

Youth Bulge in South Asia: Meeting the Employment Challenge

The Case of Sri Lanka

Ganga Tilakaratna

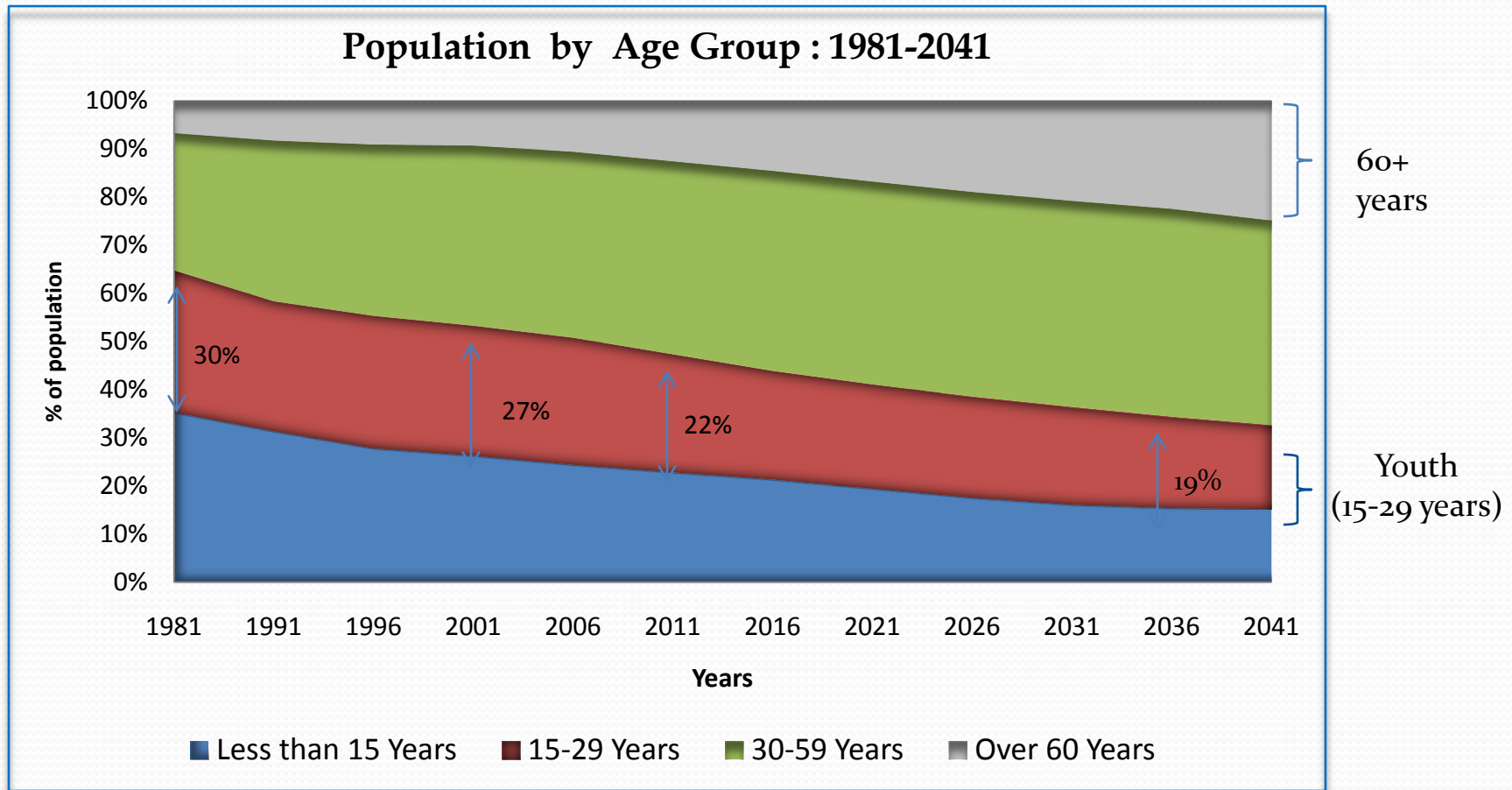
Research Fellow

Institute of Policy Studies of Sri Lanka

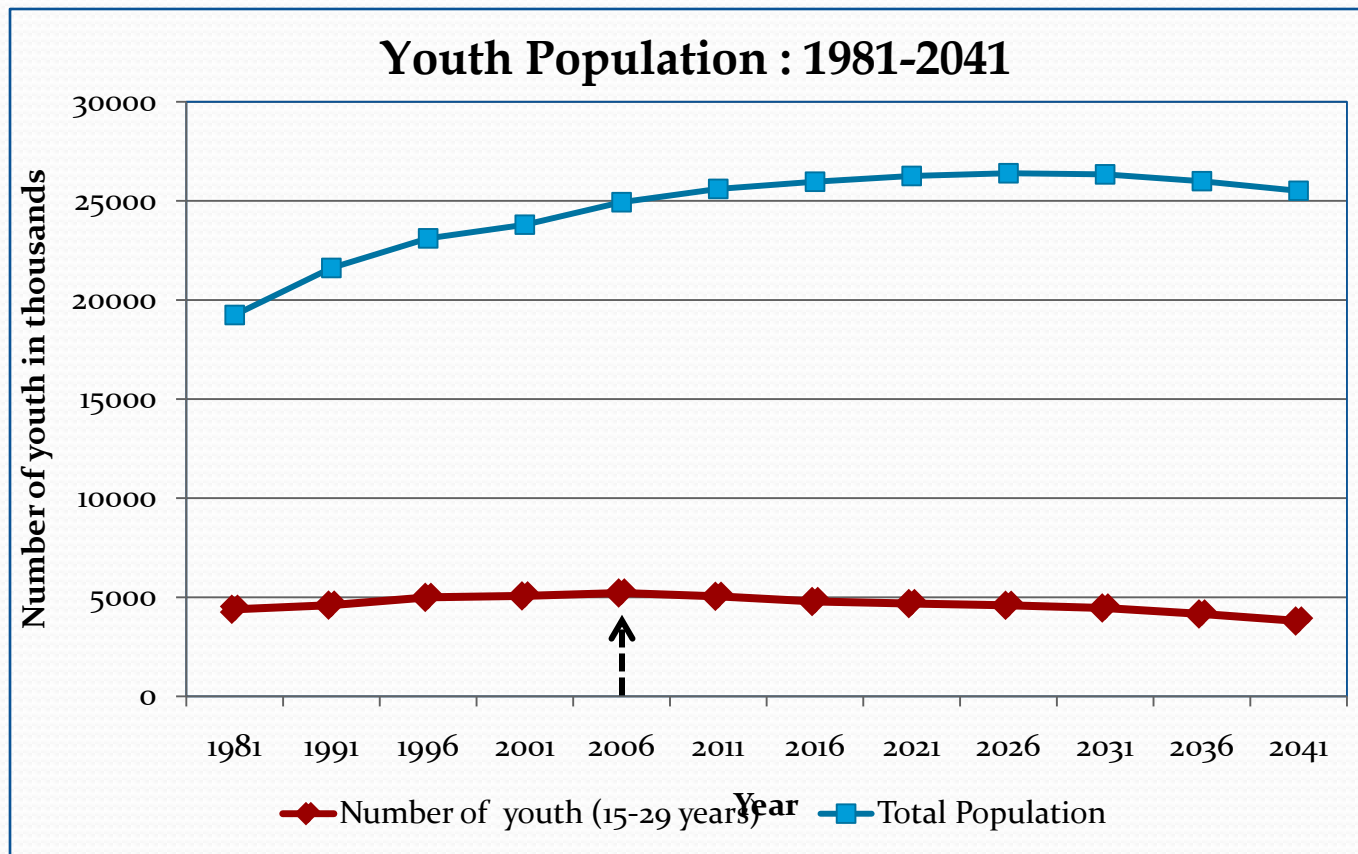
Outline

- Youth Bulge in Sri Lanka
- Youth Employment and Unemployment : Current Status
- Youth Employment: Key Issues to be addressed
- Conclusions and Policy Suggestions

Youth Bulge in Sri Lanka



Source: Based on data from De Silva W.I (2007) : A population Projection of Sri Lanka for the New Millennium : 2001-2101

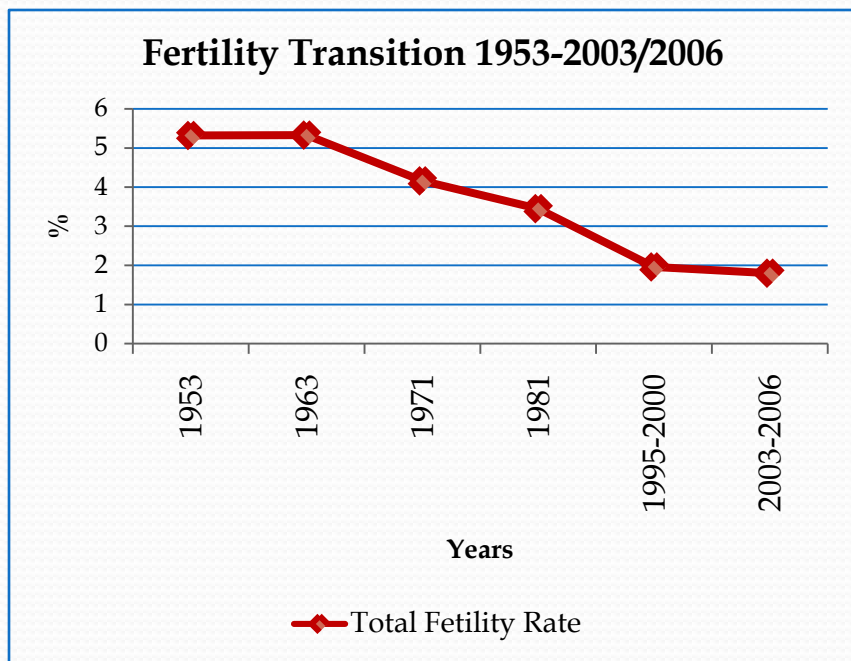


Source: Based on data from De Silva W.I (2007)

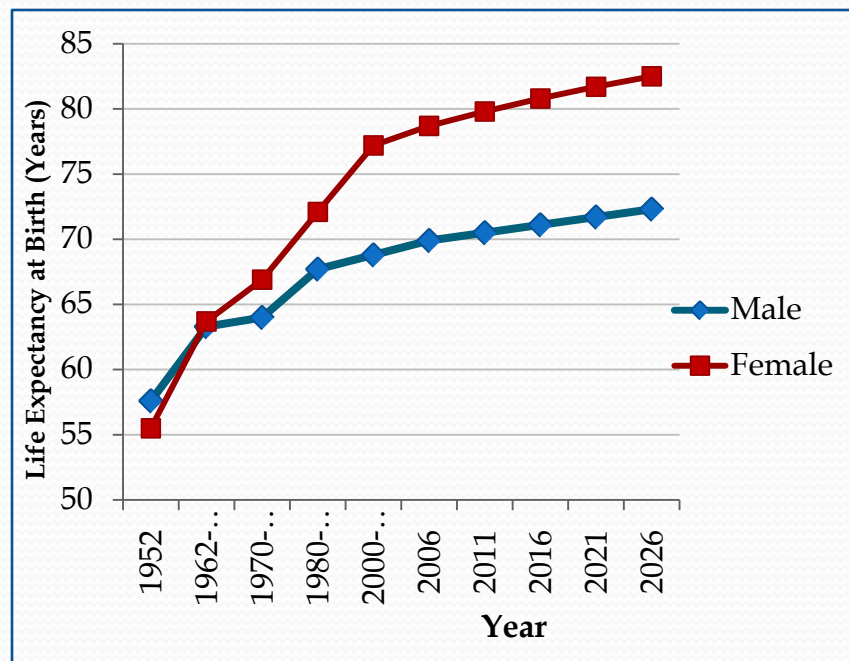
Youth population (the number of youth) started to decline since 2006

Pattern of Youth Population in Sri Lanka: Contributory Factors

1) Fertility decline

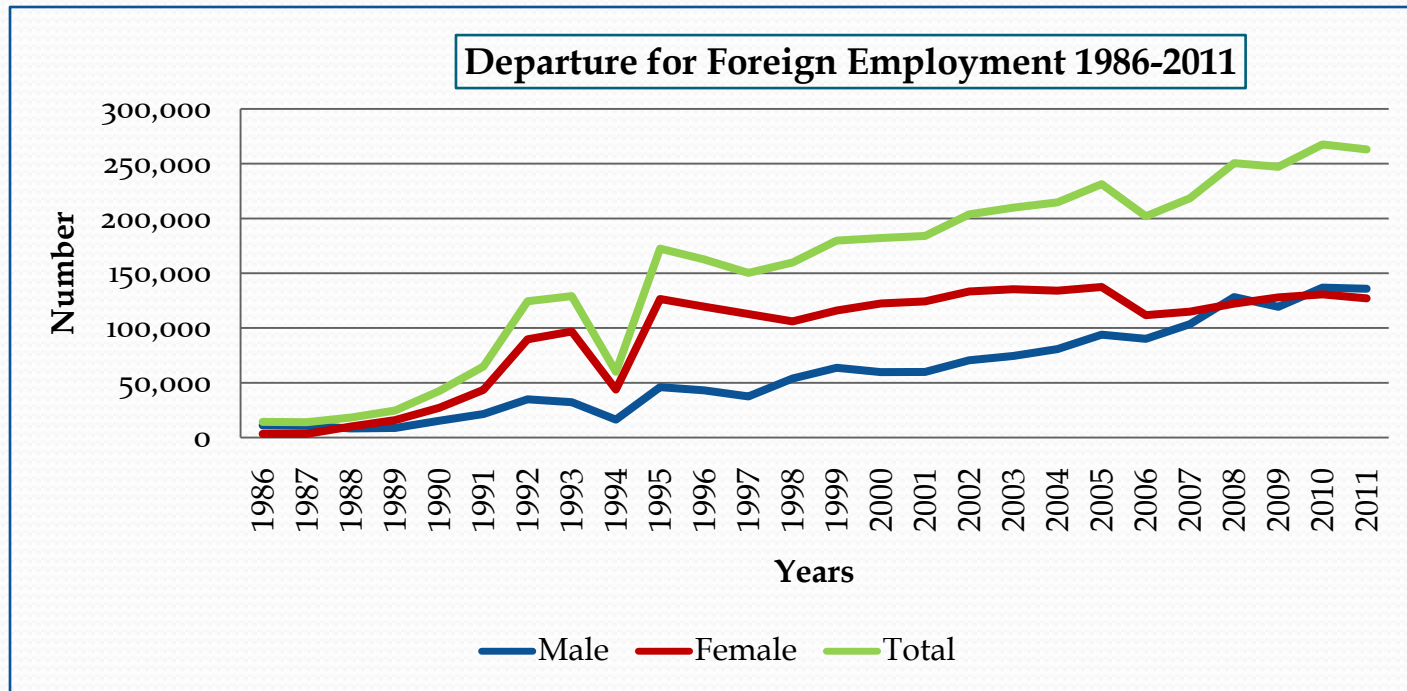


2) Increase in life expectancy



Source: Based on Gunasekera, H.R., (2008), De Silva (2013)

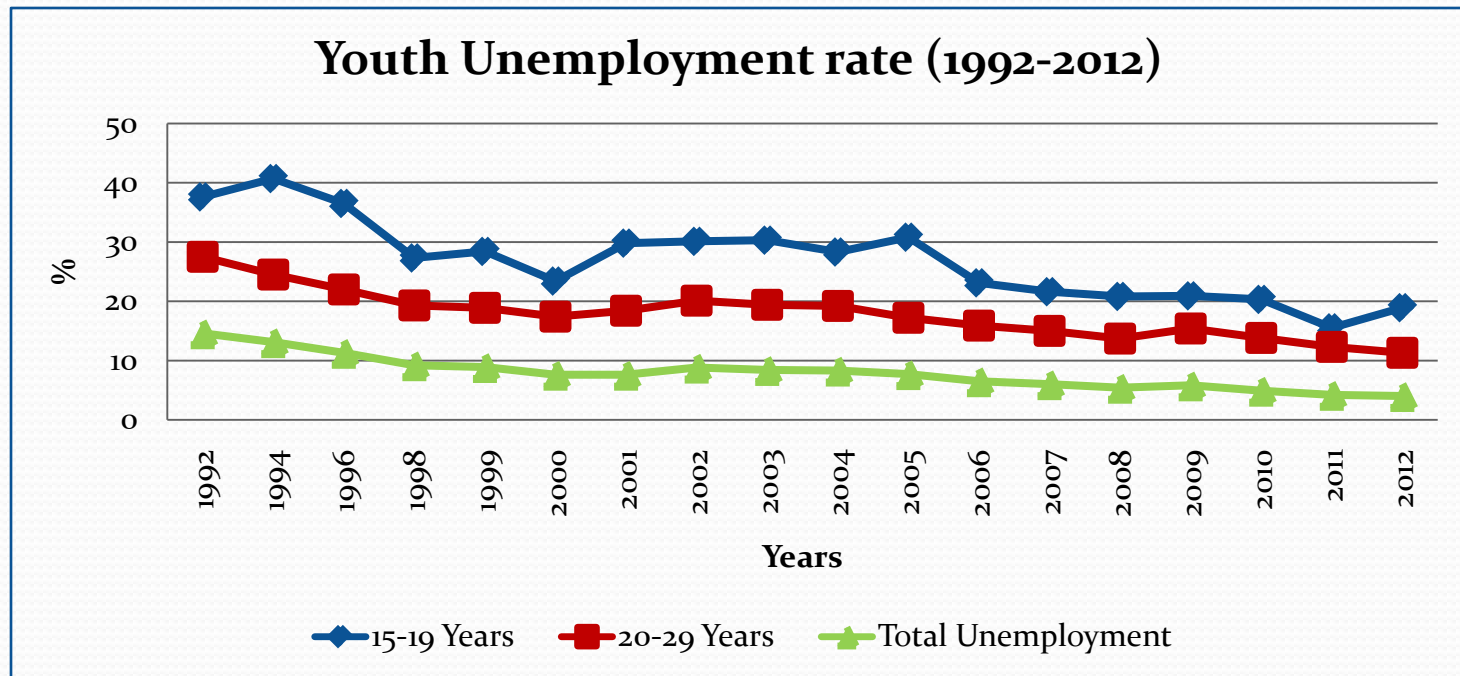
3) Increasing trend of migration



Source: Based on CBSL, 2012

- Increasing level of migration since early 1980s – for permanent migration, employment, education & other
- 35-40% of those who migrate for employment are youth

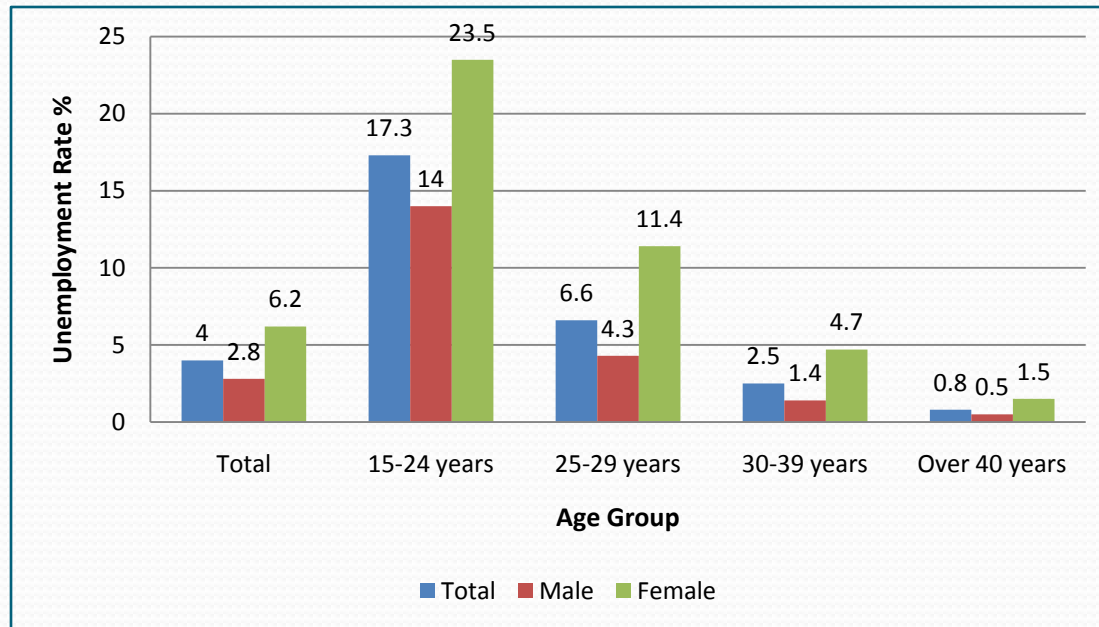
Youth Unemployment in Sri Lanka



Source: Based on Sri Lanka Labour Force Survey Data Various Years

- Decline in overall unemployment rate and youth unemployment rate
- In early 1990s, youth unemployment was much higher
- Despite the declining trend, unemployment rate among youth has been much higher than the overall rate.

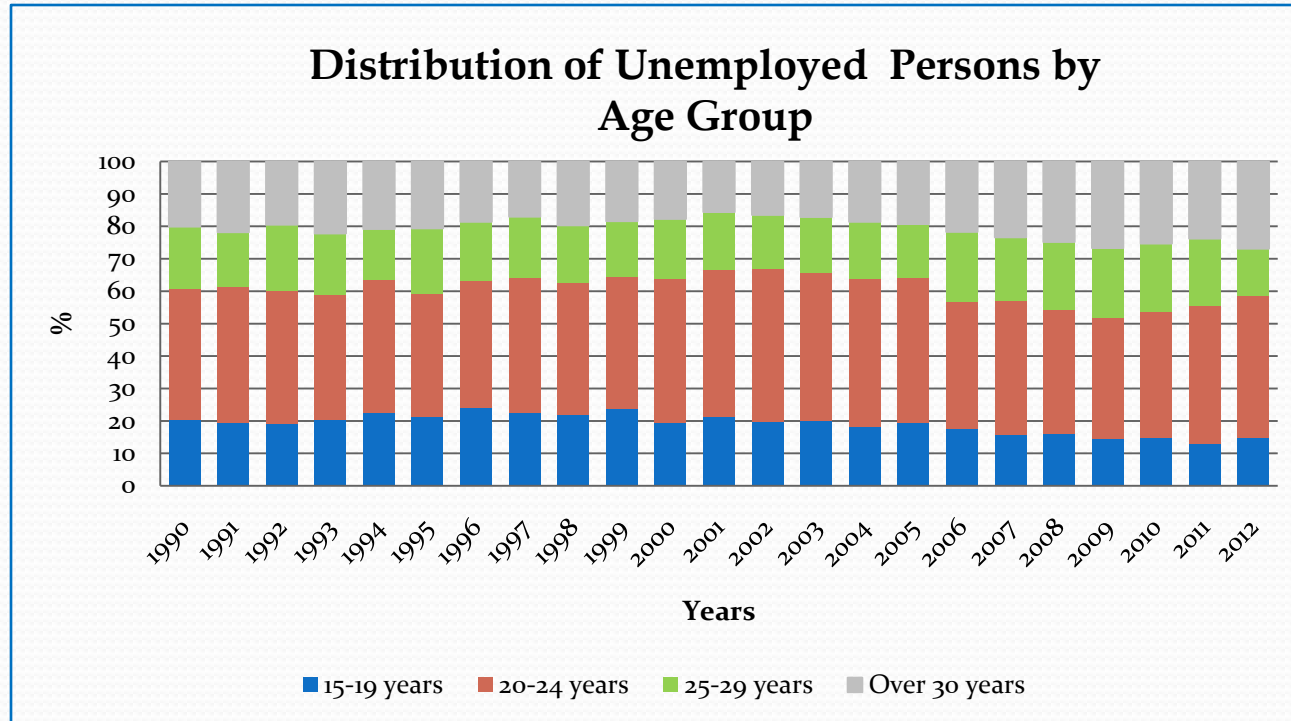
Unemployment Rate by Age and Gender -2012



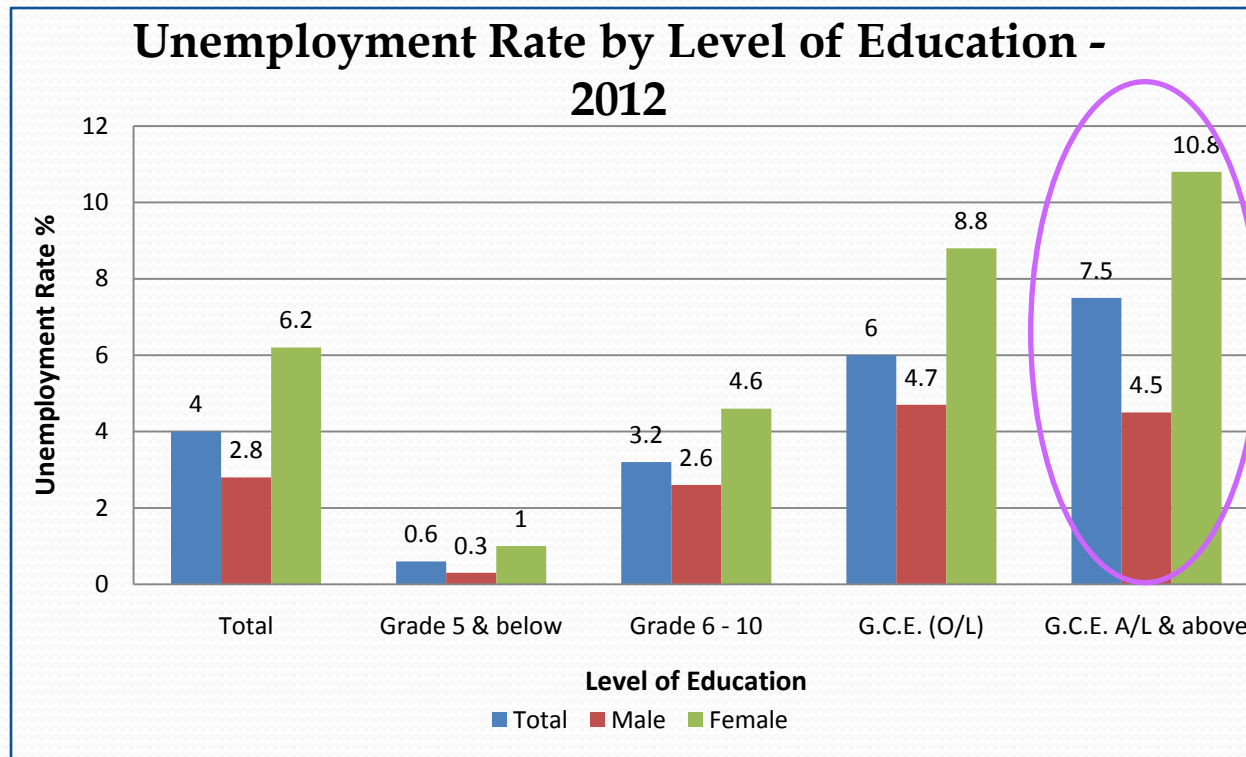
Source: Based on LFS 2012

- Unemployment among 15-24 group is about four times higher than the overall unemployment rate- 17.3%
- Unemployment is particularly higher among young females - 23.5% among 15-24 group

- ❑ About 75% of unemployed are youth (over 40% are between 20-24 years)
- ❑ The pattern has remained unchanged over the past 2 decades



Source: Based on CBSL, 2012

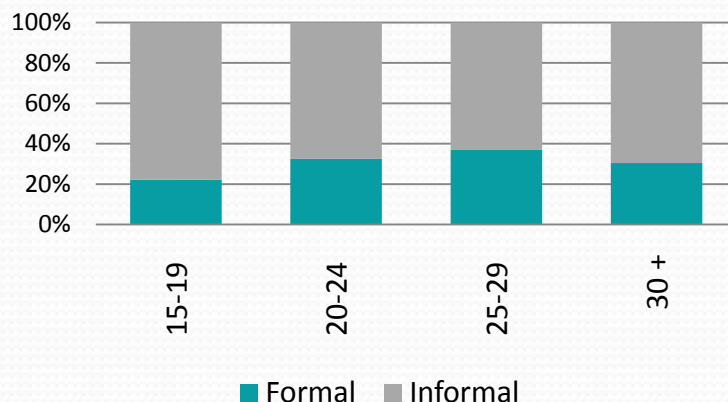


Source: Based on Labor Force Survey 2012

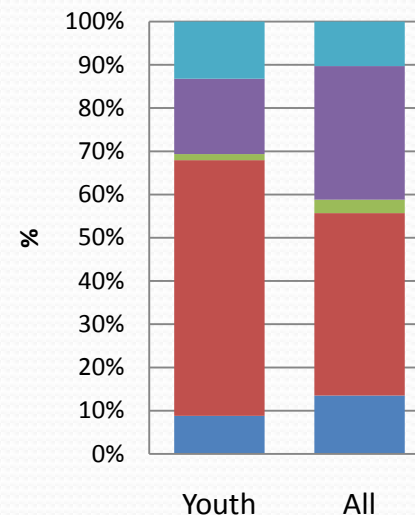
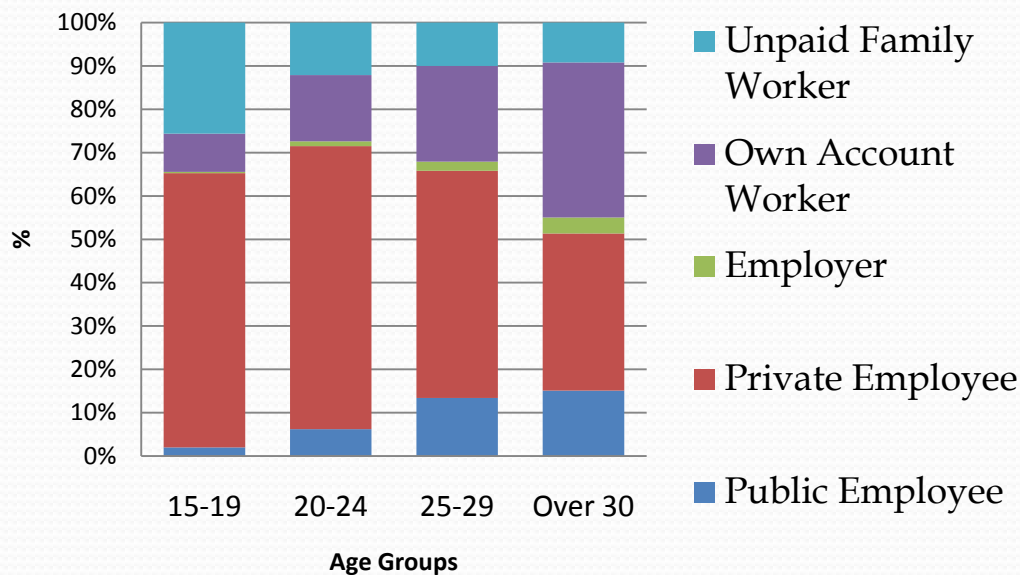
Unemployment among the educated is higher, particularly among educated females....

Status of Youth Employment

Informal sector employment - 2009



Significant share of employed youth are in informal sector jobs.



Source: World Bank (2010)

Female Labour Force Participation Rate

- Female LFPR has not only been low but has fallen in recent year
- LFPR among young females is about half that among young males (37% vs 74% in 20-24 age group & 39% vs 94% in 205-29)



Source: Sri Lanka Labour Force Survey Annual Report 2011

Youth Employment : Key Issues to be Addressed

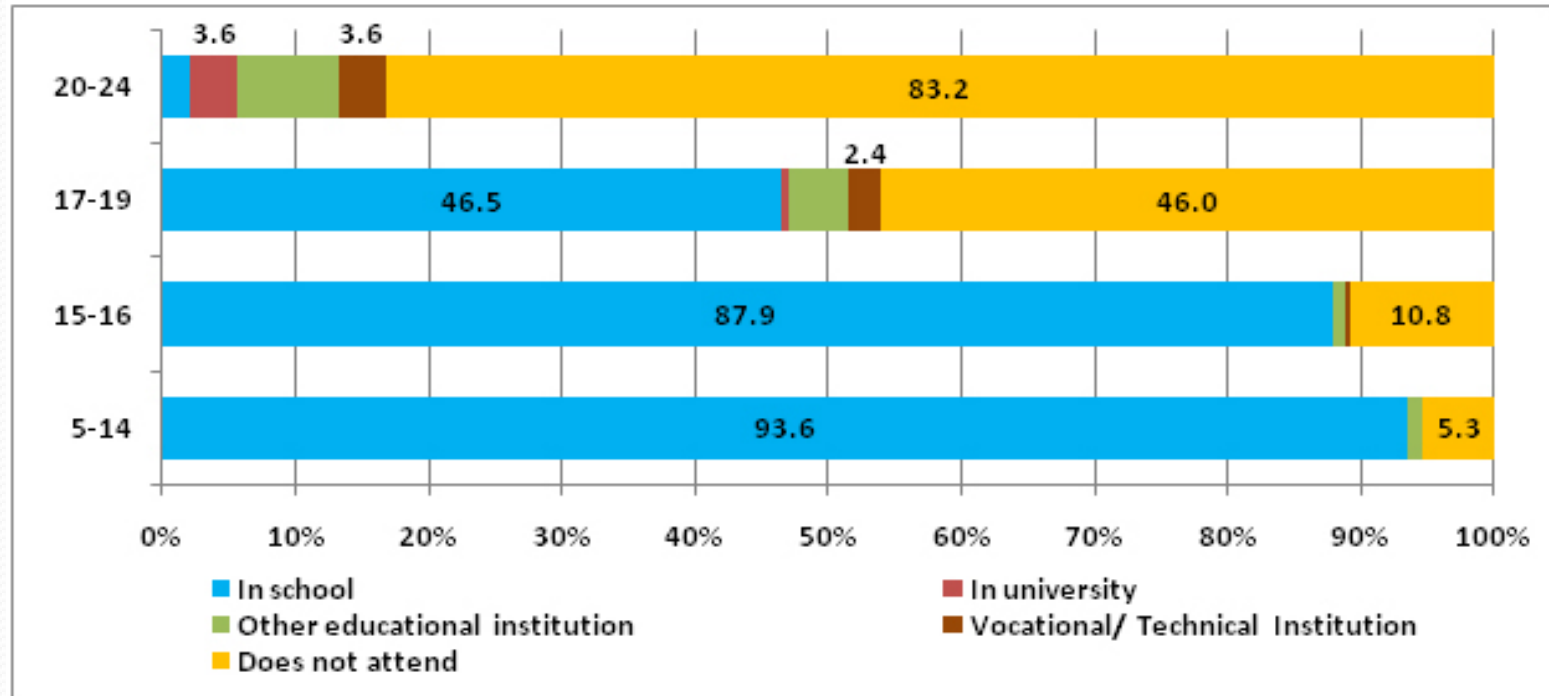
1) Skills Mismatch

❑ Two types :

- Lack of skills (technical/ 'soft' skills) in demand in the labour market
- Shortage of jobs to match the needs and aspirations of job-seekers

❑ Lack of skills among youth , to a large extent, is due to gaps in the current education system (tertiary and secondary)

Distribution of Youth by the type of Education Institute



Source: based on LFS 2009 data (UNDP, 2012)

- ❑ Sri Lanka's tertiary education system caters only to a smaller proportion of youth, primarily due to the limited capacity.
- ❑ A larger share of youth enter the labour market without higher education/ vocational/ technical training

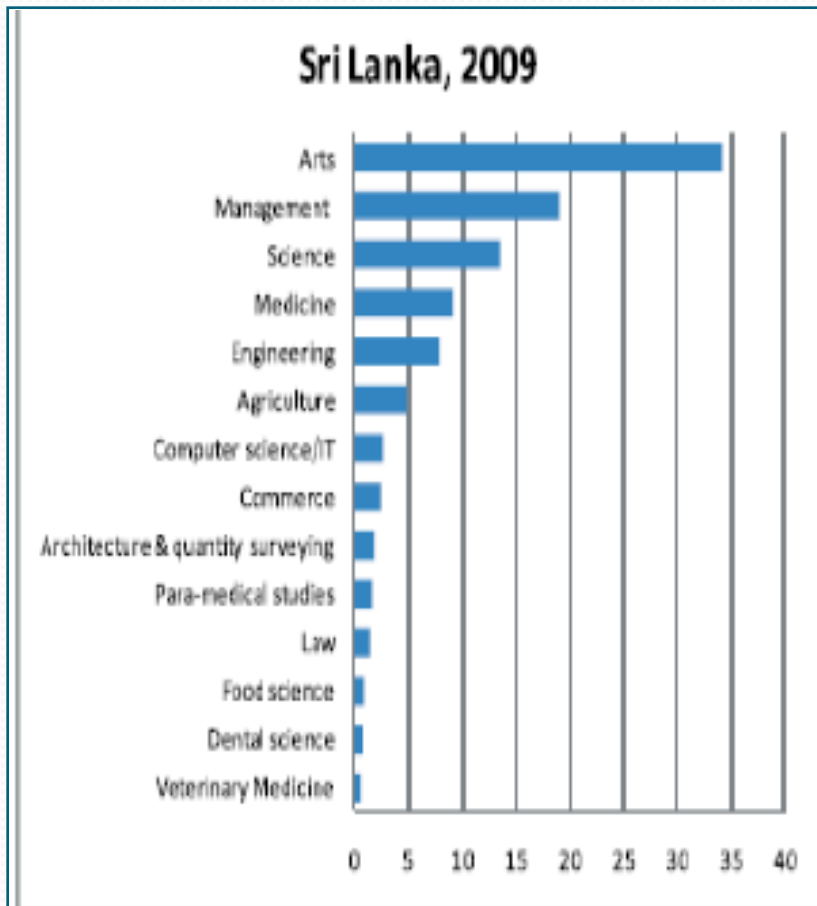
National Examination Success Rates and University Admission

	2010
Number sitting for O-Levels	433,673
Percentage qualifying for A-Levels (% of O/L candidates)	58
Number sitting for A-Levels	233,354
Number qualifying to enter university	142,415
Percentage qualifying to enter university (% of A/L candidates)	61
Number admitted to university	21,547
Percentage admitted to university (% of A/L qualified)	17

Source: DCS (2011), Statistical Pocket Book 2011 (UNDP, 2012)

- ❑ Due to limited capacity in state universities, each year, more than 100,000 qualified students miss opportunity to enter university.
- ❑ Limited alternatives opportunities – few private universities, vocational training)

Distribution of University Enrolments by Subject



- Heavy concentration on Arts/Management (almost 55% studied these disciplines)
- Proportion of undergraduates studying science/engineering/ IT is smaller - but increasingly high demand !
- Lack of 'soft skills' (communication skills, IT working knowledge, proficiency in 'English' language) → skills mismatch in labour market

Source: UGC, 2012 (UNDP, 2012)

2) Queuing for public sector jobs

- Due to job security, pensions and non-wage benefits – e.g. 'more' holidays and 'less work'
- Preference for public sector jobs is high among females (and graduates)
- Gender parity in earnings in the public sector.

3) Gender- wage gap

- The gender- wage gap is much higher in the private and semi-government sectors - around 36% and 30% respectively compared to 8% in public sector (World Bank, 2012)

4) Inequitable gender division in the labour market (male jobs/ female jobs) or gender segregation by occupation




5) Regulatory environment governing the labour market contributes to slow growth of formal jobs - Termination of Employment of Workmen Act (TEWA)

- Effective in protecting jobs and preventing job losses but raise the cost of hiring formal workers
- Leads to hiring of informal workers by formal enterprises.

Conclusions and Policy Suggestions

- ❑ Improving quality and relevance of education (tertiary and secondary)
 - More emphasis on disciplines like ICT, science and technology– there is an increasing demand for labour in these areas but there's a shortage of skilled labour
 - Policies to improve 'soft skills' in addition to technical skills
 - Establish links between education institutes and industry/private sector
- ❑ Expanding the tertiary education sector
- ❑ Vocational Training
- ❑ Career guidance / job search assistance
 - Set-up career centres throughout the country and career guidance at school level.

- 
- ❑ Re-visiting labour market regulations that hinder the creation of formal jobs.
 - ❑ Measures to address gender-wage gap and gender segregation of occupation in labour market
 - ❑ Measures to increase female labour force participation
 - ❑ Youth entrepreneurship – financial assistance, training, BDS
 - ❑ Strengthening social protection

THANK YOU!