

**IDENTIFICATION OF FACTORS AFFECTING THE
UNEMPLOYMENT OF EDUCATED YOUTH IN SRI LANKA**

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Degree of Master of Science in Business Statistics

Department of Mathematics

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DECLARATION OF THE CANDIDATE AND THE SUPERVISOR

I declare that this is my own work and this dissertation does not incorporate without acknowledgement any material previously submitted for a Degree or Diploma in any other university or Institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in the text.

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Prof. T. S.G. Peiris

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ABSTRACT

As the unemployment of the educated youth has been a common problem over the past years in Sri Lanka, this study was initiated to determine the factors affecting the educated unemployed youth (EUY). Data from the Annual Labour Force Survey in 2016 conducted by the Department of Census and Statistics (DCS) was used for this study. Data has been collected using the two stage stratified sampling technique. This analysis is based on 4002 individuals whose age category of (15-24) and qualified with the G.C.E (O/L) and G.C.E (A/L) qualifications. For the analysis, seven variables used were gender, race, religion, marital status, education attainment, literacy in English and the residential sector. When each variable was considered separately, it was found that gender, religion, education attainment, literacy level in English and residential sector have significant ($p < 0.05$) impact on EUY. The educated female unemployed youth is significantly higher than that of males. The highest percentage of EUY was found among Buddhists while the lowest percentage was found among Muslims. The rate of EUY having G.C.E (A/L) qualification is significantly less than that of G.C.E. (O/L) qualification. Of the residential sector, the highest unemployed rate (78%) was found in the estate sector. When all the seven variables were considered simultaneously using Binary logistic model, only gender, religion, marital status, education attainment and residential sector were found significant on EUY. The overall correct classification rate of the Binary Logistic model is 76.2%. When only two way interactions were considered, the model was found to be significant based on Hosmer and Lemeshow statistic ($p=0.460$) and the overall correct classification was improved to 77.1%. The significant interaction was found between gender and education attainment, religion, marital status and English literacy. The percentage of married male EUY is significantly lower than that of unmarried male, but the percentage of EUY is almost same for females irrespective of marital status. The lowest percentage of EUY was noted for males having G.C.E (A/L). The percentage of male EUY who are unable to read and write is almost the same than that of males who are able to read and write, percentage of female EUY is much higher among those unable to read and write than that of able to read and write. The inferences derived in this study can effectively be utilized to reduce the EUY in Sri Lanka.

Keywords: Educated Youth, Labour Force, Logistic Regression, Two Stage Stratified Sampling, Unemployment.