SYMPOSIUM ON BUSINESS ECONOMICS URSBE-2026

“THE INVISIBLE HAND IN A DIGITAL WORLD”

09th OF JULY 2026

DEPARTMENT OF BUSINESS ECONOMICS
FACULTY OF BUSINESS STUDIES
UNIVERSITY OF VAVUNIYA
SRI LANKA

Disclaimer

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Message from the Vice Chancellor

It is with immense pride and heartfelt appreciation that I extend my warmest greetings to all participants of the Undergraduate Research Symposium on Business Economics - 2026 (URSBE 2026), organized by the Department of Business Economics, Faculty of Business Studies, University of Vavuniya.

This year's theme "The Invisible Hand in a Digital World" highlights the critical role of young minds in shaping the trajectory of our nation's development. At a time when Sri Lanka faces both economic challenges and opportunities, it is truly inspiring to witness our undergraduates stepping forward with research-driven ideas, fresh perspectives, and innovative solutions.

URSBE 2026 provides an invaluable platform for students to present their scholarly work, engage in critical dialogue, and contribute meaningfully to the discourse on economic transformation. Beyond their academic efforts, I am particularly pleased to see the remarkable enthusiasm and commitment of our students toward extracurricular involvement balancing academic excellence with leadership, teamwork, and creativity. These well-rounded qualities are essential for building responsible and forward-thinking graduates.

I commend the Department of Business Economics and all members of the organizing committee for their dedication and vision in making this symposium a reality. I also extend my warmest congratulations to the students whose work is being showcased. Your active engagement in both academic and co-curricular spheres is a testament to your potential to lead change. I am confident that this symposium will serve as a source of inspiration and critical reflection, empowering you to make meaningful contributions to Sri Lanka's economic future.

Senior Professor A. Atputharajah,
Vice Chancellor,
University of Vavuniya,
Sri Lanka.

Message from the Dean

It is with great pleasure that I extend my warmest greetings and heartfelt congratulations to the organizers, presenters, authors, and participants of the 2nd Undergraduate Research Symposium on Business Economics (URSBE 2026), organized by the Department of Business Economics, Faculty of Business Studies, University of Vavuniya.

The organization of URSBE 2026 reflects the faculty's continued commitment to fostering a vibrant research culture among undergraduate students. This symposium provides an excellent platform for students to present their research, engage in academic discussions, receive constructive feedback, and develop the confidence and skills essential for their future academic and professional careers. It also promotes collaboration and knowledge sharing within the university and beyond.

The theme of this year's symposium, "The Invisible Hand in a Digital World," is both timely and significant. As economies and businesses continue to evolve through rapid technological advancement and digital transformation, this theme encourages students to critically examine emerging economic challenges and propose innovative, evidence-based solutions that contribute to sustainable national and global development.

The symposium covers diverse research areas, including Trade, Tourism and Regional Development; Environmental and Sustainable Development; Agriculture, Food Security and Socio-Economic Behavior; Public Finance and Governance; Entrepreneurship and Innovation; and Labor Markets and Human Capital. These thematic tracks highlight the multidisciplinary nature of business economics and encourage meaningful scholarly discussions on issues of national and global importance.

I sincerely commend the Department of Business Economics, the Conference Chair, the organizing committee, academic staff, reviewers, and student volunteers for their dedication, professionalism, and collaborative efforts in making this symposium a success. My heartfelt congratulations are also extended to all student authors and presenters whose enthusiasm, commitment, and research excellence have made URSBE 2026 possible.

Ms. Janaki Samuel Thevaruban
Dean,
Faculty of Business Studies,
University of Vavuniya,
Sri Lanka.

Message from the Head of Department

It is with great pleasure that I extend my warm greetings to all participants, presenters, reviewers, academic staff, and distinguished guests attending the 2nd Undergraduate Research Symposium on Business Economics (URSBE 2026), organized by the Department of Business Economics, Faculty of Business Studies, University of Vavuniya.

This year's theme, "The Invisible Hand in a Digital World," captures the evolving landscape of economics in an era driven by digital innovation, technological advancement, and global interconnectedness. As economies continue to transform, it is essential that young scholars critically examine emerging challenges and opportunities through rigorous research and evidence-based analysis.

URSBE 2026 reflects the Department's commitment to fostering a vibrant research culture among undergraduate students by providing a platform to present original research, exchange ideas, and engage in meaningful academic discussions. Such initiatives play a vital role in developing analytical thinking, problem-solving skills, and research competencies that are essential for future economists, business professionals, policymakers, and academics.

I sincerely appreciate the dedication and hard work of the organizing committee, academic reviewers, and staff members, whose collective efforts have made this symposium possible. I also congratulate all student researchers on their enthusiasm, commitment, and valuable contributions to advancing knowledge in the field of Business Economics.

I am confident that the proceedings of URSBE 2026 will serve as a valuable academic resource, promoting further research, collaboration, and innovation within the academic community. I wish the symposium every success and hope it will provide an inspiring, intellectually enriching, and rewarding experience for all participants.

Mr. Chandrasegaran Larojan
Head,
Department of Business Economics,
Faculty of Business Studies,
University of Vavuniya,
Sri Lanka.

Message from the Chief Editor – URSBE 2026

It is with great pleasure that I welcome you to the 2nd Undergraduate Research Symposium on Business Economics (URSBE 2026) and present the official proceedings of this symposium. On behalf of the Editorial Committee, I extend my sincere appreciation to all authors, reviewers, academic staff, and the organizing committee for their invaluable contributions in making this publication a reality.

The theme of this year's symposium, "The Invisible Hand in a Digital World," reflects the rapidly evolving economic landscape shaped by digital innovation and technological advancement. The research papers presented in these proceedings demonstrate the creativity, analytical thinking, and scholarly commitment of our undergraduate researchers in addressing contemporary business and economic challenges.

This proceedings volume represents the collective efforts of many individuals dedicated to promoting academic excellence and fostering a strong research culture within the Department of Business Economics. I sincerely thank the reviewers for their constructive evaluations, which have ensured the quality and academic integrity of the published papers. My appreciation also goes to the organizing committee for their unwavering commitment and teamwork throughout the symposium.

I hope this proceedings book will serve as a valuable resource for students, academics, researchers, and practitioners, inspiring further inquiry and innovation in the field of Business Economics. I congratulate all authors for their successful contributions and wish every success to URSBE 2026**.**

Ms. Paulina Mary Godwin Phillip,
Chief Editor – URSBE 2026 Proceedings,
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Message from the Convener

I am deeply privileged and honored to issue this message as the Student Convener of the 2nd Undergraduate Research Symposium on Business Economics (URSBE 2026), organized by the Department of Business Economics, Faculty of Business Studies, University of Vavuniya.

Held under the unique theme of "The Invisible Hand in a Digital World", this symposium continues to serve as a pivotal academic forum for undergraduate students to explore, analyze and present research that can have an impact on finding solutions to the country's pressing economic challenges. The symposium highlights the important role that young researchers play in reinterpreting traditional economic concepts, shaping academic discussions and contributing to national progress through innovative technology-based solutions in the face of rapid technological advancement.

I was greatly encouraged by the enthusiasm and commitment of all the young researchers who presented their research on how digital transformation is impacting global and local economies. Their contributions demonstrate a high academic standard and creative exploration. I extend my sincere gratitude to our keynote speaker, the Reviewers, the Editorial Board and the Organizing Committee for their untiring commitment and invaluable contributions to the success of this conference. Special thanks go to our Head of Department and lecturers who have provided us with continuous mentorship and unflagging support throughout this journey. I also appreciate the valuable support provided by our institutional and academic partners.

As the Convener, I am confident that URSBE 2026 will not only enable knowledge sharing but also foster long-term academic and professional collaborations among students, scholars, and industry stakeholders navigating these digital frontiers. I invite everyone to actively participate and constructively contribute to the research presented and utilize this platform to create positive change.

Mr.W.G. Kawindu Lakshan,
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Keynote Message

The Intangible Edge: Cracking the Code of Algorithmic Markets: Will You Be Governed by the Algorithm or by the Strategist Who Cracks It?

Dr. A.V.K. Madhavi

Dear students, take a moment to look at the world we're living in today. We're living in a time that's deeply interconnected, yet it's also the most intellectually distracted era we've ever seen. Every day, billions of people log into this massive global infrastructure. They spend hours scrolling, double-tapping, consuming content, and simply reacting to what's inside it. If you're a casual observer or someone lurking in the background, the whole digital setup looks like a playground. It feels like an entertainment complex built to grab your attention and make money off your boredom. But that's not who you are. You're not just casual observers or lurkers. You are the economists, the strategists, and the business researchers in the digital room. And your very first job as intellectuals is to look right through this illusion.

The truth is, the digital ecosystem isn't some entertainment parlor. It is the most sophisticated, volatile, and high-stakes laboratory human beings have ever built. Think of it as a living, breathing library that holds the sum of human behavior, all recorded in real time through trillions of data points. When regular people look at an algorithmic marketplace, whether it's a social media recommendation engine, a dynamic pricing model, or the high-frequency trading desks at global financial hubs, they see only convenience. They think it's magic. But your job is different. Your job is to see the math, understand the mechanics, and uncover the underlying economic incentives that drive it all.

That brings us to "The Intangible Edge." What does that concept really mean? Today, we're going to figure out what that edge truly is. We are in an era where raw computational power is essentially a commodity and data are practically infinite, meaning the winning edge no longer belongs to those who simply have information. It belongs to the specific thinkers who have the critical strategy needed to crack the code of these algorithmic markets.

To figure out how to win in the digital economy, we have to start by calling it what it really is. We've moved well beyond the traditional market economy and into an algorithmic market economy. In classical economics, we all studied Adam Smith's "invisible hand," the behind-the-scenes market force that nudges supply and demand into equilibrium on its own. Today, that invisible hand has been rewritten as lines of code. It's an automated hand now, steered by machine learning, predictive analytics, and massive data pools.

Just look at how value gets created these days. The most dominant economic players on the planet don't own physical infrastructure the way the old 20th-century industrial titans did.

Instead, they own platforms. They own code. They own the intangible stuff. Back in the industrial era, tangible capital like factories, heavy machinery, and real estate drove growth through physical expansion, and those assets naturally wore down and depreciated over time. In our digital setup, intangible capital, such as algorithms, network effects, and data repositories, can be replicated at zero marginal cost. And instead of losing value, these data assets appreciate because of continuous feedback loops.

In this environment, markets don't sleep, and they definitely don't wait for humans to deliberate. Prices shift in milliseconds. Consumer preferences aren't just discovered anymore; they are actively manufactured by predictive algorithms before a person even realizes they want something. This brings us to a major wake-up call for business and economic researchers: the market isn't just a place where people exchange goods anymore. It is a system of computation. If you treat the digital world as nothing more than a faster version of the old marketplace, you've already lost the game. You have to see it as an architectural framework in which the rules governing asymmetric information, monopoly power, and consumer behavior are being rewritten from scratch.

But let's be real: this new frontier is rife with systemic vulnerabilities. As young researchers, your real value to society isn't in buying into tech-optimism; it's in your ability to look past the hype and critically analyze these challenges.

First, let's talk about the total collapse of perfect information and the rise of algorithmic rent-seeking. Standard microeconomic theory idealizes perfect information, assuming buyers and sellers operate on a level playing field with the same metrics. But algorithmic markets don't want a level playing field; they literally thrive on engineered asymmetry. These platforms know exactly how much you're willing to pay, what mood you're in, and your entire browsing history. They use every bit of this data to execute flawless price discrimination. This isn't just "efficient market clearing." It is a highly sophisticated form of economic rent-seeking in which algorithms intentionally manipulate which goods you even see, all to maximize platform fees rather than consumer welfare.

Second, consider how dangerous systemic cascades are in this environment. When humans make mistakes in a market, our errors are usually localized and don't correlate much with each other. But when algorithms mess up, it happens everywhere at once on a massive scale. Look at financial "flash crashes," where different algorithmic trading models feed off each other's panic and wipe out billions of dollars of value in seconds. We see the exact same thing in supply chains. Automated inventory systems collapse under the weight of unexpected global shocks because the lines of code lack the qualitative nuance to anticipate real-world geopolitical friction or human disruptions.

Finally, for university students, the biggest challenge is deeply personal and cognitive. The digital economy has turned you into a "prosumer," meaning you are both the consumer of the platform and the product packaged and sold to advertisers. If you spend your university years just passively consuming the digital world, you are literally volunteering to be the product. You are letting an algorithm optimize you. Every hour you spend mindlessly scrolling is free data you hand over to make someone else's algorithm smarter, while your own critical faculties start to atrophy. The digital world desperately wants you to be reactive. It rewards outrage, quick takes, and superficial engagement. But the economic frontier doesn't belong to the reactive. It belongs to the strategic.

So, how do we flip the script? How do we actually build "The Intangible Edge"? It has to start with a radical shift in how you see things. From this moment on, you need to look at the digital world through a dual lens: it's a library and a lab.

A library isn't a place to sit around waiting to be entertained. It is a repository of structured knowledge that demands active, deliberate exploration. The internet is, quite literally, the largest library ever assembled in human history, yet most people never make it past the gift shop at the front entrance. As undergraduate researchers, you have open-source datasets, academic repositories, real-time market tickers, and historical archives at your fingertips. Past economists would have sacrificed their entire careers to access this material. When you see a trending topic on social media, don't just read the comments like a casual user. See it as a data stream reflecting aggregate sentiment. When commodity prices shift suddenly, you should immediately cross-reference them with macroeconomic policy announcements using digital archives.

By the same token, a laboratory is an environment where you isolate variables, run controlled experiments, map out hypotheses, and openly embrace failure to get to the truth. Think of the digital marketplace as your very own particle accelerator. You can test economic theories in real time. Do consumers behave rationally when they encounter digital scarcity cues? Run a behavioral study to find out. How do localized supply shocks affect regional e-commerce pricing? Mine the data and build a regression model. The moment you observe a digital phenomenon, formulate an economic hypothesis, and conduct empirical tests, you are extracting real, raw market insights. When you recontextualize the digital space from a place of consumption to a place of active investigation, you stop being the subject of the algorithm. You become its auditor.

To crack the code of these markets, you need a toolkit that cannot be automated. Artificial intelligence can write code, run standard statistical packages, and spit out charts at lightning speed. If your university education consists entirely of memorizing textbook formulas and repeating definitions, you are essentially training yourself to be a second-rate computer. And let's face it: computers are very cheap to replace. Your intangible edge has to be built on three core pillars: critical thinking, deep innovation, and rigorous research.

Critical thinking means relentlessly chasing the "why" behind the "what." Algorithms are fantastic at spotting correlations, but they are notoriously poor at understanding causation. An algorithm can easily tell you that two variables move together, but it cannot tell you why. That part requires human intellect. In economics, critical thinking means constantly questioning the underlying assumptions of your models. It means looking at a beautifully optimized digital dashboard and asking yourself: What structural biases exist in how this data was collected? Who was completely excluded from this sample? What are the messy, long-term externalities of this optimization?

Deep innovation is our second pillar. True innovation in today's digital economy isn't about building another generic app or creating a slightly faster payment gateway. It's about structural innovation. It's about deeply understanding how to align economic incentives to solve real-world problems. It means looking at the massive inefficiencies in rural agricultural distribution and the credit gaps faced by micro-enterprises and women-led SMEs, and designing algorithmic mechanisms, such as alternative credit-scoring models, to democratize access to capital. Real innovation is the application of economic theory to human welfare through technological channels.

Finally, we must ground everything we do in rigorous knowledge and research. There is a vast difference between information and knowledge. Information is discrete, fragmented, and everywhere. Knowledge is synthesized, contextualized, and incredibly rare. Research is the bridge that transforms information into knowledge. When you conduct undergraduate research, you learn the brutal discipline of methodological rigor. You learn to control for confounding variables, cut through data noise, and build an argument that can withstand hostile peer review. This discipline is exactly what corporate boardrooms and public policy units are starving for right now. They don’t need more data analysts who can just run a prewritten script; they need research strategists who can interpret what that script means for the enterprise's long-term survival.

My dear students, the frontier is wide open, yet it is unforgiving. The algorithmic market does not care about your good intentions; it cares about your structural competence. As you sit through today's presentations and listen to your peers present their findings on market dynamics, consumer behavior, and financial strategies, I want you to truly feel the weight of the opportunity right in front of you. Years get swallowed up by the digital sandbox. Step out of the playground. Pick up your notebooks, open your development environments and econometric software, and walk directly into the laboratory. Look at the digital economy not as a consumer looking for a quick hit of entertainment, but as a scientist hunting for patterns, a strategist looking for structural flaws, and an innovator looking for opportunities to build genuine value.

The code of the digital economy is being rewritten every second. At the start of this Research Congress, I leave you with a simple question: Will you be the ones governed by the algorithm, or will you be the strategists who crack the code?

The next economic frontier belongs to you. Build your edge. Thank you very much, and I wish you an intellectually stimulating congress.

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Track 01:
Trade, Tourism, and Regional Development

The Impact of Government Support Programs on the Revenue of The Small and Medium Enterprises in Kalutara District

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Abstract:

Small and Medium Enterprises (SMEs) are widely recognized as the backbone of both developing and developed economies due to their substantial contribution to economic growth, employment generation, and innovation. In the Sri Lankan context, the government has introduced various support programs, including financial assistance, tax relief, market access initiatives, and training and development programs, to enhance the performance and sustainability of SMEs. In this background, this study aims to examine the impact of government support programs on the revenue of Small and Medium Enterprises in Kalutara District. Primary data were collected through a structured questionnaire administered to 251 SME owners using the snowball sampling technique. Of the respondents, 188 reported receiving positive support from government programs, while the remaining respondents indicated that they had received inadequate or ineffective support. The collected data were analyzed using reliability analysis, correlation analysis, and a log-linear regression model. The results of the correlation analysis indicate that SME revenue is significantly associated with the financial support, training and development, market information and tax relief. The log linear regression model was employed to examine the impact of government support programs on the revenue of small and medium enterprises. The findings of the regression model reveal that financial support negatively influences SME revenue, whereas market information and tax relief positively influence SME revenue. Training and development programs were found to have an insignificant effect, suggesting that existing training initiatives are not sufficiently practical or aligned with the actual needs of entrepreneurs. Policymakers should also simplify administrative procedures, improve coordination among support agencies, and design more targeted and demand-driven support programs that address the diverse needs of SMEs.

Keywords: *Financial support, Tax relief, Small and Medium Enterprises, Log – linear model, Revenue of the enterprises*.

Factors Influencing the Purchase Intention Toward Electric Vehicles in Kurunegala District: A Non-User Perspective

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Abstract:

This study aims to identify the key factors influencing the purchase intention toward electric vehicles (EVs) among non-users in the Kurunegala District, Sri Lanka. The data were collected through a structured questionnaire from March to April 2026. A total of 268 valid responses from individuals who do not currently own an EV were analyzed. Purchase intention was considered the dependent variable, while environmental concern, financial factors, infrastructure availability, social influence, and perceived behavioral control were treated as independent variables. Correlation analysis was employed to examine the relationships between the dependent and independent variables and its results indicate that all independent variables have positive and statistically significant relationships with EV purchase intention. Further, multiple linear regression model was used to identify the factors that influencing the purchase intention and its results suggested that, environmental concern and perceived behavioral control were the strongest predictors. This indicates that individuals who are environmentally conscious and confident in their ability to use EVs are more likely to intend to purchase them. Financial factors, infrastructure availability, and social influence also significantly influence purchase intention. The study further highlights that high initial purchase costs and inadequate charging infrastructure remain key barriers to EV adoption. The findings suggest that promoting adoption requires expanding charging infrastructure, offering financial incentives like subsidies and tax reductions, and fostering consumer confidence through education and social influence. These measures would accelerate the adoption of electric vehicles and support the transition toward sustainable transportation in Sri Lanka.

Keywords: *Electric Vehicles, Environmental Concern, Infrastructure, Purchase Intention, Social influence.*

Track 02:
Agriculture, Food Security and Socio-Economic Behavior

Determinants of Technical Efficiency Among Paddy Farmers in Mahaweli H Zone: A Comparative Study Between Borrowers and Non-Borrowers

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Abstract:

This study examines the determinants of technical efficiency among paddy farmers in the Mahaweli H Zone, comparing borrowing and non-borrowing farmers. Access to formal credit is widely regarded as a critical factor influencing input use and productivity in smallholder agriculture, but its effect on technical efficiency in Sri Lanka's paddy sector remains underexplored. This study therefore investigates whether credit access improves technical efficiency and identifies the socio-demographic and farming characteristics that drive inefficiency among paddy farmers. Primary data were collected from 400 farmers, comprising 200 borrowers and 200 non-borrowers, selected through judgmental sampling during the 2025/2026 Maha season. A Cobb–Douglas was estimated to capture the input–output relationship, while a stochastic frontier Analysis was used to identify determinants of technical inefficiency. The results show that the average technical efficiency of paddy farmers was 64.35%, indicating that output could be increased by 35.65% through better resource allocation without additional inputs. A substantial efficiency gap was found between borrowers (96.34%) and non-borrowers (32.38%). Non borrowers were concentrated in lower efficiency ranges, with 68.5% scoring between 0.21 and 0.40 and none exceeding 0.80, whereas 99% of borrowers achieved efficiency scores of 0.81–1.00. Higher years of education, farming experience, extension services, full-time farming, modern seed use, land ownership, machinery ownership, and family labor significantly reduced inefficiency, while reliance on off-farm income increased inefficiency. Credit access emerged as the most influential factor in reducing technical inefficiency. The findings confirm that access to formal credit acts as a key production stimulant by enabling timely input use among paddy farmers. The study recommends strengthening formal credit access, promoting mechanization and modern seed adoption, and improving extension services to enhance productivity and technical efficiency in Sri Lanka's paddy farming sector.

Keywords: *Borrowing and non – borrowing Farmers, Mahaweli H Zone, Stochastic Frontier Analysis, Technical Efficiency*

Factors Influencing the Choice of Paddy Seed Varieties among Farmers in Vavuniya District

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Abstract:

The study aimed to examine the factors influencing the choice of paddy seed varieties in the Vavuniya District, Sri Lanka. Specifically, the examined the effects of socio-economic and farm-specific characteristics on farmers' choice of paddy seed varieties, including BG-250 (White Nadu), AT-362 (Red Nadu), and BG-358 (White Samba). The study collected primary data from 150 paddy farmers in the Vavuniya district using a structured questionnaire administered through random sampling. Descriptive statistics, frequency analysis, a multinomial probit model and marginal effects analysis were employed to analysis the data. The findings reveal that BG-250 (White Nadu) was the most popular seed variety among farmers. The Multinomial Probit Regression model showed that farming experience, farm size, cultivation cost, and income significantly influenced farmers' choice of paddy seed varieties. Furthermore, the marginal effects provide additional insights into how these variables affected the probability of selecting different seed varieties. The findings suggest that farmers made rational decisions based primarily on prevailing economic conditions and expected returns rather than relying solely on farming experience. This research contributes to the existing literature by applying a multinomial probit model to examine farmers' seed variety choices and provides empirical evidence from the Vavuniya District. The findings have important implications for policy-making, seed distribution strategies, and agricultural extension programmes.

Keywords: *Farm Related Factors, Multinomial Probit Model, Marginal Effects, Paddy Cultivation, Rice Seed Varieties*

The Impact of Government Paddy Purchase Program on Farmer's Income in Anuradhapura District

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Abstract:

This study examines the impact of the government paddy purchasing program on farmers' income in Sri Lanka, where paddy cultivation plays a vital role in ensuring food security and supporting rural livelihoods. Government intervention through paddy purchasing programmers' is regarded as an important policy mechanism for stabilizing farmers' incomes... The study aimed to examine the effects of Guaranteed minimum price, program accessibility, payment timeliness, and market dynamics on farmers' income. A quantitative research design was employed, and primary data were collected through a structured questionnaire from 150 randomly selected paddy farmers in the Anuradhapura District. The data were analyzed using descriptive statistics, reliability analysis, Pearson correlation, multiple linear regression, and analysis of variance (ANOVA) using SPSS. The findings revealed that all four independent variables had a positive and statistically significant relationship with farmers' income, with market dynamics identified as the most influential factor, followed by program accessibility, payment timeliness, and guaranteed minimum price. The regression model explained 52.1% of the variation in farmers' income ($R^2 = 0.521$). The study concludes that although guaranteed pricing mechanisms are important for improving farmers' income, the effectiveness of the government paddy purchasing program largely depends on efficient program accessibility, timely payments, and stable market conditions. These findings provide important policy implications for strengthening agricultural support systems and improving rural income stability.

Keywords: *Paddy purchasing program, Farmers' income, Guaranteed Minimum Price, Market Dynamics*

Track 03:
Labor Markets and Human Capital

Determinants of Income among Fishing Communities in Matara District

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Abstract:

Fishing is one of the most important sources of income at coastal area in Sri Lanka. However, income inequality remains a serious problem among fishing communities. This study examines the key factors that affect household income levels among fishing communities in Matara District. The data was collected from 400 households involved in fishing from four main fishing harbors; namely, Matara, Devinuwara, Dikwella, and Weligama by using Stratified Random Sampling Method through a structured questionnaire. Households' income was divided into three categories of low, middle, and high income where low earners earned less than Rs. 100,000 while high earners earned above Rs. 500,000. Ordered Probit Regression model was used to determine the determinants of household income level. The regression model was able to explain the variation of 75%, which indicates its reliability. There were five factors that significantly determine the level of income within the household. Fishermen who have been fishing for over five years had the highest probability of having high income levels with a marginal effect of 34.2%. Days of operation each month and use of advanced methods in fishing significantly determined income levels. Availability of government support programs increased the probability of being among the high earners by 12.9%. It was interesting to note that equipment ownership negatively affected the income level those owning equipment earned much less compared to those renting since ownership incurred more expenses such as fuel costs, maintenance, and repair costs. The size of the household and cost of input were statistically insignificant. The findings suggest that government support programs need to be increased, introduction of lease programs on equipment, adoption of advanced fishing techniques, and mentorship programs.

Keywords: *Equipment Ownership, Fishing Communities, Government Support, Income Determinants, Ordered Probit Regression.*

Determinants of Youth Employment Status in the informal sector in Puttalam District, Sri Lanka

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Abstract:

This study examines the determinants of youth employment status in Puttalam District, Sri Lanka, with special attention to informal employment outcomes. The dependent variable is the status of youth employment which has three categories such as, non-participation, part-time work, and full-time work. Primary data were collected through a structured questionnaire and from the collected data, 150 youth respondents were used to analyze the data. To identify the factors that determine the status of youth employment, Multinomial Probit model and average marginal effects were employed in the study. The model diagnostics confirmed overall statistical significance and good model fit. The findings reveal an "education paradox" within the district, where higher levels of formal education significantly increased the probability of non-participation by 16.52% while reducing the likelihood of full-time employment by 9.75%, suggesting that educated youth prefer to wait for secure formal employment opportunities rather than engage in unstable low-wage jobs. In contrast, work experience emerged as a strong determinant of employment outcomes, as additional work experience reduced the probability of part-time work by 29.08%. Household income also showed a significant effect, where higher-income households increased the probability of non-participation by 13.91%, indicating that financially secure families provide a "safety net" that allows youth to continue searching for preferred jobs instead of immediately entering informal employment. Overall, the study concludes that improving educational attainment alone is insufficient to address youth employment challenges, and the stronger labor market linkages, practical work opportunities, and structural economic reforms are necessary to create stable and skill-oriented employment opportunities for youth in Puttalam District.

Keywords: *Average Marginal Effects, Multinomial Probit Model, Puttalam District, Work experience, Youth Employment Status.*

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