Sri Lanka’s NEETs: An Analysis of Youth Not in Education, Employment or Training

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Background

- Research Question
- Definition
- Motivation
- Composition
Research Question

What are the risk factors of becoming a NEET?

Youth not in

Education or Employment or Training
Sri Lanka’s definition

Youth: aged \(15-24\)

\[
\text{NEET rate} = \frac{\text{Total number of NEETs}}{\text{Total number of youth}} \times 100
\]

NEETs:

1. Are not employed (unemployed or inactive)
2. Have not received any education or training in the 4 weeks preceding the survey

- Sri Lanka: \(26.1\%\) (DCS, 2016)
- Global average: \(21.8\%\) (ILO, 2013)
Motivation

Limited attention
- Focus mostly on unemployed youth
- Those who lack access to learning or who are unwilling to join the labour market neglected

Grave consequences
- ‘Scarring effect’ on employment & earnings
- Low political participation
- Mental illness

Increasing relevance
- Moving to higher income status crucially depends on investing in human capital
- Emerging 4th IR underscores importance of lifelong learning
- SDGs 4 and 8
Data and Methods

- Descriptive analysis
- Regression analysis
Data and Sample

Data
2016 LFS conducted by DCS

Sample
12,027 youth from a total of 85,072
- Binary DV with 2 possible outcomes:
  - $y_i = 1$ (NEET) or $y_i = 0$ (non-NEET)

- $p_i = Pr[y_i = 1|x] = F(X_i\beta)$

- Marginal effects: $\frac{\partial p_i}{\partial x_{ij}}$
What does descriptive and regression analyses reveal?
NEETs by Gender, 2011–2016

NEET Shares by Subgroup, 2016

- Unemployed: 23%
- Family Carers: 41%
- Sick/Disabled: 7%
- Discouraged: 4%
- Voluntary/Other: 25%

Source: Own calculations using 2016 LFS data
NEETs by Gender and Subgroup (%), 2016

Source: Own calculations using 2016 LFS data
### Determinants of NEET Status: Binomial Logit Estimates

<table>
<thead>
<tr>
<th>Variables</th>
<th>Pooled</th>
<th>Males</th>
<th>Females</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>20-24 years Female</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sinhala Buddhists</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Ever married</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below O/Ls</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Above 100,000</td>
<td>-0.13***</td>
<td>-0.12***</td>
<td>-0.12***</td>
</tr>
<tr>
<td>HH headed by male</td>
<td>0.03***</td>
<td>0.02</td>
<td>0.04***</td>
</tr>
<tr>
<td>Young kids</td>
<td>0.04***</td>
<td>0.01</td>
<td>0.05***</td>
</tr>
<tr>
<td>Sabaragamuwa</td>
<td>0.08**</td>
<td>0.05</td>
<td>0.13***</td>
</tr>
<tr>
<td>Southern</td>
<td>0.07***</td>
<td>0.05</td>
<td>0.12***</td>
</tr>
<tr>
<td>Northern</td>
<td>0.04</td>
<td>-0.01</td>
<td>0.09**</td>
</tr>
<tr>
<td>District youth unemployment</td>
<td><strong>-0.77</strong></td>
<td>-0.45</td>
<td>-1.38**</td>
</tr>
<tr>
<td><strong>Below 25,000</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Western</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O/Ls complete</td>
<td>-0.03***</td>
<td>-0.03**</td>
<td>-0.05***</td>
</tr>
<tr>
<td>A/Ls &amp; above</td>
<td>0.01</td>
<td><strong>0.05</strong></td>
<td><strong>-0.05</strong></td>
</tr>
<tr>
<td>English literacy</td>
<td>-0.09***</td>
<td>-0.07***</td>
<td>-0.09***</td>
</tr>
<tr>
<td>Previous experience</td>
<td><strong>0.60</strong></td>
<td><strong>0.53</strong></td>
<td><strong>0.52</strong></td>
</tr>
<tr>
<td><strong>15-19 years</strong></td>
<td><strong>-0.15</strong></td>
<td><strong>-0.07</strong></td>
<td><strong>-0.22</strong></td>
</tr>
<tr>
<td>Male</td>
<td><strong>-0.13</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Minorities</td>
<td>0.07***</td>
<td>0.00</td>
<td><strong>0.13</strong></td>
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<tr>
<td>Never married</td>
<td><strong>-0.17</strong></td>
<td><strong>0.15</strong></td>
<td><strong>-0.26</strong></td>
</tr>
</tbody>
</table>

Note: 
- ** denotes significance level: **p < 0.01, *p < 0.05, **p < 0.10.
Key Findings from Multinomial Logit Model

Relative to unemployed NEETs:

Higher risks of being:

Family carers:
- Has young children
- Belongs to ethnic & religious minorities

Discouraged:
- Lives in remote areas

Voluntary/other:
- Younger (15-24)
- From higher income HHs

Lower risks of being in all other subgroups if:
- Highly educated (A/Ls and above)
- Has previous experience
How can Sri Lanka’s NEET population be lowered?
Measures to release women from HH and bring them into the labour market:

- More equal division of HH duties
- Provision of good quality and affordable childcare options:
  - Quality onsite day-care centers at workplaces
  - Free transportation and on-site basic medical services
Unemployed

- Improve employability of educated youth through job-relevant skills development
- More white-collar job creation in line with youth aspirations
- Better quality vocational education and training
- Assisting in school-to-work transitions (internships)
- Career guidance initiatives (mentoring)

Educated males
Discouraged Females from remote areas

- Identify specific reasons for disillusionment
- Improve connectivity between remote and developed areas
- Give priority to remote areas in allocation of resources to vocational training and job creation
- Financial and mobility assistance for disadvantaged youth (transport/accommodation costs and living allowances)
Thank you!

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## Determinants of Belonging to NEET Subgroups: Multinomial Logit Estimates

<table>
<thead>
<tr>
<th>Variables</th>
<th>Family carers</th>
<th>Discouraged</th>
<th>Voluntary/Other</th>
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</thead>
<tbody>
<tr>
<td>15-19 years</td>
<td>1.12</td>
<td>0.97</td>
<td>2.39***</td>
</tr>
<tr>
<td>Male</td>
<td>0.09***</td>
<td>0.97</td>
<td>0.76**</td>
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<tr>
<td>Minorities</td>
<td>2.43***</td>
<td>0.82</td>
<td>1.90***</td>
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<tr>
<td>Never married</td>
<td>0.06***</td>
<td>0.82</td>
<td>0.45***</td>
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<tr>
<td>O/Ls complete</td>
<td>0.62***</td>
<td>0.83</td>
<td>0.96</td>
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<tr>
<td>A/Ls &amp; above</td>
<td>0.19***</td>
<td>0.32***</td>
<td>0.63***</td>
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<tr>
<td>English literacy</td>
<td>0.72*</td>
<td>0.45***</td>
<td>1.04</td>
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<tr>
<td>Previous experience</td>
<td>0.01***</td>
<td>0.56*</td>
<td>0.02***</td>
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<td>50,001-75,000</td>
<td>1.38</td>
<td>0.91</td>
<td>1.70**</td>
</tr>
<tr>
<td>HH headed by male</td>
<td>1.48**</td>
<td>1.23</td>
<td>1.36*</td>
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<tr>
<td>O/L passed adult in HH</td>
<td>1.21</td>
<td>0.97</td>
<td>1.82***</td>
</tr>
<tr>
<td>Young kids</td>
<td>2.19***</td>
<td>1.14</td>
<td>0.76</td>
</tr>
<tr>
<td>Estate</td>
<td>1.08</td>
<td>3.50**</td>
<td>1.41</td>
</tr>
<tr>
<td>North Western</td>
<td>1.22</td>
<td>3.47**</td>
<td>1.17</td>
</tr>
</tbody>
</table>