Youth Unemployment: Challenges and Policy Options in Sri Lanka

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Presentation Outline

- Sri Lanka at a glance
- Demographic Trends
- Labour Force Participation
- Youth Unemployment
- Challenges – Critical Issues
- Research findings – views of stakeholders and youth
- Policy Options
Sri Lanka at a Glance

- **Name:** Democratic Socialist Republic of Sri Lanka
- **Location:** 31 km south of India
- **Land area:** 65,525 km\(^2\)
- **Population:** 20,450,000
- **Population growth rate:** 1.15%
- **Life expectancy at birth:** 74 yrs.
- **GNP per capita at constant prices (2002):** US $ 1045
- **Growth rate:** 3.5%
- **Human Development Index:** 0.658 (2009 estimates)
Demographic Trends

Sri Lanka Population Pyramid for 2020
Predicted age and sex distribution for the year 2020:

Source: U.S. Census Bureau, International Data Base.
Male participation is greater

Youth participation in labour force is relatively low

Female participation is much less

Maximum participation is 30yrs-34yrs. group

Labour Force Participation

Labour Force Participation by Age Groups

- Male participation is greater
- Youth participation in labour force is relatively low
- Female participation is much less
- Maximum participation is 30yrs-34yrs. group
- Closed economy prior to 1977
- Civil war (1983-2009), 50,000 deaths
- Public sector recruitments
- Global financial crisis
- Male female ratio

Unemployment Rate by Sex

Year

%
Unemployment by Provinces

- Provincial differences
- Uneven development
- Southern Province
- Location of offices and production centres

Unemployment Rate by Province

<table>
<thead>
<tr>
<th>Province</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western</td>
<td>4.4</td>
</tr>
<tr>
<td>Uva</td>
<td>4.6</td>
</tr>
<tr>
<td>North Central</td>
<td>4.7</td>
</tr>
<tr>
<td>North Western</td>
<td>5.4</td>
</tr>
<tr>
<td>Sabatagamuwa</td>
<td>5.7</td>
</tr>
<tr>
<td>Central</td>
<td>6.5</td>
</tr>
<tr>
<td>Eastern</td>
<td>7.7</td>
</tr>
<tr>
<td>Southern</td>
<td>9.4</td>
</tr>
</tbody>
</table>
Unemployment by Age Groups

- Youth unemployment
- Male and female ratio
- Long years of education and training
- Attitudes on jobs
- Higher aspirations
- Competency mismatch

Unemployment rate by age group and sex

Second Quarter 2010

<table>
<thead>
<tr>
<th>Age group</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-24</td>
<td>5.4</td>
<td>4.1</td>
<td>8</td>
</tr>
<tr>
<td>25-29</td>
<td>10.2</td>
<td>5.4</td>
<td></td>
</tr>
<tr>
<td>30+</td>
<td>1.8</td>
<td>1.2</td>
<td>2.9</td>
</tr>
</tbody>
</table>
Unemployment by Level of Education

- Higher the education level, lesser the employability
- Education system
- Lack of technical and language skills
- Employer attitudes

Unemployment rate by level of education - Second Quarter 2010

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below G.C.E. (O/L)</td>
<td>5.4</td>
<td>3.1</td>
<td>2.5</td>
</tr>
<tr>
<td>G.C.E. (O/L)</td>
<td>7.8</td>
<td>4.3</td>
<td>3.5</td>
</tr>
<tr>
<td>G.C.E. (A/L) &amp; above</td>
<td>12.3</td>
<td>16.4</td>
<td>8.5</td>
</tr>
</tbody>
</table>

%
Challenges – Critical Issues

- Cultural Issues – dependent mentality, parents commitment, dignity of labour, unrealistic aspirations,

- Administrative and policy issues – education system, human resource planning,

- Mismatch in the job market
  - Manual jobs – skilled and unskilled
  - Clerical jobs
  - Professional and managerial jobs

- Unequal opportunities – class/status, gender, geography and sector, disabilities
Stakeholder Brainstorming
8 November 2010

Participation: representatives of all stakeholders, relevant ministries, agencies, employers, trade unions, universities, technical and vocational training institutions, NGOs (disabled persons), ILO

- Consequence of aging population
- Mismatch of job market
- Insufficient expansion of job market to absorb youth
- Wrong attitudes/mindset of youth (unrealistic aspirations)
- Insufficient (quality and quantity) technical and vocational training
- Inequalities and discrimination (gender, community, disabled)

Emerging opportunities (end of war) and strategies to increase youth employment
Sample: 800 (65% females, 35% males, 79% A/L & above)

- Special training: 19%-IT, 16%-English, 5%-e aesthetic subjects
- Sector preferred for employment: 72%-public, 19% private, 9%-self
- Type of job: 0.5% manual, 30% managerial/executive, 50%-any job
- Expected salary: 76%- more than Rs. 30,000/- a month (highest range)
- Jobs are received on: 23% contacts, 20% - luck, 18%-political support
- Jobs are evaluated on: 58%-prestigue, 39%-salary
- Employability is low because of: 34%-political interventions, 33%-wrong education system
- Easy to find a job on: 34%-appearance, 26%-family background, 12%-school attended, 12%-community, 9%-gender, 7%-competency
- Suitable age to start working: 0%- (15yrs.-20yrs.), 89%-(20yrs.-25yrs.)
- Look for jobs through: 60%-newspaper ads., 28%-relations/friends
Policy Options

- Setting up of a Coordination Mechanism
- Human Resource Planning and Education Reforms
- Streamline Public Sector Recruitment and Selection Policy
- Enhance Employability
- Employment Creation
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Thank You!

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