

## Youth not in education, employment and training (NEET) in Sri Lanka

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### Introduction

Youth employment should be reduced with a focus on youth not in education, employment and training (NEET). SLFS Report (2015) in Sri Lanka considers youth NEET rate as an essential measure as it considers all young people in the age group of 15 – 24 years, who are not employed, not in the labour force and also not in the education or training, thus NEET rate provides a wider understanding about the youth labour market (DCS, 2015). There exists a greater vacuum of literature in Sri Lanka with respect to the studies focusing on “Youth Not in Education, Employment or Training (NEET)”. Yet, the significance of the research title has been highly validated by the international academia (Bacher et al., 2014). Moreover, despite having a considerably high unemployment rate in Sri Lanka, youth NEET rate also has skyrocketed increasing the vulnerability of the Sri Lankan labour market amongst young population (Arunatilake & Gunasekara, 2017). With current level of high national youth NEET rate in Sri Lanka, this emphasis helps us to identify whether the national youth NEET rate has any disparities given the provincial, district, urban and rural levels incorporating gender, education, ethnicity, religion and marital status. Further this study attempts to address the question of what determines youth NEET in Sri Lanka. Further, this study attempts to fill up this vacuum of local literature in this direction.

There are two specific objectives in this study such as,

- to identify the share of youth NEET in Sri Lanka as a percentage of population with regards to national, sectoral, gender, age, education, ethnicity and marital status.
- to identify the determinants of those who are NEET.

### Methodology

The study is entirely based on cross-sectional data obtained from Sri Lanka Labour Force Survey (SLFS) 2015 conducted by Department of Census and Statistics (DCS), Sri Lanka. Methodology adopted for the study consists of two major components. First component attempts to generate youth NEET estimates for Sri Lanka using descriptive statistical tools and Stata statistical software programming. This section of the methodology generates national, sectoral and

district level youth NEET estimates categorizing these estimates by gender, age, education, ethnicity and marital status of Sri Lankan population. The second component of the methodology includes an empirical econometric (Logit) model in order to investigate the determinants of youth NEET in Sri Lanka.

The estimating model<sup>23</sup> in this study can be written as,

$$P(\text{if } Y = 1|X) = \beta_0 + \beta_1 \text{Age} + \beta_{2i} \sum_{j=1}^2 \text{Gend} + \beta_{3i} \sum_{j=1}^3 \text{RS} + \beta_{4i} \sum_{j=1}^6 \text{Edu} \\ + \beta_{5i} \sum_{j=1}^7 \text{Eth} + \beta_{6i} \sum_{j=1}^4 \text{Reli} + \beta_{7i} \sum_{j=1}^5 \text{MS}$$

### Results and discussion

There are 734,550 “NEET” youngsters reported in Sri Lanka. This amount of population claims that 25.8 percent of Sri Lankan youth who are at the age group of 15 to 24, are not in employment, education or training (NEET). This shows that approximately one out of every four youths belong to the NEET group. In contrast, this figure demonstrates the vulnerability of Sri Lankan labour market with respect to youths since these youths have not been empowered either to engage in an employment or human development opportunity such as learning or vocational training.

Further by gender, there are 224,501 males and 510,049 females are in NEET indicating 16.33 percent and 34.65 percent respectively as percentages. Urban sector records the lowest youth NEET rate of 22 percent while estate sector records the highest youth NEET rate of 32 percent. Rural sector being the largest residential sector, records a somewhat moderate youth NEET rate, which is 26 percent. In Sri Lanka, estate sector has very poor educational infrastructure and labour market opportunities in comparison to both urban and rural sectors thus, it can be the major root cause for having such a high NEET rate. However, lowest NEET rate recorded from urban sector can be justified due to the availability of developed infrastructure facilities, well established educational and labour market opportunities. There are disparities of youth NEET as age differs within the respective age group. The lowest youth NEET rate of 4.86 percent reported from the age of 15 years while the highest NEET rate of 38.93 percent reported from the age of 21 years. However, on average there is an upward trend of youth NEET exhibiting that youth NEET rises as the age increases within the considered age group.

The highest youth NEET rate of 81.38 percent reported from the youths who have never received a school education in their life while the lowest youth NEET rate of 21.37 percent reported from the youths who have studied up to Ordinary Level of General Certificate of Education (G.C.E. O/L) in Sri Lanka. More importantly, there exists a U-shaped curve of youth NEET by the level of education. The

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1. Please refer the appendix for Table 1: Description of explanatory variables



lowest youth NEET rate which is 11.92 percent recorded from Burger youths while the highest youth NEET rate which is 33.3 percent exists among Sri Lankan Moor population. This is an apparent phenomenon owing to the fact that some Muslim cultural norms act as barriers for Muslim women in participating to educational, training and labour market opportunities. The highest youth NEET rates recorded from the youths who are married and widowed indicating youth NEET rates of 60.41 percent and 61.26 percent respectively. However, the lowest youth NEET rate which is 19.96 percent recorded from the youth who have never married.

*Logistic Regression Results*<sup>24</sup> - There is a positive relationship between the age of the individual and that individual's likelihood of becoming NEET. Thus, this positive relationship is statistically significant at 0.01 level. In other words, age increases causes to becoming NEET among the youths who are at the age group of 15 to 24. There observed a positive and significant relationship between becoming NEET and being a female youth in the respective age group. Further, females have an odds ratio of 2.68, explaining that a female is 2.68 times more likely to become a youth NEET compared to a male in Sri Lanka.

In the attempt of investigating the linkage between a youth being a NEET and the level of education, no schooling category has been employed as the reference. In that context, all the other educational levels have demonstrated negative, significant coefficients in comparison to the reference category of no schooling. According to log odds ratio, youths with an education level of Grade 5 or below compared to youths with no schooling, decreases the odds of becoming NEET by 89.8 percent ( $1 - 0.102$ ). Secondly, youths with an education level of Grade 6 to 10, compared to youths with no schooling, reduces the likelihood of becoming NEET by 93.8 percent ( $1 - 0.061$ ). Thirdly, the probability of becoming NEET is decreased by 95.9 percent with regards to youths attained an education level up to O/L, compared to youths with no schooling. Fourthly, youths with an education level up to A/L's compared to youths with no schooling, decreases the odds of being a NEET by 96.2 percent ( $1 - 0.038$ ). Finally, youths who attained the highest level of education have only been able to reduce the likelihood of becoming NEET by 65.6 per cent ( $1 - 0.344$ ) compared to youths with no schooling. This fact again validates the finding of U-shaped youth NEET rate curve in Sri Lanka.

Only Sri Lankan Tamil youths have indicated a positive and significant impact on being NEET given the fact that Sinhalese youths are considered as the reference ethnic group. Being a Sri Lankan Tamil increases the likelihood of becoming a youth NEET by 29.6 percent given Sinhalese youths as the reference

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<sup>24</sup> Please refer Table 1 & 2 for Logistic Regression Coefficients and Odds ratios

ethnic group. However, all the other ethnic groups do not indicate any significant linkages with the NEET status. Married youths have a positive and significant coefficient value. As odds ratios are considered, the probability of becoming NEET is increased by 91.7 percent amongst married youth compared to the youths who have never married. Urban sector as the reference residential sector, rural sector indicates a positive as well as significant coefficient. The respective odds ratio states that likelihood of becoming a youth NEET is increased by 35.5 percent among youths who live in rural areas compared to youths who live in urban areas. Moreover, this likelihood of becoming a youth NEET is increased by 37.1 percent among youth who live in estate sector compared to youth who live in urbanized areas.

### **Conclusion**

This research found that Sri Lanka has a significantly high youth NEET rate which is 25.8 percent in 2015 which is unsatisfactory to the Sri Lankan labour market, raising the labour market vulnerability with regards to youth population. The research also found the significant NEET disparities among youths by sector, gender, age, education, ethnicity and marital status. Moreover, the logistic regression inferences validated the above-mentioned disparities by providing the relative probabilities of becoming NEET. More importantly the study found that age, gender, education, residential sector and marital status as the significant determinants of youth NEET in Sri Lanka. The study found that youths who reside in rural and estate sectors are more vulnerable to become NEETs due to the unavailability of required resources. So that policies should focus on implementing programmes that would facilitate the necessary infrastructure facilities pertinent to more developed educational, training and labour market opportunities in those areas in Sri Lanka. Since the female NEET rate is relatively higher, empowerment of young women should be established through policy reforms. Thus, educational policy reforms and public awareness programmes should be imposed to alter the ethnic, cultural norms which obstruct the greater inclusion of females in education, training and labour market. Youths with no schooling recorded the highest NEET prevalence, this finding questions the existence of compulsory education policy in Sri Lanka. Hence, early warning systems should be introduced to provide early identification of young people who may be at risk of becoming NEET or dropping out of education.

**Keywords:** *Sri Lanka, youth NEET, youth unemployment.*

## References

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## Appendices

**Table 1** Description of explanatory variables

Variable	Description
<b>Individual Characteristics</b>	
<i>Age (AGE)</i>	Individual's age in number of years
<i>Gend (GENDER)</i>	Individuals gender (1=Male, 2=Female)
<i>RS (RESIDENTIAL SECTOR)</i>	Individuals residential sector (1=Urban, 2=Rural, 3=Estate)
<i>Edu (EDUCATION)</i>	Individual's level of education (1=Up to Grade 5 and Below, 2=Grade 6-10, 3=G.C.E. O/L, 4=G.C.E. A/L, 5=Degree and Above, 6=No Schooling)
<i>Eth (ETHNICITY)</i>	Ethnicity of the individual (1=Sinhalese, 2=Sri Lankan Tamil, 3=Indian Tamil, 4=Sri Lankan Moor, 5= Malay, 6=Burgen, 7=Other)
<i>Reli (RELIGION)</i>	Individual's religion (1=Buddhist, 2=Hindu, 3=Islam, 4=Catholic)
<i>MS (MARITAL STATUS)</i>	Individual's marital status (1=Never Married, 2=Married, 3=Widowed, 4=Divorced, 5=Separated)

Source: Author developed



**Table 2** Logistic Regression with Coefficients

	Model (1)	Model (2)	Model (3)
Age	0.256*** (30.21)	0.194*** (20.54)	0.195*** (20.59)
Gender			
Male = (Reference Category)			
Female	1.155*** (23.90)	0.989*** (19.76)	0.987*** (19.71)
Level of Education			
No Schooling= (Reference Category)			
Grade 5 and Below	-2.115*** (-5.24)	-2.279*** (-5.70)	-2.280*** (-5.70)
Grade 6-10	-2.653*** (-7.14)	-2.798*** (-7.64)	-2.791*** (-7.63)
G.C.E. (O/L)	-3.117*** (-8.32)	-3.200*** (-8.66)	-3.176*** (-8.60)
G.C.E.(A/L)	-3.444*** (-9.22)	-3.280*** (-8.91)	-3.257*** (-8.86)
Degree and Above	-3.638*** (-7.49)	-3.424*** (-7.04)	-3.368*** (-6.92)
Ethnic Group			
Sinhalese = (Reference Category)			
SL Tamil		0.269* (1.73)	0.259* (1.67)
In Tamil		0.352* (1.88)	0.306 (1.44)
SL Moor		0.734 (1.43)	0.687 (1.34)
Malay		0.0464 (0.07)	0.139 (0.21)
Burger		-0.494 (-0.61)	-0.446 (-0.56)
Other		-0.379 (-0.27)	-0.204 (-0.15)
Religion			
Buddhist = (Reference Category)			
Hindu		-0.131 (-0.79)	-0.105 (-0.63)
Muslim		-0.159 (-0.31)	-0.0468 (-0.09)
Catholic		-0.0524 (-0.45)	0.0154 (0.13)
Marital Status			
Never Married= (Reference Category)			
Married		1.073*** (16.19)	1.071*** (16.13)
Widowed		0.867 (1.56)	0.839 (1.52)
Divorced		0.479	0.525

		(0.74)	(0.81)
Separated		-0.0549	-0.0688
		(-0.13)	(-0.17)
Residential Sector			
Urban = (Reference Category)			
Rural			0.304***
			(4.48)
Estate			0.316**
			(1.98)
Constant	-3.772***	-2.713***	-3.018***
	(-9.39)	(-6.69)	(-7.34)
N	11710	11708	11708
Prob > chi2	0.0000***	0.0000***	0.0000***
Pseudo R2	0.1268	0.1518	0.1533

Note: "t statistics in parentheses"; \*p<0.1, \*\*p<0.05, \*\*\*p<0.01

**Table 3** Logistic Regression with Odds ratios

	Model (1)	Model (2)	Model (3)
Age	1.29***	1.213***	1.214***
	(30.21)	(20.54)	(20.59)
Gender			
Male = (Reference Category)			
Female	3.173***	2.688***	2.684***
	(23.90)	(19.76)	(19.71)
Level of Education			
No Schooling= (Reference Category)			
Grade 5 and Below	0.120***	0.102***	0.102***
	(-5.24)	(-5.70)	(-5.70)
Grade 6-10	0.070***	0.060***	0.061***
	(-7.14)	(-7.64)	(-7.63)
G.C.E. (O/L)	0.044***	0.040***	0.041***
	(-8.32)	(-8.66)	(-8.60)
G.C.E.(A/L)	0.031***	0.037***	0.038***
	(-9.22)	(-8.91)	(-8.86)
Degree and Above	0.026***	0.032***	0.344***
	(-9.39)	(-7.04)	(-6.92)
Ethnic Group			
Sinhalese = (Reference Category)			
SL Tamil		1.308*	1.296*
		(1.73)	(1.67)
In Tamil		1.421*	1.357
		(1.88)	(1.44)
SL Moor		2.082	1.987
		(1.43)	(1.34)
Malay		1.047	1.149
		(0.07)	(0.21)
Burger		0.610	0.639
		(-0.61)	(-0.56)

Other		0.684 (-0.27)	0.815 (-0.15)
Religion			
Buddhist = (Reference Category)			
Hindu		0.877 (-0.79)	0.900 (-0.63)
Muslim		0.852 (-0.31)	0.954 (-0.09)
Catholic		0.948 (-0.45)	1.015 (0.13)
Marital Status			
Never Married= (Reference Category)			
Married		2.924*** (16.19)	2.917*** (16.13)
Widowed		2.379 (1.56)	2.313 (1.52)
Divorced		1.614 (0.74)	1.691 (0.81)
Separated		0.946 (-0.13)	0.933 (-0.17)
Residential Sector			
Urban = (Reference Category)			
Rural			1.355*** (4.48)
Estate			1.371** (1.98)
Constant	0.023***	0.066***	0.048***
N	11710	11708	11708
Prob > chi2	0.0000***	0.0000***	0.0000***
Pseudo R2	0.1268	0.1518	0.1533

Note: "t statistics in parentheses"; \*p<0.1, \*\*p<0.05, \*\*\*p<0.01