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, 2015)
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 (Feng et al., 2015)
- Low political participation (Hooghe, 2004)
- Mental illness (Eurofound, 2012)

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

Unemployed  Inactive

Family carers
Sick/disabled
Discouraged
Voluntary/other

Vulnerable
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
Regression Models

**Binomial logit**
- Entire youth population
- Binary DV with 2 possible outcomes: \( y_i = 1 \) or \( y_i = 0 \)
  \[ p_i = Pr[y_i = 1|x] = F(X_i'\beta) \]
- Marginal effects: \( \frac{\partial p_i}{\partial x_{ij}} \)

**Multinomial logit**
- NEET population
- Categorical DV that assumes over 2 possible outcomes
  \[ p_{ij} = P[y_i = j|x] = \frac{\exp(\alpha_j + X_i\beta_{ij})}{\sum \exp(\alpha_k + X_i\beta_{ik})}, \]
  \( j = 1, 2, \ldots, M - 1 \)
- Relative risks of being in a subgroup relative to being unemployed
Results

What does descriptive and regression analyses reveal?
NEETs by Gender, 2011–2016

NEET Shares by Subgroup, 2016

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

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

Source: Own calculations using 2016 LFS data
NEET Shares by Age Group (%), 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>15-19 years</td>
<td>-0.15***</td>
<td>-0.07***</td>
<td>-0.22***</td>
</tr>
<tr>
<td>Male</td>
<td>-0.13***</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Minorities</td>
<td>0.07***</td>
<td>0.00</td>
<td>0.13***</td>
</tr>
<tr>
<td>Never married</td>
<td>-0.17***</td>
<td>0.15***</td>
<td>-0.26***</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>0.05***</td>
<td>-0.05***</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>0.60***</td>
<td>0.53***</td>
<td>0.52***</td>
</tr>
<tr>
<td>Above LKR 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>-0.77**</td>
<td>-0.45</td>
<td>-1.38**</td>
</tr>
</tbody>
</table>
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 (15-19)
• From higher income HHs

Lower risks of being in all other subgroups if:
• Highly educated (A/Ls and above)
• Has previous experience
Policy Implications

How can Sri Lanka’s NEET population be lowered?
Family carers

- 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

Females from minorities
Unemployed

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

- 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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