

Sri Lanka's NEETs: An Analysis of Youth **N**ot in **E**ducation, **E**mployment or **T**raining



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Background

- *Research Question*
- *Definition*
- *Motivation*
- *Composition*

Research Question

What are the risk factors of becoming a NEET?

Youth not in



or



or



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

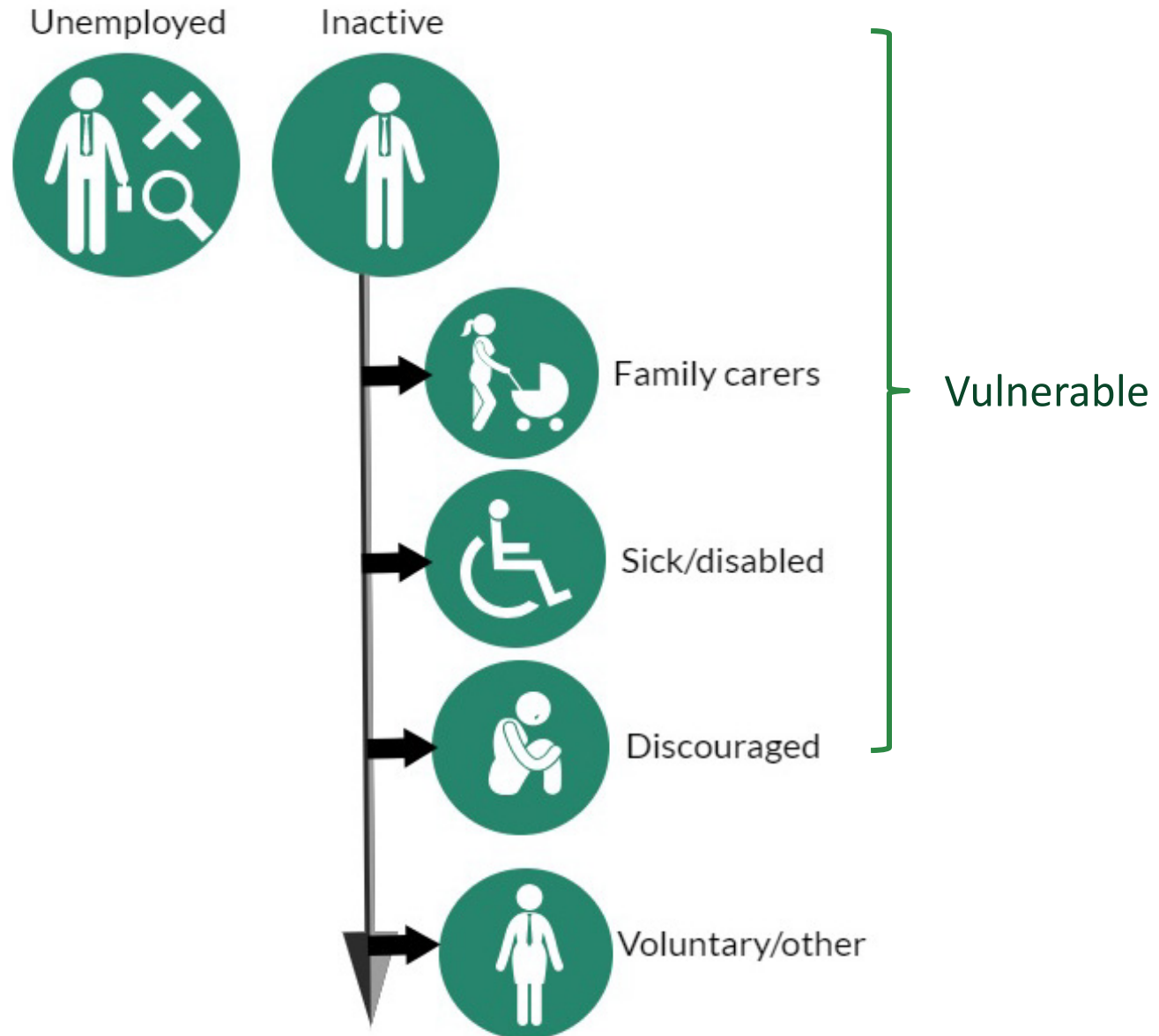
Grave consequences

- '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**

Composition



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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**

Binomial logit

- Binary DV with 2 possible outcomes:
 - $y_i = 1$ (NEET) or $y_i = 0$ (non-NEET)

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



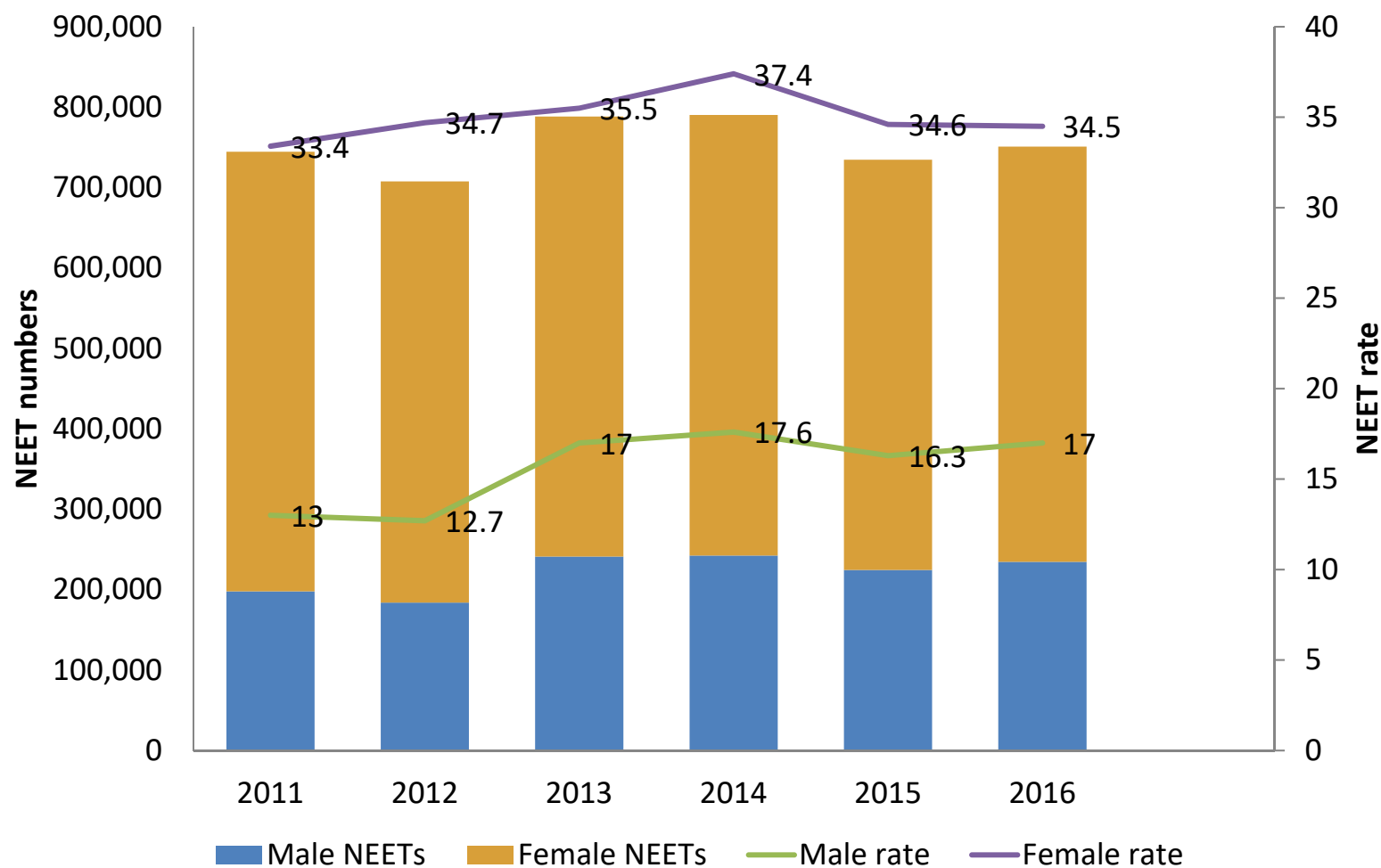
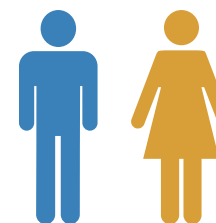
- Marginal effects: $\frac{\partial p_i}{\partial x_{ij}}$

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Results

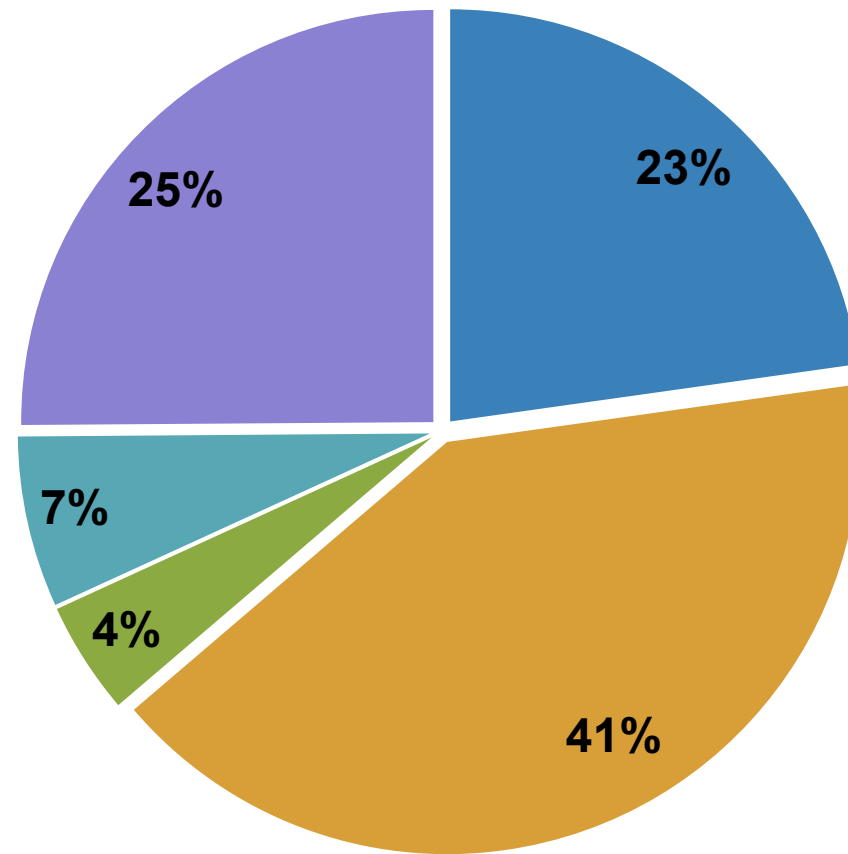
What does descriptive and regression analyses reveal?

NEETs by Gender, 2011–2016



Source: DCS, Sri Lanka Labour Force Survey: Annual Report—2016

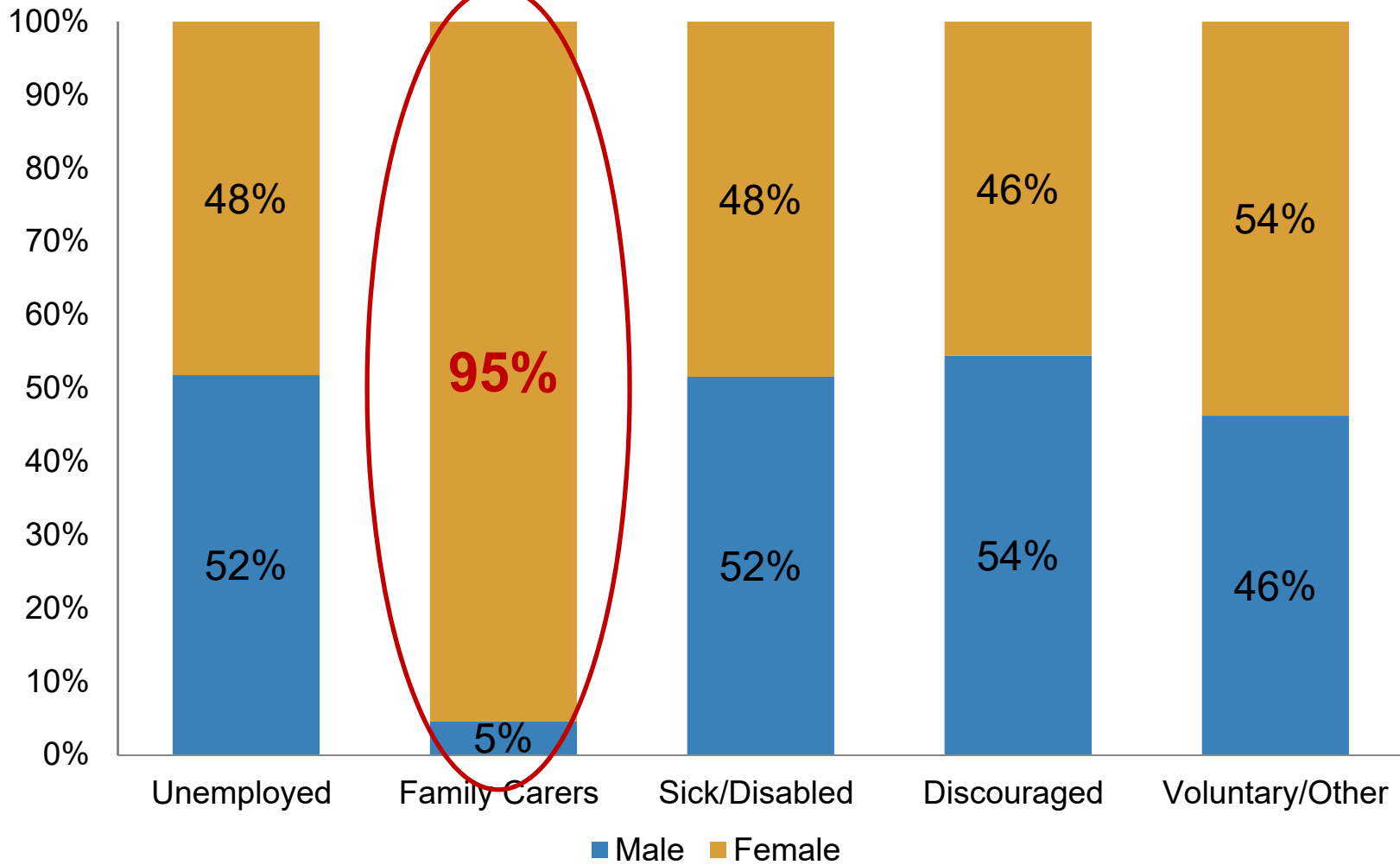
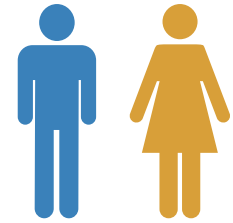
NEET Shares by Subgroup, 2016



■ Unemployed ■ Family Carers ■ Sick/Disabled
■ Discouraged ■ Voluntary/Other

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

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

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

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Policy Implications

*How can Sri Lanka's NEET
population be lowered?*

Family carers

**Females
from
minorities**



- 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

**Educated
males**



- 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)

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

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