

# Explaining Mismatch between Labor Supply and Demand in Sri Lanka

## *Youth & Gender Qualitative Study*

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## *Acknowledgement*

This study, which was commissioned by the World Bank as part of its analytical work supporting the Government of Sri Lanka, was carried out by Survey Research Lanka (SRL). The final report was prepared by Mihirani Dissanayake, Eminent Researcher and Chief Executive Officer of SRL in collaboration with and under the guidance of Elizabeth Ruppert Bulmer, Lead Economist, Jobs Group, World Bank.

We thank Praneetha Navarethne and Sampath Dissanayake, Senior Researchers of SRL for leading group discussions and Michelle Ratnasothy and Anithab Sundararajan for supporting project execution in Tamil areas that greatly improved the study outcome. The field operation guidance received by Neel De Silva, Chairman of SRL is highly appreciated.

We would also like to express our gratitude to Prof. K.A.P. Siddhisena, Emeritus Professor of Demography, and Prof. Athula Ranasinghe, Senior Professor of Economics, University of Colombo, Sri Lanka for sharing their pearls of wisdom with us during the course of this research. We are also immensely grateful to Sampath Kumara, Field Manager, and the entire Operation team of SRL for their commitment on quality and timely support.

# 1 Youth Employment in Sri Lanka

## 1.1 Background for the study

In Sri Lanka, close to 28% of the total population is aged between 15 and 29 years old, which is defined as 'Youth' as per the National Youth Service Council (NYSC) in Sri Lanka. More than 75% of youth were residing in the rural areas during late 90s and the literacy levels were relatively low during that era. But by the mid-2000s, this had changed; youth's literacy level reached 95.7% in 2006/07, and more and more Sri Lankans were moving to urban areas, including youth. (Department of Census and Statistics, 2009)

There are big differences between male and female youth, both with respect to their labor force participation decisions and their employment rates. Female participation rates in the labor force are quite low, despite a significant rise in educational attainment. When we look at youth employment status by gender, it is evident that more than 50% of male youth are employed whilst this number is comparatively lower when it comes to females.

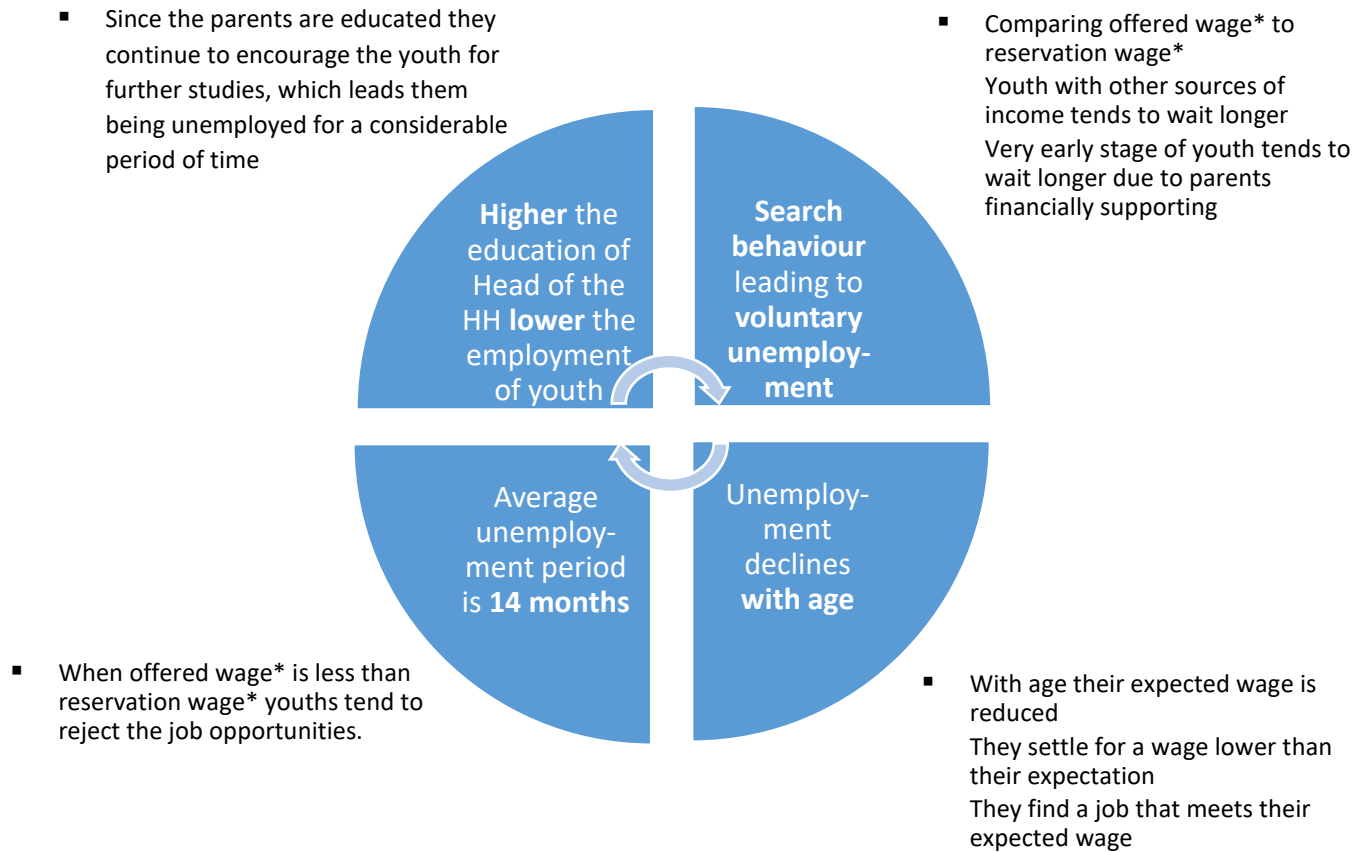
Table 1: Total Youth Engaged in Employment

Year	Male		Female		Total	
	Number	% of Male Youth	Number	% of Female Youth	Number	% of Total Youth
2000	1,252,913	56.32	621,275	28.7	1,874,188	33.07
2005	1,244,425	56.60	590,769	26.13	1,835,194	34.55
2010	1,060,063	53.65	540,612	24.35	1,600,675	28.71

Source: Department of Censes & Statistics, 2014

Youth experience high unemployment rates, although overall unemployment has been declining. Even though having more education is expected to lead to a job, we observe high unemployment among those with more education. Moreover, a majority of unemployed youth are women [check], some by choice. Male youth attachment to the labor force is also relatively weak/declining [check]. Some of these emerging trends in youth employment and the contributing factors were identified by the Sri Lanka National Youth Service Council (Figure 1). Although there are commonly held perceptions about the societal and cultural factors that drive youth employment and unemployment outcomes in Sri Lanka, there is little factual evidence to back these perceptions. This study seeks to fill this gap using qualitative methods to understand the demand and supply side factors driving low youth labour force participation and employment in the country, including societal and cultural influences.

Figure 1: Evolving trends in youth employment



\* Offered wage represents the wage offered by the employer and the reservation wage represents the acceptable wage by the employee  
Source: Sri Lanka National Youth Service Council

## 1.2 Study rationale and objectives

Based on the prevailing employment status of youth in Sri Lanka and the significant underutilization of youth's human capital – whether through underemployment in low-skilled work or voluntary unemployment or remaining outside the labor force – policies to address this underutilization are needed. But effective policy design needs to address the key motivations of youth labor supply behavior. The qualitative study described below aims to shed light on the factors influencing youth's work preferences, how they perceive current labor market opportunities, and how their priorities are shaped by family and community values. The study also considers the preferences of parents and the degree to which these accord with their children's priorities. And the study complements these supply-side questions by exploring demand-side considerations regarding employers' attitudes toward hiring youth.

The objectives of the study are to:

1. Understand the factors affecting youth's supply behavior including labor mobility and migration decisions, and how these vary between female and male youth of different education levels;

2. Identify the skills preferences driving firms' hiring behavior with respect to youth and in particular female versus male youth;
3. Identify the degree to which these preferences and behaviors are consistent between labor suppliers (i.e., job seekers) and labor demand (i.e., employers).

It is likely that recent labor force entrants and young NEETs<sup>1</sup> – for example, those aged 18-29 – base their labor supply decisions on multiple factors including local labor market conditions, perceptions of desirable work, family and/or cultural values around acceptable work and gender roles, reservation wages, and prevalent migration patterns. Whereas quantitative analysis of household-level data can provide a detailed snapshot of labor outcomes for youth, it cannot capture the various, potentially competing factors that motivate the ways youth engage in the labor market. Perceptions of job opportunities affect the training and job search actions undertaken by youth for these opportunities. And perceptions are likely based on the experiences of peers, school curriculum streams, teachers' guidance, personal family circumstances and cultural norms, inter alia. Existing sources of firm-level quantitative data on employment similarly do not provide adequate granularity to understand employers' hiring behavior, skill needs, and attitudes towards youth and women.

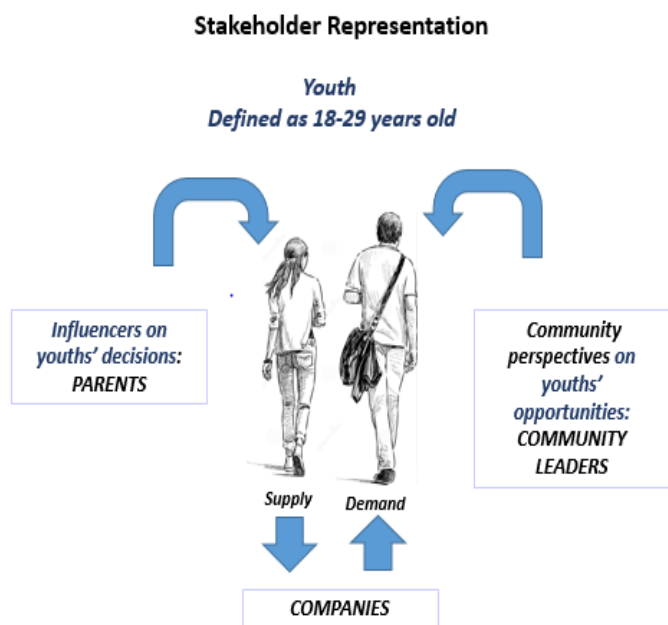
There are many sources of data that can quantitatively describe Sri Lanka's labor market and the participation of youth, but few studies probe the driving motivations behind the numerical evidence. This study, by contrast, provides insights into the "Why's?" underlying the quantitative data, and derives hypotheses about youth employment and unemployment and the factors exacerbating mismatch between labor supply and demand.

### 1.3 Methodology and Research Process

Given the objective to discover factors that influence youth's labor supply and demand, a qualitative exploratory methodology was applied using semi-structured one-on-one and small group discussions with identified stakeholders, including:

- Male and female youth in the age group of 18-29 years who are either employed, unemployed or NEET
- Parents of female youth
- Community leaders
- Private sector employers

The qualitative instrument described here comprises several complementary tools designed to elicit different types of information from a range



<sup>1</sup> NEET refers to those of working age who are not in employment or education or training.

of target respondents. The set of tools includes: focus group discussions with working-age youth, key informant interviews with community members, parents and employers, and life-story interviews with selected youth.

#### Focus Group Discussions (FGD) with working-age youth

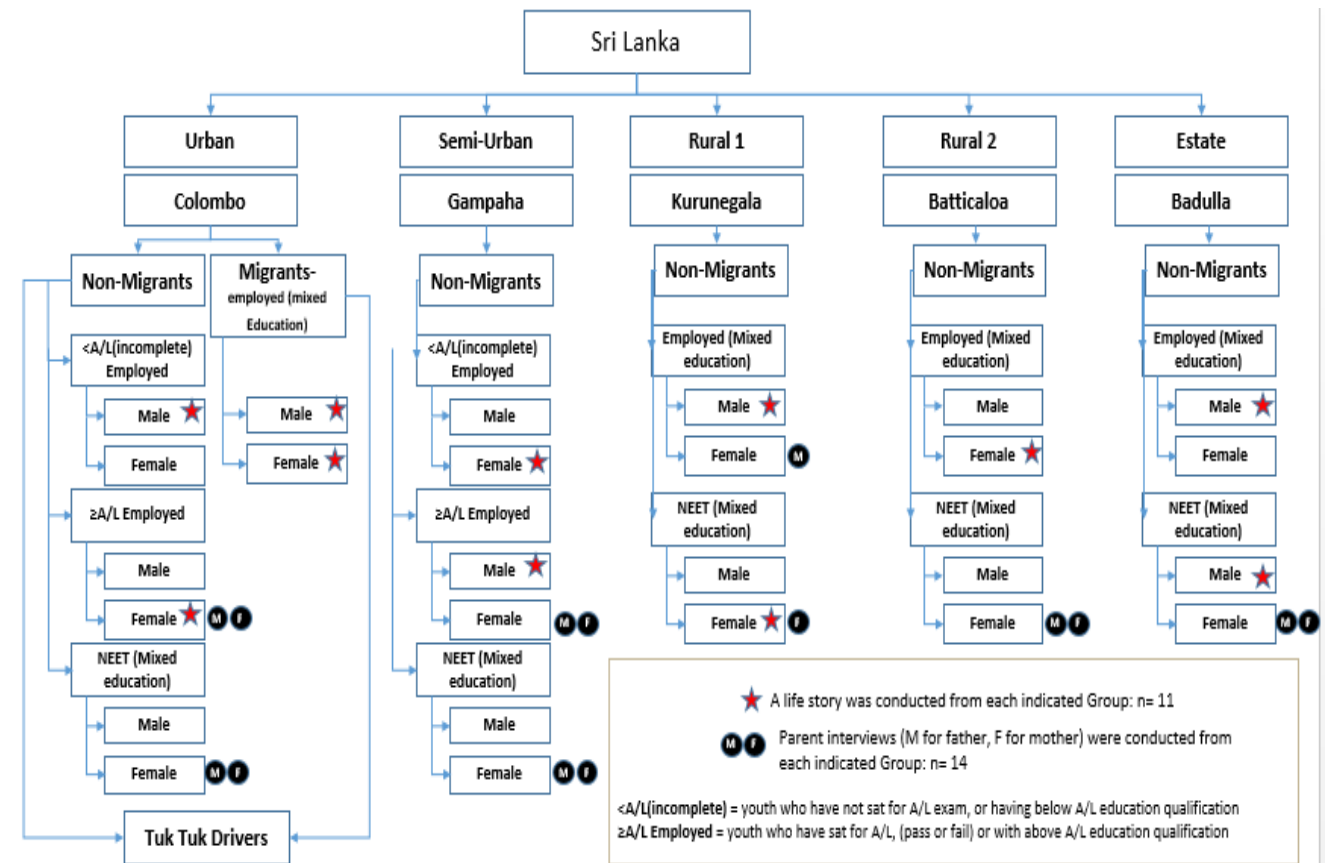
- Focus Group Discussions (FGDs) were conducted using a detailed Discussion Guide (DG) (see Appendix 2) complemented by life stories with youth selected from among FGD participants. Further, a Blind Voting Technique was conducted as part of each FGD to capture preferences among different job options differentiated by formality status, salary and location. See Appendix 3 for a description of the Blind Voting process.
- Each FGD comprised of 6-8 youths aged between 18-29 years.
- Separate groups were conducted for males and females, separated by work status (i.e., employed versus NEET), by education level (less than A level versus A level and above), and by migrant<sup>2</sup> status (migrants versus non-migrants).
- 27 FGDs were conducted in total, and 11 life story interviews.
- Each FGD lasted 2.5 to 3 hours including the Blind Voting session, and each life story interview lasted approximately 60-70 minutes, and was conducted following the group discussions.

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<sup>2</sup> Migrant groups consisted of both internal migrants for work and those who have plans to migrate abroad



Figure 2: FGD and Interview Composition



In-depth interviews (IDIs) with Parents, Community Leaders

- In-Depth Interviews (IDIs) of about 60 minutes duration were conducted with five community leaders (one in each location, described in Table 2) and parents in each community where the FGDs were carried out (14 parent interviews in total).

Table 2: Community Member Sampling

COMMUNITY MEMBERS			WHO WAS INTERVIEWED?
Urban	Colombo	1	Youth Council Officer
Semi Urban	Gampaha	1	Career Councilor
Rural 1	Kurunegala	1	A Female – Grama Niladari
Rural 2	Batticaloa	1	A School Principal
Plantation	Badulla	1	A Female – Divisional Secretary
		5	

### In-depth Interviews (IDIs) with Employers

- In-Depth Interviews (IDIs) of an hour duration were conducted with employers in each community where the FGDs were carried out.
- Twelve employers in total were selected to cover the following categories (Table 3):
  - Employers with experience employing youth
  - Employers without experience employing youth
  - Employers who have employed an intern/apprentice/trainee placed in their firm

Table 3: Employer Sampling

FIRMS					
		Employer with youth employees	Does not employ Youth	Employer provides training/Internships	Tuk Tuk Company
Urban	Colombo	1	1	1	1
Semi Urban	Gampaha	1	1		
Rural 1	Kurunegala	1	1		
Rural 2	Batticaloa	1	1		
Plantation	Badulla	1	1		
<b>12</b>					

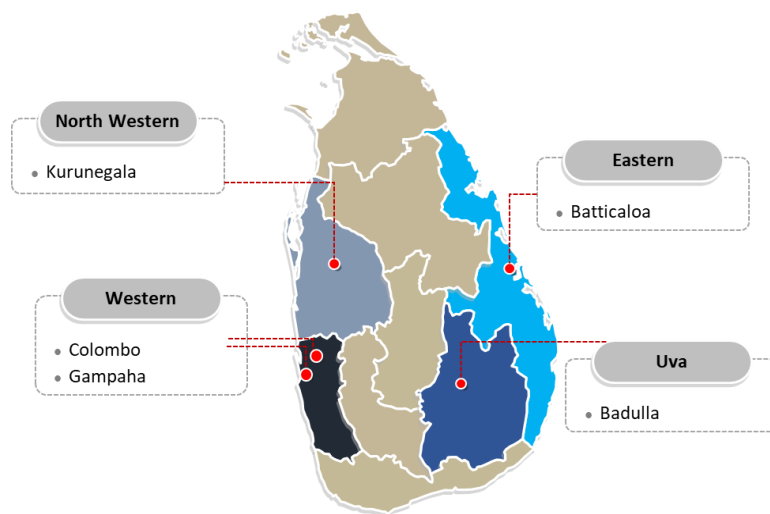
Table 4: Summary of Survey Instruments

Tool	Time	Purpose
<i>Focus Group Discussions with Youth</i>	2.5-3 hours	To gain an understanding of youths' perceptions of and experiences with accessing employment opportunities and entrepreneurship, and the factors affecting labor mobility.
Life Story interviews	1.5 hours	Document the life story with focus on migration behavior, work and migration patterns of immediate family, education/training decisions, gender dynamics/roles/responsibilities, and career and life aspirations, etc.
Key Informant <i>one to one in-depth Interviews</i> with Parent	1 hour	To gain an understanding of the role of family-based decision making and parental influence over career choices and "acceptable" work.
Key Informant <i>one to one in-depth Interviews</i> with a Community Leader	1 hour	To gain an understanding of the local labor market context and community-level factors that influence young people's labor supply behavior, local labor demand, and labor mobility of youth, and how these factors affect men and women differently.

Tool	Time	Purpose
Employer Interview – <i>Semi-structured one to one in-depth interviews</i>	1 hour	To gain an understanding of labor demand for youth, including the degree to which employers’ skill needs are met, employers’ preferences and expectations with respect to youth employees, and differences in perceptions/expectations/preferences that employers have about male and female youth.

### Geographic Representation

Figure 3: Regions covered in the study



After a thorough consideration of the study scope and objectives, it was decided that it was vital to capture urban, rural and plantation/estate communities. Given the relatively high population share in rural areas, two rural areas were selected. **Kurunegala** was selected to represent rural Sinhala communities, and is one of the highest populated rural districts of the country. Furthermore, it is considered to be one of the fastest developing rural areas in the country. **Batticaloa**

was chosen as the second rural area, and represents Tamil communities. Urban communities are fairly represented by covering communities in urban areas of **Colombo** district as well as **Gampaha**, which represents a Semi-Urban area. In order to represent estate (plantation) communities, **Badulla** was selected. A detailed description of each location covered in the study is presented in Appendix 7.

## 1.4 Research Process

**Step 1** – Upon finalization of the Discussion Guide, a pilot group discussion and a life story discussion were conducted in order to identify specific requirements to prepare the entire study, test the recruitment questionnaire used to identify FGD participants, identify logistics gaps for conducting the FGDs, validate the Discussion Guide, pilot the optimal group size for manageability, and gain an understanding of the time required for each discussion.

**Step 2** – Based on the experiences of the pilot group discussion, several adjustments were made to the study scope and its execution (described in Table 5).

Table 5: Pilot Study Results and Adjustments

Lessons from the pilot	Adjustments
The initial study scope was planned to ensure representation of migrants as well as non-migrants in the same group. At the pilot, it was found that the discussion around migration did not gain adequate attention by the respondents as that section was very relevant to only migrants hence non-migrants in the group were not engaged in the discussion and got distracted. At the same time migrants didn't show an openness to share their perception and experience freely when others just listened.	Created separate groups for Migrants only in Colombo where both internal and external migration is high. Migration section of the DG was thoroughly discussed only within migrant groups.
8 respondents were recruited for the pilot group, and a maximum of 2 and half hours was allocated for the discussion. However, it took more than the budgeted time to complete the group discussion without the life story which took another hour.	The group size was reduced from 8 to 6 respondents, which enabled the moderator to engage all respondents into the discussion seamlessly. The project team was able to offset the reduced number of respondents in each group by allocating additional resources to recruit additional migrant groups in Colombo, as mentioned above.
Because the DG had many sections, the pilot helped to clarify terms and concepts related to employee participation, career path and aspiration, entrepreneurship, education and skill level, unemployment, migration and gender roles. The pilot made clear which sections required extensive discussions in each group (Migrants, NEET, Employed, etc.)	The moderators were trained on the DG to give emphasis on the weight/attention to be devoted for different sections in different groups.
The initial plan was to execute the blind voting section towards the end of the discussion. However, it was realized during the pilot that the respondents are tired towards the end of the discussion and hence do not pay adequate attention to this section.	The blind voting section was introduced in the middle of the discussion, which helped to break up the format and introduce the blind voting as a game, resulting in sustained attention and momentum of the discussion.
Given the different salary levels earned by youth, the average minimum salary considered for blind voting game was not applicable for some youths in the group. For example, the average minimum wage applied for different options was Rs.35,000/month. However, the group	It was decided to collect monthly salary / wage of each respondent in each group before the start of group discussions to know the range present, and then have each respondent use

Lessons from the pilot	Adjustments
consisted of youths who earn around Rs.50-60,000/-. When Rs 35,000/- was used as a flat average, the 10%, 20% and 50% increase scenarios did not make any sense to the respondent who earned a higher salary.	their current salary/wage as the starting or reference wage.

**Step 3** – Using a Recruitment Questionnaire, eligible respondents were recruited and brought to a central location for the discussion. Moderators followed the following process:

1. Recruiting officer would provide to the moderator in advance a respondent registry containing all the profile details of the respondents who would be coming for the group discussion. The moderator would study the details of the respondents and be prepared for the discussion with specific probing areas that are relevant to the respondents. The moderator would also know the details of the youth with whom the life story discussions would be carried out in each group from the respondent registry.
2. On the day of the group discussion, the moderator would start with an introduction and warm-up session, followed by the other sections of the DG.
3. Post the FGD, after a couple of minutes' break, the moderator would start to talk to the youth who has been recruited to relate his/her life story. The moderator would play more of a listening role while the respondent told his/her life story. Moderator would probe key touch points in the life story, happy and sad moments, and with more emphasis towards education and career.

## 2 Research Outcomes

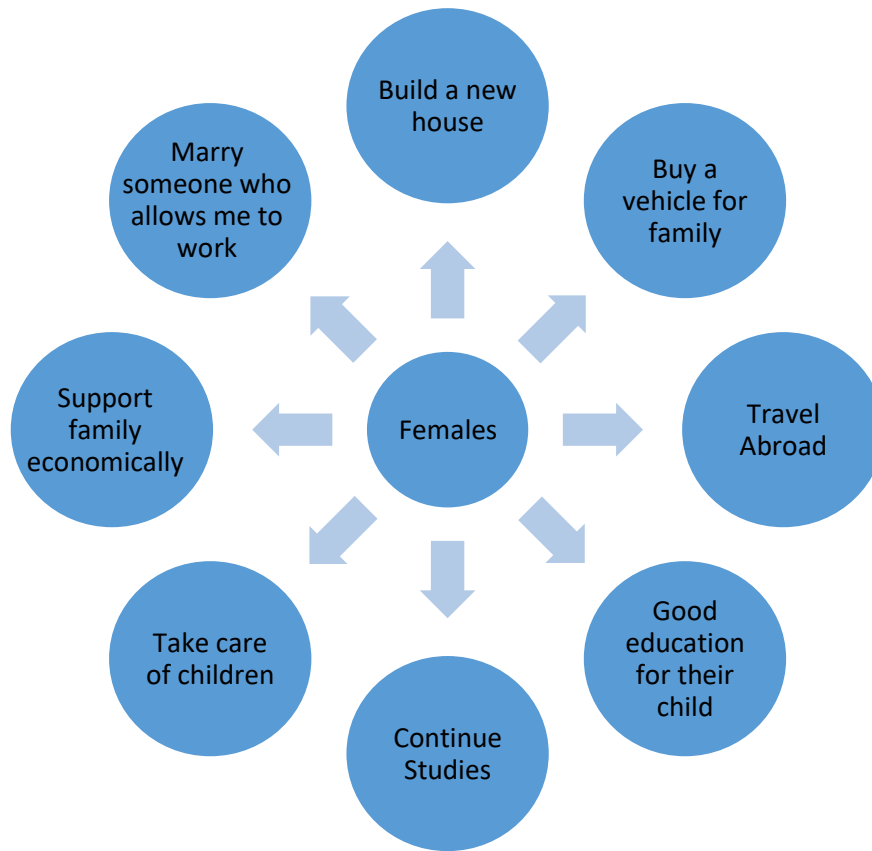
The discussion that follows summarizes the main findings of the FGDs, life story interviews, parent interviews, community leader interviews and employer interviews.

### 2.1 Aspirations of Youth in Sri Lanka

Youth aspirations exhibited distinct differences between females and males. Interestingly, youth's life aspirations often deviate from their career aspirations (see Appendix 5 for detailed life stories).

Female life aspirations are mostly centered on her own and her family's ambitions. It's not just about 'her', but about 'her along with her family'. The insights below are consistent with the fact that female employment rates drop after the age of 20 due to family commitments. SPARC (2014) also confirms this trend, given that the highest employment rate for men is witnessed at the age of 23 (at 90%) whilst women never exceed 70% at any age. In contrast to the SPARC (2014) study conclusion that women leave their careers to take care of family and kids, our study establishes that females are increasingly becoming equally aspirational about their careers and their personal lives. We witness a proportion of female youth who continue to pursue their careers while managing their families. This reflects a shift in the traditional norms/stereotypes for females. One of the main differences between female and male aspirations are that females' personal and career goals are made with utmost importance given to their families, whereas males tend to be self-focused. Employers did note that female employees' tenure is usually limited to 5 years, joining the firm at the age of 18-20 and leaving when they are 23-25 due to family commitments and marriage plans.

Figure 4 Life Aspirations of Female Youth



Vilashini, 23 years old and the youngest in a family of three children, is a hard worker who hugely depends on her job to help her family. Hence, Vilashini works very carefully and with great commitment to protect her job. Vilashini refused to marry someone who was proposed by her parents, since he wanted Vilashini to quit her job after marrying. Vilashini refused him! (*Employed -Colombo*)

Nimali's mother migrated when she was very young, and Nimali missed her affection and protection. She had to take care of her 2 year old brother as well. "I don't want my kids to go through what I went through." (*Employed - Gampaha*)



27-year-old Danushika is the elder daughter of a family of three children. She never wanted to keep working after marriage, but she feels she needs to with two kids' expenses. (*NEET, Kurunegala*)

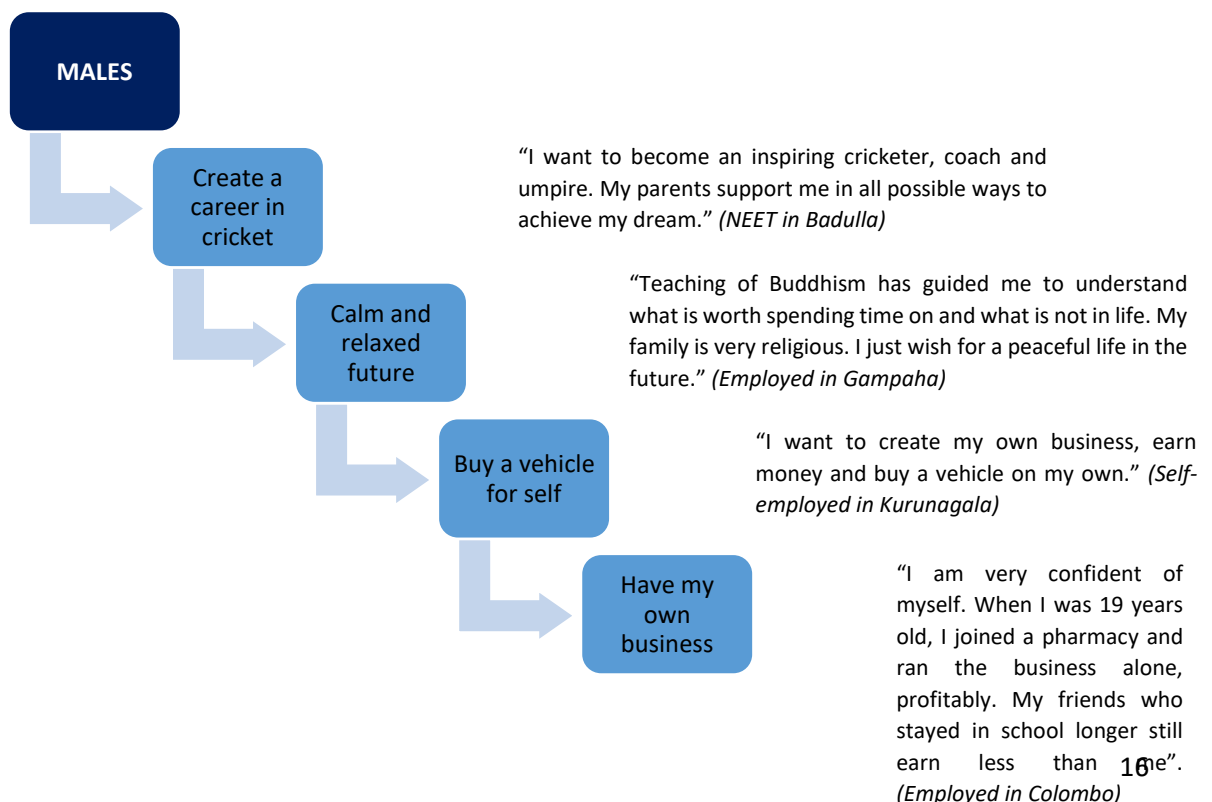
29 year old Darshini is a teacher in Badulla. She wants to save money and buy a house first, then a car for her husband, then a small 'scooty' for herself and then travel around. She feels like she needs to be an inspiration for her generation. (*Employed in Badulla*)



Najeeha is 18 years old, the youngest in the family, and is currently studying and plays cricket and carom. She has stopped her education from O/L due to financial difficulties. She works part-time on a temporary basis in a garment factory for Rs.4000/month. She had tried to take out a loan to study, but bank interest rates were too high. She is determined to study somehow in the future. (*Employed- informal in Batticaloa*)

Male youths' life aspirations are very specific in nature, and tend to center on creating a wealthy life. This indicates self-centered, individualistic aspirations, in marked contrast to females' life goals, which are more collective in nature. These attitudes can be at least partly attributed to the different treatment of male versus female children at home from a very young age. Parents tend to view their sons as the future breadwinners of the family, and provide them with additional freedom and opportunities (sometimes even beyond the family's means); this is a key reason why male youths' aspirations are very much self-centered rather than family-centric. They were brought up with less responsibility for household chores and other day-to-day responsibilities, leading them to think only about their own life and career goals and deprioritizing their involvement at home.

Figure 5: Life Aspirations of Male Youth





Both female and male youth interviewed for this study expressed that their lack of proficiency in the English language was becoming a rising barrier to achieving their life and career aspirations, notably by impeding their ability to compete with more proficient counterparts.

The views summarized above reflect the many factors that shape youths’ decisions to seek or stick to employment and/or entrepreneurship.

## 2.2 Motivating Factors behind Labor Supply Decisions

There are many vital triggers and barriers that determine the career paths of youth. Be it a formal or informal job, a good job or a bad job, operating one’s own business, or choosing not to work, employment outcomes are affected by a wide range of factors and obstacles individuals face in their lives.

Motivating factors underlying youths’ career choices include inspirational people they have met in life, living up to parents’ expectations, surviving the economic crisis, support received from school and workplace networks, ambitions to achieve one’s own aspirations, a desire to support their family, and trying to live independently. The most common impediments cited were inadequate language proficiency (in English), lack of qualifications necessary to attain their target salary, lack of opportunities available in desired careers, lack of family support, insufficient education and lack of political connections.

Table 6: Positive Factors Motivating Labor Supply Decisions

Female Youth	Shared	Male youth
<ul style="list-style-type: none"> <li>▪ Good job opportunity close to home</li> <li>▪ To support or enhance the living standards of the family</li> <li>▪ To take care of parents</li> <li>▪ Subsidies received from the government</li> <li>▪ To help achieve children’s life aspirations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inspiring people they have met in life</li> <li>▪ Live up to family’s expectation</li> <li>▪ Inspiration by peers who work</li> <li>▪ To emerge from the economic crisis</li> <li>▪ Support from school/teachers</li> <li>▪ Support from the work place/ business owners/ bosses/managers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Good education background</li> <li>▪ Good previous working experience</li> <li>▪ Exposure to foreign work</li> <li>▪ Family background and exposure gained from the family</li> <li>▪ Parents’ financial support to start a business</li> <li>▪ To pay back loans/dues</li> </ul>

Female Youth	Shared	Male youth
	<ul style="list-style-type: none"> <li>▪ To survive and meet day-to-day needs</li> <li>▪ To achieve own career aspirations</li> <li>▪ Support from family/siblings</li> </ul>	<ul style="list-style-type: none"> <li>▪ Positive encouragement from peers</li> <li>▪ Parents' close guidance for a career</li> </ul>

Table 7: Factors Impeding Labor Supply or Good Job Outcomes

Female Youth	Shared	Male youth
<ul style="list-style-type: none"> <li>▪ Parents' objection to commute for work outside of own city</li> <li>▪ Hard work and difficult working environment</li> <li>▪ Married at young age</li> <li>▪ Having kids at young age</li> <li>▪ Lack of good career guidance</li> <li>▪ Excessive working hours – having to work night shifts, working on weekends/Poya days, difficulty in taking leave</li> </ul>	<ul style="list-style-type: none"> <li>▪ English language barrier</li> <li>▪ Must bribe to get a government job/ Lack of political connections</li> <li>▪ Low salary</li> <li>▪ Lack of opportunities for the expected / aspired job</li> <li>▪ Lack of guidance for right education/choosing the right path at school/University</li> <li>▪ Lack of support from family/siblings</li> </ul>	<ul style="list-style-type: none"> <li>▪ Lack of guidance for education from family</li> <li>▪ Low appreciation of education</li> <li>▪ Ignorance of employment/business rules and regulations</li> <li>▪ Peers' jealousy, negative influence of peers (hanging out with the wrong crowd)</li> <li>▪ Making losses in business</li> </ul>

The observations presented above suggest many commonalities between the aspirations and barriers of males and females, as well as distinct differences. Females' main motivating factors are more family oriented and the barriers tend to be posed by their families or family situations. Males' motivations, on

the other hand, are more self-focused, and bottlenecks tend to be individualistic in nature, e.g., lack of proper individual career guidance, lack of appreciation of education, etc.

With respect to self-employment, youth may have the vision and aspiration to start and grow a business, but they lack the knowledge of how to get there. They know the 'what' but not the 'how'. Lack of know-how about regulations and procedures and the scarcity of advisors to provide guidance and support are two main challenges encountered by self-employed youth. They also lack information about the benefits and support programs available from government, further reasons that youth entrepreneurs may struggle. A first step to help address these challenges would be enhanced Government efforts focused on increasing awareness of policies and support programs.

### 2.3 Perceptions of Job Opportunities across Regions

According to the opinions of youth, parents, and community members, job opportunities are ample, especially in Colombo, which is a hub for any kind of employment, particularly for any youth keen to do a job. With respect to opportunities outside of Colombo, however, different views emerged. There was however broad agreement that people working outside Colombo lack opportunities to reach the highest level positions in top companies, given that these jobs are concentrated in Colombo.

#### **Kurunegala | කුරුණෑගල | குருணாகல்**

The overall perception in Kurunegala is that there is an average level of job opportunities in the area. Female youth believe that lack of political influence is a critical hindrance to finding good opportunities, because sometimes people bribe politicians to find a job. Male youth perceive that most available jobs are informal. Both male and female youth believe there are no good or suitable job opportunities for qualified people in the area; qualified people therefore need to migrate to Colombo City for work.

Opinions about opportunities for career progression are mixed. If one is determined, one can advance up the ladder, but not to the top as there are few big companies in the area. Moreover, most available jobs are informal and hence lack promotion potential. Although there are some opportunities in the public sector, these tend to be allocated based on connections. The current situation in Sri Lanka doesn't promise anything solid for youth hoping for a change in the future.

#### **Colombo | කොළඹ | கொழும்பு**

Youth generally agree that job opportunities in Colombo are the best in the country and are highly competitive. Having high level of qualification, talents and experience would be helpful to find a good job in Colombo. Given many job opportunities across the skills spectrum and the diversity of service offerings in a large city, Colombo has a high share of internal migrants. The most interesting difference between Colombo and other areas where the survey was conducted was the fact that political influence is not a salient factor for realizing job opportunities in Colombo, but is a major impediment for youth outside Colombo.

Because Colombo is a very competitive market, the most talented, honest workers will get the opportunities to go up the career ladder. Colombo youth believe that the level of competitiveness prevalent today in Colombo will become more typical in other areas of the country in the future.

### **Gampaha | ගම්පහ | கம்பஹா**

Youth and others perceive many job opportunities in the area, both formal and informal jobs, due to rapid economic development in the area as well as vacancies in the Trade Zone. However, youth in the village tend to go to Gampaha town or Colombo city for better job opportunities. Lack of office job opportunities is identified as one of the reasons for this migration to Colombo. Finding local work for highly qualified youth is identified as a concern in Gampaha.

Career advancement is perceived to be somewhat limited; workers can advance to a certain level but not to the top (most top positions are in Colombo). The youth in this area believe it is the government's responsibility to create local career opportunities in the future; moreover, youth conveyed an unwillingness to be proactive in finding or making opportunities themselves.

### **Batticaloa | මඩකලපුව | மட்டக்களப்பு**

The scarcity of job opportunities has discouraged youth in the area from continuing education, although they show a high level of interest in higher studies. The opinions of male and female youth were quite similar. Self-employment is the most common solution in the face of inadequate labor demand.

The pervasive lack of job opportunities precludes any aspirations or expectations of career progression. Whereas youth are hopeful for a change in the future, the prospects are unclear.

### **Badulla | බදුල්ල | பதுளை**

Youth options are mixed: some believe there are job opportunities in the area, while others are more pessimistic, lacking information about existing opportunities, and acting too late to pursue opportunities because vacancies are already filled. Youth suffer from a lack of guidance on education streams that could boost their employability. Student who are not selected for the University need more guidance to pursue other options for higher education.

Youth perceive few opportunities for a career path or advancement. The advantages or value of a university degree is increasingly being questioned, given the dearth of good job opportunities for University degree holders. Some youth who have given up on secondary or tertiary studies have nevertheless found good jobs for good pay, and gained a lot of experience and benefits by the time their counterparts graduated from university and started their prolonged job search. Youth report that information about career options and career progression is lacking, and they believe that the situation will worsen if guidance and information are not forthcoming.

## 2.4 Perceptions of Job Opportunities by Work Status and Education

The table below provides a snapshot of how job opportunities are perceived within different communities, differentiated by gender, work status and education level. Urban areas appear to benefit from the most job opportunities, even though urban unemployment rates are higher than in rural areas. A specific deep-dive into the NEET segment of rural males shows that limited job opportunities play a key role in discouraging labor force entry or prolonging the unemployment period, as youth are unwilling to take up the available low-quality jobs. In fact, rural workers, whether employed or NEET, are pessimistic about job opportunities in their area. More educated workers in Colombo and migrants to Colombo both view the labor market and available opportunities very positively. Tuk tuk drivers in Colombo – who are predominantly male<sup>3</sup> – also view their work status extremely favorably, due to freedom, flexibility and high wages. Workers from semi-urban Gampaha are fairly positive about available work opportunities, especially female NEETs, but also those who work and have less than an A-level education.

Table 8: Perceptions about Job Opportunities

JOB OPPORTUNITIES IN THE AREA												
Area	District	a. <A/L(incomplete) Employed		b. ≥A/L Employed		c. NEET (Mixed education)		d. Tuk Tuk Drivers	e. Employed (Mixed education)		x. Migrants-employed (mixed Education)	
		Male	Female	Male	Female	Male	Female	Male	Male	Female	Male	Female
Urban	Colombo	Average	Average	>Average	>Average	>Average	>Average	Excellent			>Average	>Average
Semi Urban	Gampaha	>Average	>Average	Average	Average	>Average	Excellent					
Rural 1	Kurunegala					<Average / Bad	Average		Average	Average		
Rural 2	Batticaloa					Very bad	Average		<Average	<Average		
Plantation	Badulla					<Average	<Average		<Average	>Average		

JOB OPPORTUNITIES IN THE AREA FOR YOUTH												
Area	District	a. <A/L(incomplete) Employed		b. ≥A/L Employed		c. NEET (Mixed education)		d. Tuk Tuk Drivers	e. Employed (Mixed education)		x. Migrants-employed (mixed Education)	
		Male	Female	Male	Female	Male	Female	Male	Male	Female	Male	Female
Urban	Colombo	Average	>Average	>Average	>Average	>Average	>Average	Excellent			>Average	>Average
Semi Urban	Gampaha	>Average	>Average	>Average	Average	>Average	Excellent					
Rural 1	Kurunegala					<Average / Bad	>Average		Average/> Average	Average		
Rural 2	Batticaloa					Very bad	Average		<Average	<Average		
Plantation	Badulla					Average	Average		Average	Average		

## 2.5 Most Valued Job Attributes

When FGD participants were asked to identify the job characteristics that they most value, a wide range of attributes were cited, many of which were widely shared, but some answers differed by gender or by region. Figure 6 below summarizes the most valued job attributes of male and female youth across regions.

<sup>3</sup> In our study, tuk tuk drivers were exclusively male.

When we look specifically at female youth, urban females value different job attributes compared to rural females. In rural areas, females are more attracted by a well-structured work environment guided by rules, formalities, procedures, basic benefits, etc. Urban females are more focused on advancement opportunities, although would also value additional benefits such as annual trips, gym and other facilities, etc. Both urban and rural females seek flexible hours and value a high degree of freedom at work without being micromanaged.

We observe fewer differences between rural and urban males in terms of the most attractive job attributes. This suggests that the expected role of males is similar across Sri Lankan society, and that cultural norms and stereotypes remain deeply embedded, despite the evolving attitudes, beliefs and values of youth vis-à-vis other aspects of life.

Figure 6: Most Valued Job Characteristics

	Female youth	Shared	Male youth
Urban/Semi urban	<ul style="list-style-type: none"> <li>Recreation &amp; Celebrations - Annual trips, New year celebrations</li> <li>Tea, gym and other facilities to relax employees mind</li> <li>Provide Boarding facilities (Migrant)</li> <li>Cooperation from people</li> <li>A disciplined job which maintain a certain level of standard of work eg. Airport</li> </ul>	<ul style="list-style-type: none"> <li>A job to service people</li> <li>Safety &amp; Stability – Job security / A permanent job</li> <li>Less stress</li> <li>Offer Bonus</li> <li>Suitable work environment to work</li> <li>Good management and good employees</li> </ul>	<ul style="list-style-type: none"> <li>Can earn lot of money / Salary increments / Salary advance in an emergency</li> <li>Job with a career path / Job specialization – can take promotions</li> <li>Shouldn't be sweaty / hard work</li> <li>Freedom – to choose when to work when not to work</li> <li>Job position – power</li> <li>Set start time and finish time</li> <li>Given paid leave</li> <li>Can gain good experience</li> <li>Enough work load</li> <li>Good working environment, Safety &amp; Health protection</li> <li>No political influences</li> <li>Freedom – to do the job freely</li> </ul>
Shared	<ul style="list-style-type: none"> <li>Pension , Pay gratuity</li> <li>Entitle EPF/ETF</li> <li>Medical insurance / hospital or medical facilities/company support in emergencies</li> <li>Freedom- can take leave, can leave the work place little early in the evening (migrants too demanded this)</li> <li>Safety &amp; Stability – Job security / A permanent job / fixed income</li> </ul>	<ul style="list-style-type: none"> <li>Attractive and socially acceptability / job with a reputation / job recognition</li> <li>Attractive Salary/ fixed salary</li> <li>Vehicle / transportation</li> </ul>	
Rural/Plantation	<ul style="list-style-type: none"> <li>Promotions/ opportunities go up the ladder</li> <li>Reliable job</li> <li>Training facilities</li> <li>Benefits for children</li> <li>Job match with talents and skills</li> <li>Have set rules and regulations</li> <li>Benefits – incentives for attendance , for performance</li> </ul>	<ul style="list-style-type: none"> <li>Welfare- food, Accommodation facilities</li> </ul>	<ul style="list-style-type: none"> <li>Sponsor for foreign trips to relax</li> </ul>

Note: Pay gratuity is a form of benefit employees receive once they complete 5 years in a company.

The commonly shared values among urban males and females with respect to career aspirations suggests changing attitudes, and a break in traditional views that males should be preminent in the job market. Job attributes valued by both men and women are largely driven by social status. High income is one of the main considerations when assessing a job opportunity. Pension and other types of social security benefits are also valued by both genders.

Occupations judged to be ‘good jobs’ include doctors, teachers<sup>4</sup>, nurses, and engineers, inter alia, all of which offer the desirable job attributes mentioned above. The main challenge, however, is that youth don’t have the skills or qualifications to obtain these jobs, or opportunities are restricted to those with political connections or those willing to pay for access. When good jobs seem to be unattainable, job seekers become discouraged and may opt out of the labor market altogether, or may decide to remain unemployed while waiting for a job that meets their expectations, or they choose to enter self-employment. Attributes that are deemed undesirable are informal and daily wage jobs.

The results of the blind voting exercise largely validate these expressed preferences, but enable us to differentiate among job characteristics to conclude which are more important than others (Appendix 3 describes the blind voting exercise). In pair wise voting, nine-tenths<sup>5</sup> of youth preferred self-employment to a similarly paid private sector informal job in a shop or factory. But when EPF/ETF coverage was offered in a 2-year fixed term job<sup>6</sup> in a shop or factory, some youth – slightly more females than males – switched their votes from self-employment, making the final tally 72% to 28% in favor of self-employment for similar earnings (see Appendix 4 for detailed results). Most youth were therefore not willing to forgo flexibility and higher pay in favor of future pension benefits (and 2 weeks paid vacation), especially when the job was only for 2 years.<sup>7</sup> EPF/ETF coverage was a deciding factor when comparing an informal job in an office setting to a quasi-formal fixed-term job in a shop or factory; around 90 percent of both males and females were willing to trade off the comfort and professionalism of an office setting in order to have EPF/ETF coverage.

Civil service jobs were ranked higher than the private sector fixed-term alternative in which bonuses and advancement potential were also offered, by a ratio of 2-to-1. This ranking suggests that youth are relatively risk averse in terms of their work aspirations, placing a higher premium on long-term income security and lower implied effort. There are significant gender differences in this valuation: 56 percent of male youth preferred the civil service job, compared to 76 percent of female youth. Female NEETs and male and female migrants to Colombo and tuk-tuk drivers have much higher preference for a civil service job. When higher private sector salaries were offered, more males than females switched their votes to the private quasi-formal alternative; but even for a 50 percent wage premium in the private sector, nearly half of males and 64 percent of females still chose the civil service job. These voting results in favor of a government job may be motivated by the associated non-wage benefits or social status.

Some regional differences emerge in youth’s valuations of working in government. Youth from semi-urban Gampaha are much less attracted to civil service work, except for female NEETs. Residents of Badulla and

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<sup>4</sup>Several factors might explain this top ranking. Teaching is the first formal profession to which youngsters are exposed, and students admire teachers’ supportive attitudes and the possibility to inspire and have an impact on youth. Teaching is a respected job, and also involves shorter working hours, longer holidays, and benefits similar to those of civil servants.

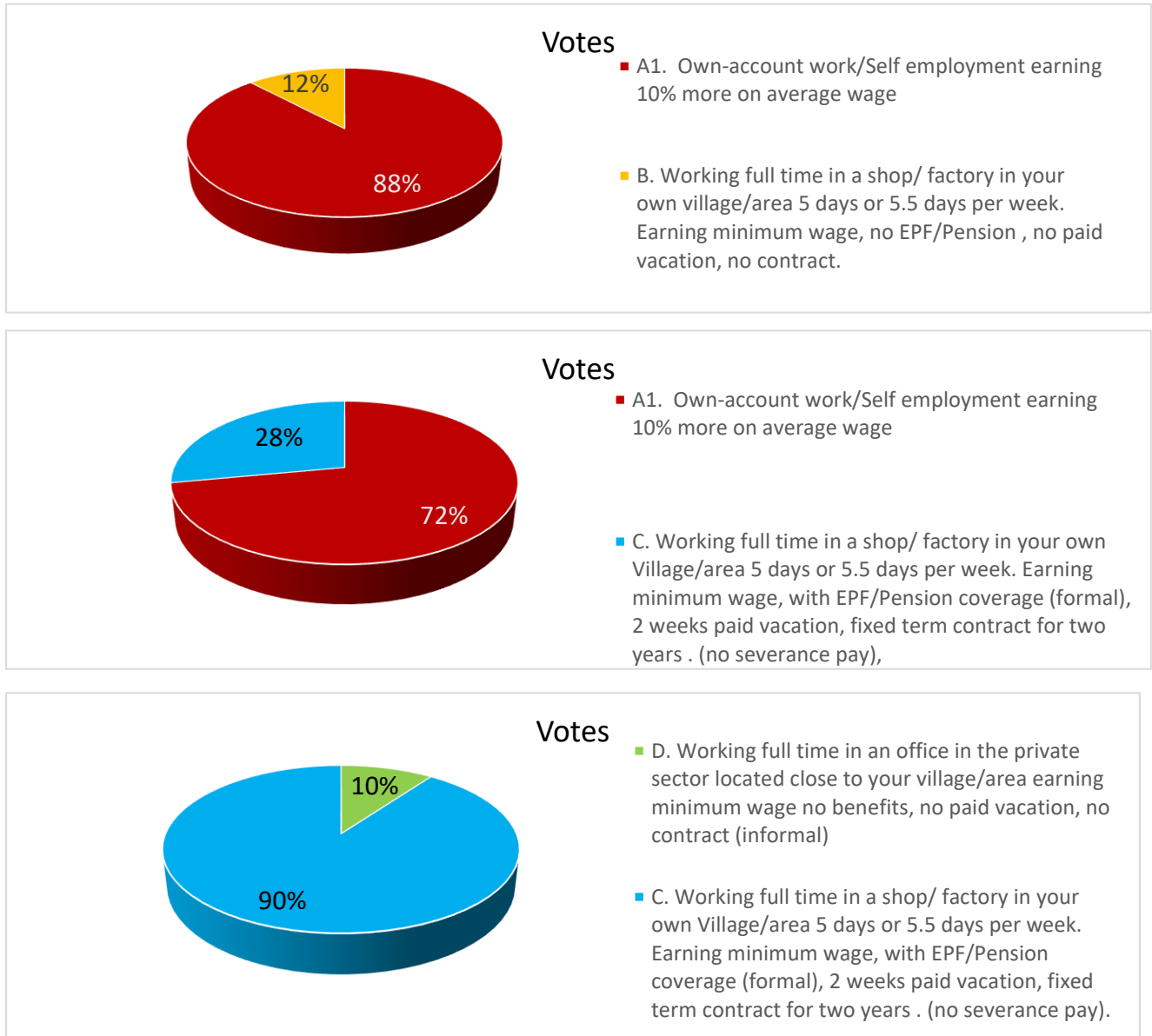
<sup>5</sup> Only females from Kurunegala (employed and NEET) and male NEETs from Badulla preferred an informal private sector job over self-employment.

<sup>6</sup> The quasi-formal terms considered throughout this exercise include EPF/ETF coverage, a two-year fixed term contract with no severance pay, and 2 weeks paid vacation.

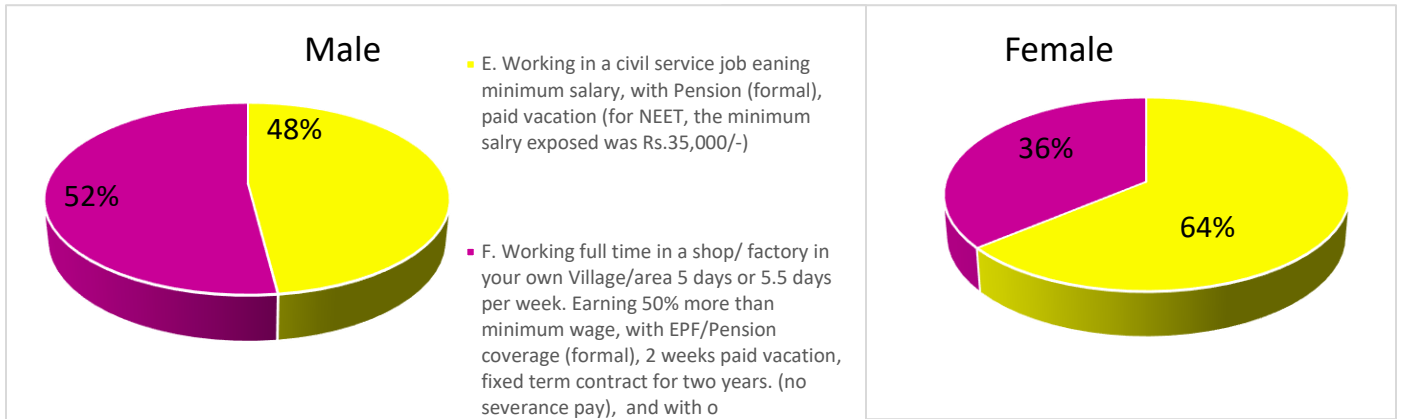
<sup>7</sup> Even though including a 2-year tenure during blind voting was intended to reflect added job security (compared to informal or daily wage work), youth in fact perceived this contract term quite negatively (i.e., as very short).

Kurunegala place much higher value on a government job, and this is true for both genders, whether employed or NEET. In Batticaloa, whereas most females and NEETs prefer a government job, even when the private sector wage is higher, employed males are equally divided between government and private sector work.

Figure 7: Blind Voting Results







With respect to sectors of work, we tested youth’s willingness to work in tourism and elder care services. The bias against tourism was very strong among female youth. Less than 10 percent of female youth were willing to take an informal job in tourism even for a 50 percent wage premium, but when a quasi-formal<sup>8</sup> position was offered, 29 percent were willing to switch, including for only a modest 10 percent wage premium. Males were more indifferent, preferring their existing work to an informal option, but equally attracted to a quasi-formal position in tourism even for a similar wage, and no more attracted by a 50 percent higher wage. This points to the primacy of EPF/ETF coverage to youth preferences.

There is significant stigma associated with working in the elder care sector. Only one in eight men or women is willing to switch to a local informal job in elder care services, and the share rises only modestly with a higher wage. When EPF/ETF coverage is offered, however, over 40 percent of females are willing to take up elder care work. This compares to only 17 percent of males. The stigma is least apparent in Batticaloa, as well as among female NEETs in Badulla, female NEETs in Colombo, and female migrants in Colombo, all of whom indicate a preference for elder care work compared to their existing work status.

## 2.6 Unemployment

Unemployment among youth is a largely voluntary phenomenon rather than the result of inadequate job opportunities. One common factor driving voluntary unemployment is disinterest or unwillingness to devote sufficient effort to seek a suitable job. Physically and financially comfortable living conditions and pampering by parents takes away the need to work. Among female youth, voluntary unemployment and labor force inactivity are strongly influenced or enforced by parents and also affected by rigid cultural norms such as early marriage and family care responsibilities including caring for children and husband. Voluntary unemployment among male youth, on the other hand, is driven by lack of ambition, limited life aspirations, lack of interest in working for others, and skepticism about firms’ trustworthiness and the pay

<sup>8</sup> EPF/ETF coverage, a two-year fixed term contract with no severance pay, and 2 weeks paid vacation.

that is offered. Social ills such as drug use and addiction and other distractions that emerge as society modernizes also divert male youth away from work. There is nevertheless a sizeable segment of male youth who, despite actively seeking, are unable to find paid work.

Some gender differences emerge with respect to the duration of unemployment. For example, although both males and females in urban areas typically find work with only a short delay following completion of their education, rural males require more time to find a job, mainly because of limited exposure to opportunities and lack of information about what is available and how best to search. Rural females experience relatively longer periods of unemployment, seemingly the result of parental pressure and cultural influences over what is deemed “acceptable” work.

## 2.7 Socio-Cultural Norms regarding Youth Employment

All jobs have some implicit reputation, status or stigma attached to them by society. Youth are aware of these valuations, and believe that their parents ascribe to them.

There is broad recognition of what society deems to be unacceptable work. Social stigma is attached to the following jobs/job settings: massage centers, salon/beauty parlour and related jobs, pubs and clubs. Even though professional massage therapists have specific training, and there is high demand for massage services throughout the country, there is a very strong stigma based on the perception that many massage centers undertake illegal activities such as prostitution. Because segments of society are uncertain about what happens in these settings, they consider it taboo.

Very low status is accorded to house maids and garment factory work. And any industry requiring night shifts is considered insecure for females. This includes most notably the hotel industry, an important part of Sri Lanka’s dynamic tourism sector. Other jobs considered unsuitable for women are: police officer, bus conductor, driving jobs, and strenuous jobs involving handling weight, such as construction jobs.

These strong social sanctions fall more heavily on women than men, helping to explain the low levels of female employment observed in Sri Lanka. On the other hand, societal values are changing, at least among youth, who perceive that *any job not considered illegal or harmful to others is accepted as a good job*. This view emerged very clearly from across the various focus groups.

## 2.8 Attitudes toward Internal and External Migration

The study reveals that youth have very definite opinions about migration, and that their current labor status already reflects their previous decision of whether or not to migrate internally or abroad. The fact that youth’s labor supply decisions are at least partly based on the perceived value of different migration options reflects the current reality that migration levels are quite high in Sri Lanka. The blind voting results indicate little appetite among non-migrants to migrate internally for informal work, and some appetite to migrate for formal work, but only among rural youth, and only to nearby urban centers. For example, none of the employed female youth surveyed in Kurunegala were willing to migrate to a nearby town or to Colombo for informal work, even though the pay is better, but all were willing to move to nearby town for a formal job. In Batticaloa, a majority of surveyed male and female youth were willing to migrate to a

nearby town only for a formal job paying 50 percent more than their current employment. Fewer were willing to migrate to Colombo, but again, only for a 50 percent wage premium and formal employment terms. Most surveyed migrants were only willing to return to their home villages for formal work with at least the same current level of pay or higher.

The main drivers of youth migration that emerge from this study are the betterment of their lives through higher earnings and for educational opportunities. The majority of internal migrants move to Colombo in pursuit of these goals. Female youth who cannot find good jobs in their villages move to other places to seek jobs matching their skills; tailoring skills are common, and local demand in small villages is limited. Male youth typically move for work as drivers. The salary levels in urban areas, especially in Colombo, exceed rural wages. Most youth think it is prestigious to work in reputable and famous corporations, many of which are based in Sri Lanka's commercial capital, Colombo.

Certain rural areas have fewer education facilities, and many lack proper classrooms, electrical appliances or washrooms. Even some suburban districts lack secondary schools, or teachers with enough training to teach at the secondary level. As a result, students must leave home to complete their studies. In some of the receiving towns, locals protest against the influx of students who are straining local resources.

Some youth are attracted by the modern lifestyles found in urban centers, whether associated with new trends in clothing, availability of modern electronic gadgets, fast-food chains, shopping plazas, or various other urban offerings.

For youth interested in starting a business, Colombo is the gold standard for its large consumer base and its buying power. Colombo residents' lifestyles are highly dependent on commercial providers of goods and services to meet their primary needs. In rural areas, by contrast, buying power is weak, and the consumer base is small. Many rural households make their own food and other consumer goods using their own farmed vegetables and other resources.

Colombo's large population translates into abundant opportunities for business and for entrepreneurs. Many males come to Colombo to become three-wheel (*tuk tuk*) drivers, and are very happy with their circumstances, which include non-strenuous work, flexible schedules, and comparatively high salaries – three-wheel drivers earn an average of LKR 50,000/month, double the amount of an unskilled/elementary level worker. The tuk tuk sector has expanded in recent periods, with 3times the required number of three-wheelers to meet demand, and most concentrated in Colombo. Arriving migrants believe they can do some sort of self-employment or businesses in Colombo. In fact, many three-wheel drivers report working partially as real estate brokers and vehicle dealers because of the contacts they develop through daily rides. One three-wheel driver portrays the fortune of an ideal migrant who could come with nothing to Colombo as follows: "If a person happens to come to Colombo with insufficient money, he/she can go to Colombo-01 area(the heart of Colombo which has lots of traders and shops) and find a shop assistant/small informal job for daily wages sufficient to cover his food and accommodation. Saving some money, he/she could start a small trading businesses."

In some rural areas, parents report being fearful their children will be exposed to or engage in illicit behaviours believed to be prevalent among the current generation of youth, including drug use and

addiction, drug dealing, and prostitution. Whereas many parents with these views choose to hold their children back from migrating for education or work, there are also many parents who send their children to different cities to live with relatives, or themselves migrate as a family to new places they believe to be safer.

With respect to IT work, because the emerging IT sector tends to serve urban firms and consumers, IT-trained workers and self-employed living in rural areas have few relevant work opportunities locally. In rural areas, the need for sophisticated IT services is very low, thus requiring a lower caliber of technical skills. As such, skilled IT youth are likely to be underutilized and easily bored, preferring to migrate to Colombo. There are, however, some IT firms that employ rural workers that can connect remotely for back-end work.

For all the perceived upsides of internal migration, reality is not always rosy. Migrants face a range of challenges associated with unfamiliar territory, confusing traffic laws, and enforcement that results in traffic penalties– the biggest concerns expressed by young three-wheel drivers. Even having met their riding proficiency levels, the unfamiliar roads and traffic regulations take some time to master before becoming a veteran driver. Another challenge cited was inadequate English language skills for associating with foreign tourists.

Other recent migrants to Colombo indicated that adjusting to a new environment with busy lifestyles takes time, and that Colombo natives can be unpleasant and treat them poorly. Internal migrants from the hilly countryside of Sri Lanka where temperatures are moderate are challenged by the hot climate in Colombo.

With respect to external migration, the interviewed youth (who are by definition not external migrants) expressed specific opinions about migrating abroad, many based on concrete background reasons. The interest expressed in migrating to Europe, the US and Australia are linked to and driven by higher social status, education, better lifestyle, and higher per capita income. But the blind voting results indicate that most youth still prefer not to migrate (and have already made their migration decision). When testing for youth preferences to migrate to Australia rather than less desirable local work alternatives, only 30 percent of youth were willing to migrate informally (and temporarily) even though expected wages are at least 10 – 20 times the average wages of youth in Sri Lanka. More educated males in Colombo and Gampaha, internal migrants to Colombo, and both male and female employed youth in Batticaloa were the most willing to migrate to Australia for informal work. When a formal job and permanent residence in Australia were offered, however, 62 percent would migrate.

Youth expressed much less interest in migrating to Middle-Eastern countries. There is social stigma attached to house-maid jobs where many Sri Lankan women are employed in the Middle East. The stigmatization is partly fueled by repeated incidents of exploiting domestic workers, the strict religious control prevalent, and the “closed” or restricted socio-cultural norms.

Youth preferring to remain in Sri Lanka for work cite the following reasons.

- Insufficient language skills– they fear that their poor knowledge of English would be a barrier to obtaining their future goals if they migrate.

- Association with people from different cultures, and fear of isolation and homesickness.
- Content with their current status and activities, and are able to make life plans based on their current and expected earnings.

In interviews with community leaders, male community leaders perceive that youth are encouraged to migrate internally and externally by both family and the community. Female community leaders, in contrast, perceive that male youth are encouraged to migrate but female youth are not. Female community leaders also expressed the view that although educated males should migrate for work for a certain period, they should return to Sri Lanka with their foreign currency savings in order to serve Sri Lanka's needs as a way to repay their country for the education that they were provided.

## 2.9 Impact of Gender on Employment Outcomes and Labor Demand

With a majority female population, Sri Lankan women have evolved significantly over the past decades with respect to educational attainment and work, although much employment remains low-skilled. Most employed women are engaged in sewing, plucking tea leaves, packaging, and retail sales. Employers are required to recruit employees regardless of gender, but certain practical difficulties and legislation make it more costly to hire women. These include safety-related regulations imposed on firms to protect women, which can have the adverse consequence of reducing women's employment opportunities.

The following legal practices and policies affect firms' operations and may reduce employers' willingness to employ women due to the associated operational challenges and financial costs:

- An employer is required to get prior permission from the female employee if she is required in the office after 6pm.
- An employer shall not employ a female employee for a task/job which is not covered by the job role for which she was recruited.
- If a female employee is required to work in night shifts, the employer should provide transport, food, night shift allowances and a standby healthcare/medical officer (this mostly applies to Industrial sectors).
- Maternity leave requirements create long absences from work, and for breast feeding mothers, their work time may be reduced.

Strenuous tasks associated with handling weight are generally not assigned to or considered appropriate for female employees. In rural Batticaloa, for example, where a large portion of employment is in physical or manual labor occupations, the wages for females are generally low, sometimes half of what a male earns in a similar job. Plucking tea leaves, a job in which mostly female workers are employed, does involve handling weight, however. A typical workday involves plucking a 10-15 kg pile of tea leaves for a daily wage of LKR500-700. This type of "female" work – central to Sri Lanka's major export industry – was considered normal over the last 5 generations, but attitudes are beginning to shift. The difficult nature of this work and low pay have led today's parents to re-think the suitability of this work for the next generation of women. Moreover, today's youth are not very interested in working in tea estates, which raises questions about the future sustainability of Sri Lanka's tea industry.

High job turnover and frequent switching of jobs is increasingly prevalent among youth, but many employers claim that female employees refrain from switching jobs and are likely to remain in the company at least until they marry. It is mostly marital commitments that lead women to resign or switch jobs. The lack of benefits and problems encountered are the main two reasons for youth to switch jobs. The lack of perceived career progression is one reason behind high turnover rates for youth. For example, if a new job provides a higher status and salary, youth are likely to change jobs. Other factors that contribute to high turnover include a low tolerance of work pressure, conflicts with managers, and work-related harassment. A male employee who socializes a lot at work may be subject to negative criticism or blamed by managers for disrupting the work environment. Males with a higher affinity for risk-taking are more willing to pursue new challenges such as moving to a new company regardless of the salary. In contrast, employers perceive female employees to be more patient and tolerant in the face of work challenges, handle work pressure better, and show a stronger commitment to the firm. Working mothers prefer to remain in a familiar work setting, choosing flexibility and proximity over a higher pressure but better job. Harassment is only tolerable to a small extent, and may induce a job change.

Other advantages that employers cite in hiring women is the perception that female employees are easier to manage and more compliant with rules in a factory environment compared to males. In terms of work times and leave, a mix of opinions among employers emerges, with some indicating a higher tolerance for female absences.

How does parental influence affect labor outcomes of male and female youth? The focus group discussions revealed that males are treated better at home, and this attitude makes its way into the labor market. In Sri Lanka, a paternal affinity towards daughters and maternal affinity towards sons are widely observed. However, because mothers tend to run their households, sons on balance receive preferential treatment. Daughters are often groomed and brought up with the intention of giving them away as a fully trained home maker to her future in laws' houses. This often leads to restricting education after a certain level for daughters, due to the perception that it is harder to find a life partner for girls with high levels of education. In contrast, males in the house are expected to study well, find employment and provide for the household. This leads to parents not requiring their sons to contribute to household chores, etc. Hence it is quite evident that treatment of sons and daughters differs at home. These differences often carry over into the work environment as well, where males are given hard-core work whilst females are treated as soft-natured and incapable of performing aggressive jobs such as sales, outdoor initiatives, etc. There are also instances that, in certain areas of the country, males are paid more than females for the same job because employers assume that females cannot fully meet the performance standards of such jobs. The surprising fact is that females are often in agreement with this wage disparity, and it has never been a factor of concern during employment in any of these communities.

What role do gender-related socio-cultural norms and attitudes play? Entrepreneurship, whether starting and running a business or being self-employed, tends to fall into three camps for today's youth: high physical requirements; a digital or IT focus; or personal services such as beauty parlors or tailoring. The first two categories are more accommodating of men. Female youth tend to believe that males have more opportunities than females. Some interviewed female youth view beauty and tailoring services as low status activities, but from the perspective of community leaders, there is no stigma associated with either.

Household chores and family care responsibilities fall to women, reducing the time available to devote to running a business, contributing to lower returns to female self-employment. Unmarried women are not encouraged to start a business, given that the parents' biggest concern is to get them married. As such, unmarried female youth are better off in paid employment rather than investing in a start-up that may end following marriage.

Because self-employment and entrepreneurship likely involve selling and travelling, it is potentially unsafe for women unless male support is available. In Batticaloa, for example, this mentality was shared widely among survey respondents and female FGD participants who indicated that even walking in the streets and going to a shop was risky without support from a male relative, namely a father, husband or brother.

The preceding views on gender roles were widely shared by youths, but other interesting – and sometimes contradictory – attitudes were expressed during the course of the study. Among the youth groups, some females think that because businesses are predominantly run by males, it is difficult for women to enter and compete, or they assume that men don't like to deal with women. However, if a woman is committed to her decision, they believe it is achievable. Some male youth indicated that females had an advantage in running a business, such as by attracting more customers to a shop run by female sales staff. Many males believe that there is lots of opportunity for females to start and run a business or become self-employed; on the other hand, according to employers this is offset by higher risk aversion among females and a hesitancy to dive in and get their hands dirty. This attitude is reflected by the large numbers of women in garment factories who have the capacity to instead start their own tailoring shops. Community leaders and employers suggested that women are less suited to entrepreneurship due to their lower energy levels to go out and actively sell compared to men, or because they lack the personality required for business.

## 2.10 Employers' Perspectives on Youth, Skills and Mismatch

The study interviewed employers from the coir industry, a garment factory, tea plantation, bakery product manufacturer, security firm, retail companies, a distribution company, a confectionery manufacturer, a plastic products manufacturer and a five-star tourist hotel (see Appendix 6 for a brief description of interviewed employers).

Employers' main recruitment challenge is to find the right candidate with the right skills and other characteristics to fill their vacancies. Apart from minimum education qualifications provided by the school system, employers are always searching for additional qualifications. Work attitude and a growth mindset are factors expected by employers', with the belief they could add value to their companies. The cognitive and non-cognitive skills in greatest demand by the employers in our sample were being target driven/results oriented, highly committed, hardworking, time bound, and flexible in extending their work hours. Employers' expectations for skilled employees and semi or unskilled employees are presented in Figure 8 below. With respect to technical skills, many employers expect to provide firm-specific training rather than recruiting candidate who already possess technical skills.

Figure 8: Skills in Demand by Employers

<b>SEMI/NO SKILLED WORKERS</b>	<b>SKILLED WORKERS</b>
<p><b>Cognitive (Hard skills)</b></p> <ul style="list-style-type: none"> <li>• A/L qualification / A/L in Commerce</li> <li>• Undergraduates and graduates</li> <li>• Diploma in HR</li> <li>• AAT qualification</li> <li>• Language proficiency</li> <li>• Previous Experience in the industry/in HR</li> <li>• Managerial skills</li> <li>• At least O/L Qualifications</li> <li>• A /L pass</li> <li>• Undergraduates and graduates</li> <li>• Computer skills</li> <li>• Accountancy qualification</li> <li>• IT qualification/software skills</li> <li>• Language proficiency</li> <li>• 2 years' experience in sales and marketing</li> <li>• Leadership skills</li> </ul> <p><b>Non-Cognitive (Soft skills)</b></p> <ul style="list-style-type: none"> <li>• Positive attitudes and eagerness to train the juniors and show juniors the direction for their career &amp; development</li> <li>• Target driven</li> <li>• Efficient – time bound</li> <li>• Reliable/ trustworthy</li> <li>• Who can work over night</li> <li>• Good level of patience</li> <li>• With pleasing personalities</li> </ul>	<p><b>Cognitive (Hard skills)</b></p> <ul style="list-style-type: none"> <li>• O/L qualifications</li> <li>• Technical knowledge of the products</li> <li>• Past experience <u>with</u> the technical aspects</li> <li>• NVQ 3</li> <li>• Machine operating skills</li> <li>• Higher National Diploma (HND)</li> <li>• Driving license /ability to drive</li> </ul> <p><b>Non-Cognitive (Soft skills)</b></p> <ul style="list-style-type: none"> <li>• Target driven</li> <li>• Committed to work</li> <li>• Team working abilities</li> <li>• Hard working</li> <li>• Reliable/ trustworthy</li> <li>• Who can work over night</li> </ul> <p><b>“No specific skills considered at the recruitment stage”</b> Companies recruit unskilled workers and provide on the job training (OJT) to teach skills that are specific to company business and processes. Does this belong here or under hard skills? I would think they are referring to “no specific technical skills”</p>

With respect to the terms at which employers hire youth, employers report that, beyond complying with Sri Lankan labour laws, companies have their own internal recruitment policies, and these vary by firm. Employers typically hire youth for a 6-month probation period, successful completion of which leads to a permanent job, or alternatively an extension of the probation period. Employees are mostly recruited as permanent cadres for formal jobs. In less formal activities, such as plantation work where a signed contract is not mandated, youth may be recruited for daily wages and no benefits. Youth employed in call centers, for example, are kept on renewable contracts, usually for a 6-month period that is continually rolled over; as such, they are regarded as permanent cadres but with few benefits or labor protections.

Today's employers, based on interviews with mid-level management, indicate difficulties managing the younger generation of workers. This is the result of two fundamental shifts. The first stems from the advent of digital technologies, millennial' proficiency with them, and firms' reliance on these new technologies – whether for computer programming or marketing or sales – and managers' lack of direct knowledge. Employers appreciate that youth are tech savvy (e.g., in terms of their mastery of smart phone applications) and recognize their higher levels of technical skill, language proficiency, awareness of new products, and curiosity. But one by-product of these new capacities is a lack of patience and focus among



youth. These are interrelated with the second fundamental shift, namely the large cultural generation gap between baby boomers and millennial which manifests itself in the workplace. Whereas today's prime-age workers (i.e., those in their 30s, 40s and 50s), including middle managers, generally exhibit long work tenure in and commitment to the same firm, millennial have a shorter time-horizon in which they expect success and recognition and advancement, and they are more likely to change jobs when workplace realities do not meet these expectations.<sup>9</sup> The mindsets of managers and young employees are therefore mismatched.

In addition to concerns about youth commitment and managers' ability to retain them given their unmet expectations, employers also note that today's youth struggle to think outside the box (Figure 9 summarizes the skill gaps cited by employers). Despite high personal discipline in terms of their physically groomed bodies, youth are unwilling to perform hard tasks or work night shifts. Some managers noted youth's lack of motivation to study further, even when encouraged by their employer. Another generational disconnect relates to communication; despite possessing better language proficiency and a willingness to voice their opinions, youth generally lack effective verbal and written communication skills. Other capacities where employers perceive shortcomings among today's youth include leadership abilities, willingness to take on additional responsibilities, industrial knowledge and time management.

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<sup>9</sup>For example, managers typically expect to train young workers slowly, step by step, and expect them to advance gradually up the ladder and remain in the firm, the same way they themselves advanced. Youth, on the other hand, are impatient and want results very fast, and hence tend to change jobs frequently in search of better short-term opportunities.

Figure 9: Skill Gaps Identified by Employers

**Skills of current youths - from employer point of view:**

<i>Employer of Garment Factory- "Their technology related knowldege is good, however, those are not the key skills that we expect from employees"</i>	<ul style="list-style-type: none"> <li>-Technical skills with and knowledge of new technology</li> <li>-Better language proficiency</li> <li>-Urge to learn new things- mainly related to digital technology</li> <li>-Up-to-date on new trends and products</li> </ul>
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**Lacking skills among current youths - from employer point of view:**

<i>Employer of Confectionery company- "They expect everything, eg., career development and benefits, they do not have patience to wait to until they receive what they expect" , "They will not go the extra mile, but expect high salaries (Rs.70,000-80,000)."</i>	Lack of Patience/ endurance
	High expectation from the job from the the start itself / want to advance very fast, but do not have necessary technical skills
	Lack of out of box thinking
	Lack of flexibility to work night shifts
<i>Employer of Garment Factory - "Retention is another big issue with youth today"</i>	Lack motivation to study further; Lack self-motivation
	Lack of language skills
	Don't take responsibility
<i>Employer of Coir Industry - "They look for comfortable jobs"; "they are physically fit but do not like to exert energy for work". "Expect air conditioned environment at work"</i>	Do not like hard work; prefer office work/easy work
	High expectation of comfort in the work enviorment
<i>Employer of Distribution Company - "Sometimes they call in the morning and inform that they are not coming to work, requiring us to change our plans and reallocate employees"</i>	Lack leadership qualities
	Lack independence
	Poor time management

## 2.11 Emerging Skill Needs & the Future of Automation

As the new era of AI-(Artificial Intelligence), AR- (Augmented Reality), and VR- (Virtual Reality) infused technologies begin to emerge in Sri Lankan industries, the decision to move toward automation is affected by potential labor cost savings, the cost of investment, and government incentives related to capital and labour taxes and exemptions. For employers that can afford it, automation is an appealing solution to meet labour demand challenges, reduce labor costs, and relieve other onerous labour-related issues. Many employers struggle to afford automation because of government levies on importing machinery and robotic technologies, however. Although the pace of change is slow, industrial companies will become increasingly automated in the future. Given the modest technology-content and sophistication of Sri Lanka's current production, generally speaking, although with exceptions, it seems unlikely that manufacturing firms will leapfrog directly to robotic assembly lines. Autonomation – sometimes referred to as “automation with a human touch” – may be a more feasible solution that involves upgrading machinery with more sophisticated machine technologies.

A shift toward autonomation risks displacing workers due to labor-saving technologies, but at the same time should increase product quality and firm productivity. Higher levels of skill will be needed to run the machinery, adapt it to the local context, and maintain and repair it. Employers will therefore need to recruit more qualified workers who are quick learners and tech savvy, and who could be groomed with minimal training efforts. These new jobs will have higher skill content and higher salaries compared to the old jobs they replaced. And because these new jobs will be less physically demanding, they would be potentially open to female candidates as well as males, although employers still face restrictive labour regulations on female employees' hours and workplace security, which will continue to impede female job seekers.<sup>10</sup>

With respect to academic disciplines, qualified youth specializing in mechanical and chemical engineering are likely to be in high demand, for example, to operate modern machinery. Youth trained in sales and marketing, especially with a business psychology focus to understand customer trends, will also be in high demand. The job prospects of labor force entrants possessing these capacities are therefore likely to improve. Unskilled workers will remain in demand, although they, too, will need increased flexibility and adaptability associated with soft skills. For example, as the operations of Sri Lankan industries get streamlined, firms will want to recruit unskilled individuals with the appropriate soft skills, attitude and discipline to take part in internal training programmes. An open mindset is highly valuable for both males and females, enabling them to learn new skills and adapt to future changes.

While the expectations from employers are very clear, the challenge of building these skills and expertise at the school level is immense. Limited teacher capacity is a major constraint; some teachers only teach what they know (e.g., subject content). Furthermore, those students lacking interest or capacity often get left behind; this can be exacerbated by competition pressures on teachers to show results. As a result,

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<sup>10</sup> Note that despite changing gender norms, both workers and employers indicate that females are not suited to jobs requiring high-intensity physical labor, suggesting entrenched preferences on both the labor supply and labor demand sides.

there is significant mismatch between what youths are trained in and actually learn at school and the skills sought by employers to meet their future needs.

### 2.12 Employers' Recruitment Methods

Most of the companies interviewed for this study use personal referrals as the primary method to fill vacancies. For example, current employees refer individuals from their personal networks of family and friends. Employers have more confidence in this method because they believe that their present employees understand the job roles and work environment, and will refer appropriate candidates.

Posters and banners displayed within the company premises are used to advertise job openings. These same tools are sometimes posted in the surrounding village or town, which typically yields a large number of candidates. Government and private sector job banks and job matching services, whether in person or through on-line platforms, are used to a lesser extent. For intermittent recruitment, employers have reached out to Vocational Training Colleges and Universities. Head hunting companies were approached for senior-level vacancies or for unique job roles.

For employers that have advertised in newspapers, a lot of initial interest resulted, but once respondents learned of the salary and job role, they did not apply. Employers therefore mostly do not invest in costly newspaper advertisements. On the other hand, youth in the rural areas still rely on newspapers as their primary source of information to find jobs, implying that their job search efforts are less likely to be successful.

### 3. Main Conclusions

**Youth have unrealistic career goals.** The various youth interviewed for this study – including many in work, a large number of discouraged workers who were neither in employment, education or training, as well as unemployed youth – expressed a fairly common set of perceptions about job opportunities in Sri Lanka and their own career expectations. And these expectations were largely ungrounded in reality. Youth tend to lack focus on their desired job outcomes and do not follow the steps needed to achieve their targeted jobs. Rather than considering what is possible or attainable, youth instead aspire to goals that are not underpinned by their education choices or by community norms or experience. For example, a boy living in Badulla aspires to become a musician but has no competency to pursue this career nor has he taken any steps toward it. The services sector should be a source of work for youth, given that services account for nearly two-thirds of Sri Lanka’s GDP. But even here, youth aspire to be teachers, doctors or accountants despite lacking the necessary formal qualifications. Youth are positively disposed to participate in vocational training programs to improve their employment prospects, but this view seems to be based more on hope rather than experience or evidence, or even effort by the job seeker to find a vocational training course.

**The disconnect between youth’s career expectations and reality is widely observed, and ultimately proves to be demotivating and discouraging,** pushing youth into less ambitious options or self-employment. Youth who are discouraged may internalize their failure to find a good job, and this sense of failure becomes paralyzing and self-fulfilling. A large share of youth opts for the most convenient and comfortable work available, including driving a Three Wheeler, or engaging in illicit work, often for significantly better pay than traditional alternatives. If these trending youth attitudes persist, they can have a negative dynamic impact on the labor market, as young job seekers disproportionately pursue a limited number of formal opportunities (e.g., queuing for civil service jobs) or youth withdraw from work altogether. The resulting decline in labor supply could undermine firms’ capacity to fill vacancies, whether for unskilled or skilled positions.

**Parental influence is strong and impedes youth employment and better job outcomes in the aggregate.** Parents play a pivotal role in shaping their children’s views toward career choices, even establishing implicit or explicit sanctions against accepting available work. From a very young age, parents condition children with respect to choices they should NOT make – i.e., which jobs are deemed ‘undesirable’ – typically based on parents’ own life experiences. Parents want to protect their children from experiencing the hardships and struggles associated with their own professions (such as tea plucker, fisherman, construction worker, or farmer), and these values are strongly ingrained in their children. The downside of these good intentions by parents, however, is that youth perceive no positive options or career paths, only negative professions to avoid. Parental values and messaging are also highly colored by social status considerations about what constitutes acceptable work. This results in severe bottlenecks as parents are unable to redirect their youth towards desired career paths or attainable jobs, and youth are passive participants in the process of career selection and job search, rather than pursuing less-than-perfect alternatives. “Don’t become a tea plucker, do anything else apart from that” is a common message, for example, but the potential alternatives that rural youth should pursue are missing.

**Youth are generally optimistic about job opportunities but also perceive impediments, some of which differ by gender.** Urban areas have the most job opportunities, and workers willing to work hard can succeed. Rural workers, whether employed or NEET, are pessimistic about job opportunities in their area. Many youth aspire to start a business, but lack the knowledge of how to do it or what support is available. Youths' career choices are motivated by many factors, including inspirational role models, parents' expectations, overcoming economic hardship, and a desire to support their families. The most common impediments are inadequate English proficiency, insufficient formal qualifications, and lack of political connections. Females' main motivating factors are family oriented, and their barriers tend to be posed by their families or family situations. Males' motivations, by contrast, are more self-focused, and bottlenecks tend to be individualistic in nature.

**Youth motivations are shifting and becoming increasingly dependent.** We observe several generational shifts underway. One key behavioral trait exhibited by youth today, especially among millennial and Generation Z, is a constant need for praise and acknowledgement, and a lack of motivation or personal agency. The urge for persistent inspiration, incentives and direction is a challenge for parents, nor does it fit well in the work environment. Employers expect employees to perform their duties without needing to praise their effort or reward performance beyond the agreed wage. Without external motivation, youth lose their sense of stability, including with respect to career choices. Teachers often provide the motivation and praise that some youth crave, and given that youth spend a substantial portion of their day in school, many youth are ultimately inspired to become teachers. The teaching profession ranked at the top when youth were asked which jobs were the best.

**Youth prefer own-account work but many are ill-equipped to be successful entrepreneurs.** The analysis reveals an apparent paradox. On one hand, youth are over-reliant on parental motivation, exhibit limited personal agency, and wish to avoid physical exertion. On the other hand, youth express a preference for self-employment, as indicated in the blind voting results, and for the "freedom" to work fewer hours and not be bossed around by a manager. These are internally inconsistent, and suggest that many youth do not understand the time and effort required to run a business in which they are the sole employee, and therefore may be ill-suited to being entrepreneurs.

**Youth are willing to trade off higher wages in favor of long-term stability.** In both the qualitative description of preferred job attributes and the blind voting exercise, respondents assigned the highest value to a civil service job compared to a private sector formal job with EPF/ETF coverage, a 2-year contract plus bonus and advancement potential. Youth are more risk averse than they appear, preferring long-term income security. In most of the blind voting scenarios, the tipping point was the provision of EPF/ETF coverage. This was the case when comparing an informal office-based job to a factory-based quasi-formal job with EPF/ETF coverage; the latter was overwhelmingly preferred. Youth are likely attracted to government work because of the associated non-wage benefits, social status and low effort level. They may also want to avoid future unemployment and/or job search. Female youth have a stronger preference for a civil service job, even when the quasi-formal private sector alternative pays 50 percent more, which is consistent with parental wishes. Male youth, by contrast, are evenly split between these two alternatives. From the perspective of today's youth, a 2-year contract is very short, and does not represent "stability".

**Migration is a widely considered alternative for accessing better jobs.** Interviewed youth were either in favor of migration and had already migrated, or were opposed to migrating and would not consider migrating in the future. The only exception would be for a formal job paying 50 percent more than their current wage. Internal migration is primarily to Colombo, which is perceived to have abundant income-earning opportunities, whether in informal retail work, or as a three-wheel driver, or for entrepreneurs looking to start a business. Higher wages in Colombo entice rural youth to work in even low-status jobs in Colombo, including as house maids. The strong internal migration trends are exacerbating congestion in Colombo and are likely to distort village-level labour markets, mostly because they risk becoming hollowed out, ultimately undermining local economic viability. External migration holds mixed appeal; those with higher qualifications may move on a permanent basis to Australia, Europe or the US, for formal work or to complete their tertiary qualifications for work abroad. Migrating to Middle-Eastern countries holds less appeal, due to the associated low-status work and socio-cultural restrictions.

**Gender gaps in work opportunities and job quality persist, despite changing attitudes among the younger generation vis-à-vis gender roles.** Occupational differences between men and women are widespread, with physically strenuous work considered unsuitable for women (despite a long tradition of female tea pluckers), driving jobs are dominated by men, and garment factories mostly employ women. Female youth in rural settings prefer a formal and comfortable work environment, whereas urban females exhibit higher ambition and are more focused on advancement. Both rural and urban females seek flexible hours, consistent with the greater demands on their time from home/care responsibilities. Females tend to be less risk tolerant than males, and are likely to remain in a job longer, exhibiting more patience and tolerance of work challenges and pressure. Despite these superior soft skills, female employees earn less than males, and female occupations are inherently accorded lower status. Whereas youth of both genders believe that women should be able to perform any type of work, biases remain in the entrepreneurship space (e.g., retail activities requiring traveling and IT-based self-employment are more suited to males, while beauty services and tailoring are the domain of women). Traditional gender roles are reinforced at home and remain deeply embedded even among youth, despite their more progressive attitudes in other aspects of life.

**There is considerable mismatch between youth's preferred job attributes and entry-level jobs available.** An emerging phenomenon among youth, especially those in Gen Y and Gen Z, is a weakening of physical stamina or diminishing tolerance of physical exertion, which in effect narrows the jobs available to youth. And for those who take up manual jobs, they tend to have short job tenure, resulting in high employee turnover. Youth accept and even embrace their weaker constitution, reinforcing their mindset and making them weaker than their actual capacity. This not only reduces youth labor supply for strenuous work, but also reduces youth labor supply in terms of hours of work. In other words, youth value jobs requiring less time at work, more leave and holidays, and the freedom to take off as and when they wish. But few jobs have these attributes, especially at the entry level. These attributes are particularly mismatched with tourism and elder care service jobs, two growth sectors likely to continue creating future jobs. Most youth would prefer to be self-employed if the earnings were similar to those available in an informal or fixed-term job. Another frequently-cited attribute important to youth is convenience and comfort in the work environment. Physically demanding jobs, or firms engaged in activities that are intensive in nature – such as welding, machinery work, or construction – cannot provide the desired pleasant, relaxing, air

conditioned environment, making it difficult for firms to recruit. Employers resort to additional compensation to offset the hardships through initiatives such as recreational activities, added breaks, food and/or travel benefits, as well as a clear path to earning higher incomes. Firms also struggle to retain workers beyond the training period, following the revealed difficulty of the work. These firms therefore need to be upfront about the true nature of the job, and identify at the beginning of the recruitment process candidates with the right temperament and capacity to sustain the challenging work routine, rather than investing in training the wrong candidates.

**Employers struggle to recruit the necessary skills, despite the vast supply of underutilized youth.** This is especially true with respect to soft skills. Part of this challenge stems from the cultural generation gap between baby boomer and Gen X middle managers on one side, and younger tech-savvy generations with inflated views of their value to the firm. Managers must rely on the digital expertise and up-to-date knowledge of the latter, but the latter struggle to communicate clearly and lack commitment, at least in the view of the former; this creates tension in the workplace and unmet expectations on both sides. Managers require a mindset change that recognizes the different needs of the younger generation of workers in order to inspire them to increase their performance. By the same token, successful job seekers will possess a range of soft skills to complement their technical qualifications. The most important and desirable skills identified by employers were being target-driven, highly committed, hardworking, timely, flexible in extending their work hours, willing to take on responsibility, possessing language proficiency, and able to think outside the box. Employers generally believe that technical skills can be taught as part of on-the-job training, but soft skills require earlier interventions at school in order to shape youth attitudes.

**It is necessary to re-orient or recalibrate youth's job goals through early guidance.** The challenges described above highlight that today's youth need information about career paths, the associated possibilities and challenges, and the early steps, skills and qualifications needed to advance along different career paths. Youth also need guidance to shape their aspirations along attainable lines, informed by existing job opportunities, and free from gender limitations or social stigma that is mostly unrealistic and unsustainable. The unfortunate reality is that neither parents (due to their own lack of education) nor teachers nor community leaders are in a position to provide career advice or redirect those youth lacking direction or motivation.



## Appendices

Appendix 1: Youth Employment Rate by Geographical & Demographical Segments

EMPLOYMENT RATE (ER)	2009			2000		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Overall ER	66.18	46.00	54.54	64.22	46.15	56.44
Province wise Distribution						
Western	62.17	44.69	52.68	68.88	50.84	61.97
Central	69.23	49.79	58.16	60.31	44.51	52.66
Southern	63.91	45.87	52.71	56.87	45.30	51.53
Northern	61.40	48.00	52.87	50.62	53.16	51.88
Eastern	70.33	34.07	48.67	57.73	50.00	54.10
North Western	72.35	44.51	57.95	62.69	37.33	51.60
North Central	74.71	52.68	62.31	67.96	48.72	59.67
Uva	62.69	45.04	51.01	67.54	36.36	56.11
Sabaragamuwa	61.26	50.30	54.71	72.61	45.61	61.25
Sector wise Distribution						
Urban	64.32	45.51	52.83	59.04	39.71	51.97
Rural	65.25	44.10	53.27	65.10	47.47	57.28
Estate	79.38	63.77	70.21	72.41	46.91	60.12
Ethnicity wise Distribution						
Sinhalese	65.29	45.03	53.72	63.85	44.58	55.4
Tamil	71.65	51.47	59.28	66.08	57.29	62.05
Moors	63.92	40.48	50.67	64.34	37.10	56.10
Religion Distribution						
Buddhist	64.30	44.6	53.04	64.26	43.98	55.39
Hindu	71.78	51.71	59.39	66.49	56.96	62.18
Muslim	63.92	40.94	50.89	65.03	37.88	56.46
Christian	76.92	52.68	65.55	71.72	65.43	68.89

Source: Department of Census & Statistics, 2014

## **I. Focus Group Discussion Format and Content**

The facilitator will welcome the participants, explain the format, start with the general discussion to establish common understandings and definitions of work, administer the intake questionnaire, and then proceed with the guided discussion. The questions in Table 3 serve as guidance during the FGD and for the analysis. Table 3 also includes some potential responses in order to prompt discussion. During the actual group discussions, the responses will certainly vary from those suggested here. It is the obligation of the interviewer and note taker to record and annotate all answers expressed by the participants, including any not included in this guide.

### **Introductory remarks**

Youth's participation in formal employment is relatively low here. The World Bank would like to gain insight into the factors that hinder youth in accessing good jobs or entering the labor force, in order to support the policy decisions in addressing these factors. We therefore would like to get your views. We would like to learn from your experiences with respect to the challenges that you have faced in joining and remaining in the labor force, in finding employment, and any hindrances to becoming self-employed or setting up a business.

We assure you that the issues that will be discussed today will not be divulged in any way that is attributable to you, and your privacy will be respected. We also ask that you respect the opinions of the other participants, and take turns in conveying your opinions. We would like to hear from each and every one of you. That doesn't mean that you are required to answer every question, however. In fact, you have the right not to respond to a question that makes you feel uncomfortable. And whereas we would like everyone to participate in the discussion, you are under no obligation to talk about issues that you feel are of a private or personal nature.

Now, would you please turn off your cell phones?

We will begin with some general discussion to get things rolling and to clarify what we mean by work, unemployment, self-employment, etc., to ensure we have a common understanding. We will then proceed with some questions and discussions about what constitutes a good job, your own views and experiences with job search, with working, and your perspectives regarding opportunities for better employment locally or in other regions.

We will record the session to enable us to summarize the group's opinions and responses. The final report will combine all responses in a summarized presentation, so that no statements can be attributed to individual participants. Please be assured that the recording will be stored and kept confidential by the World Bank, and is only for the purposes of this analysis.

- 1 Warm-up
- 1.1 Welcome participants and explain the research set up and process:
  - a Introduce SRL as an independent research agency and explain that SRL would conduct a focus group discussion and everyone’s participation is of utmost importance
  - b Confidentiality assured – research is carried out under the guidelines of Market and Social Research code of ethics
  - c The discussion will be recorded for reporting/quality control purposes
  - d No right or wrong answers – want honest opinions
  - e Request mobile phones to be on silent mode/ switch off
- 1.2 Respondents to introduce themselves to the group:
  - f Name, age, occupation, hobby etc.
  - g Finally; Explain the main objective of today’s discussion to the respondents

**Clarifying terms = ASK IN ALL GROUPS**

	<b>What do we want to know?</b>	<b>Opening Question [guidance]</b>
1	Clarity around definitions of work	What does it mean around here if someone says “Someone has a job”?
2	Clarity around definitions of work	How about if someone says “they are employed”? Is this the same thing?
3	Getting clarity around definitions of formality and informality	What does it mean to you if someone says “they have formal employment” versus “some other is in informal employment”?  <i>[Note: after this question is answered, include our definition. Formal: in a registered firm, with a regular salary, and covered by social security (i.e., employer makes contributions to social security on the employee’s behalf). Informal: includes self-employment, regular wage work that is not covered by social security, unpaid work for family business ]</i>
4	Getting clarity around definitions of entrepreneurship	How do you define a “business”? “An entrepreneur”?  <i>[Note: Areas to bring in if not raised: Person selling goods at market; Farmers; A formally registered firm (even if self-employment); Self-employment in an unregistered activity]</i>

## Guiding questions by theme

### A. Understanding the community context as participants perceive it – ASK ALL

	What do we want to know?	Opening Question [guidance]	Potential answer options [guidance]
	Basic information on employment situation in the community; opening conversation about what people think about employment	How is the “job situation” in this community (in the broader areas/district where they live) now?	a) Excellent b) Good/Above Average c) OK/Average d) Bad/Below Average e) Very Bad/Very Poor
	Specifics about jobs for youth	How is the job situation in this community (in the broader areas/district where they live) for young people, like yourselves?	a) Excellent b) Good/Above Average c) OK/Average d) Bad/Below Average e) Very Bad/Very Poor
	Understanding youth’s perceptions of current opportunities available in this community	Are there good opportunities for you to “move up the ladder” in your community (in the broader areas/district where they live)?  If yes, explain what they are.  If no, what is missing and needed?	
	Understanding youth’s expectations about the community’s future	How do you expect these opportunities to change (or not) in the next 5 years?	
	Understanding the availability of work for youth in the community	What kinds of jobs do Youth like you have in this community? Include all kinds of jobs: formal and informal, wage and non-wage and self-employed, etc.  Activity: ask all kinds of jobs and the moderator to write on post-it and fix it on the wall/ flip chart. The moderator to probe for formal, informal, wage, non-wage jobs and self-employed etc...	
	Understanding preferences around available jobs	Do you consider them to be good or bad jobs? Why?	

	<b>What do we want to know?</b>	<b>Opening Question [guidance]</b>	<b>Potential answer options [guidance]</b>
		Activity: ask the respondents to group all the job types they mentioned above in to good and bad jobs & then come up with reasons for grouping	
	Understanding preferences around available jobs	Which jobs do you consider the best to have in your community for youth like you?	
	Understanding preferences around available jobs	<p>What are the characteristics of the best jobs for youth in this community?</p> <p>Different group members can choose different jobs as best for youth</p>	<p>Probes for discussion:</p> <ul style="list-style-type: none"> <li>Salary;</li> <li>Benefits;</li> <li>Culture;</li> <li>Relationships, camaraderie;</li> <li>Safety &amp; Health protection;</li> <li>Protective measures (e.g., gloves);</li> <li>Abuse issues on the job;</li> <li>Working conditions;</li> <li>Access to supplies, equipment;</li> <li>Respect/recognition from management/supervisor/employer;</li> <li>Recognition/respect that the employer has (i.e., how prestigious the job is);</li> <li>Opportunity, achievement, growth;</li> <li>Advancement, further education, responsibility;</li> <li>Management and supervision;</li> <li>Is there a sense of ownership of the outcomes here?</li> <li>Work content, responsibility;</li> <li>Proximity to work;</li> <li>Work/home balance</li> <li>Working hours</li> <li>Paying EPF/ETF</li> <li>Having a pension</li> <li>Matching their skill levels</li> <li>Having an employment letter/contract</li> <li>Providing further training</li> <li>Provide good transportation facilities</li> <li>Flexible working hours</li> </ul>

	<b>What do we want to know?</b>	<b>Opening Question [guidance]</b>	<b>Potential answer options [guidance]</b>
			Working from home facility
	Understanding preferences around available jobs	Who/ what kind of people usually gets these jobs? Ask for each job listed above  Probe for Why?	

**B. Participants' career paths and aspirations – ASK ALL**

	<b>What do we want to know?</b>	<b>Opening Question [guidance]</b>	<b>Potential answer options [guidance]</b>
	Understanding aspirations and career paths	Do you think good jobs with these characteristics are available to you, or will be in the future? Why/why not?	
	Understanding values around jobs and career paths	What is most important to youth like you in a job or career path?	
	Understanding aspirations and career paths	What are the specific future plans you all have planned to achieve from your job/business?	
	Understanding how youth aspirations have been formed	How do you go about choosing job to build you career path? what really matters to you when going up the ladder in your career path?	
	Understanding the way aspirations may/may not intersect with the desire to migrate	Do you find jobs that gives a career paths to youth like you in this area/district?	

	<b>What do we want to know?</b>	<b>Opening Question [guidance]</b>	<b>Potential answer options [guidance]</b>
	Understanding the way aspirations may/may not intersect with the desire to migrate	Are there better places to get that job and follow that career path? If so, where (it can be inside the country or outside)? And what makes them better than this community/area (in the broader areas/district where they live)?	
	Understanding biases toward certain sectors	Are there any sectors in which you would not work, even if a job were available?  Reasons for rejection?	Construction Hotel work/tourism sector Elder care services Retail sector/Shop assistant Banking and finance sector Security/ forces Health Care Retail / super market/ fast food chains Clubs / restaurants Education ICT Agriculture (Paddy, Tea, Rubber, Coconut) Vegetable & fruit farming Milk farming Organic products Taxi services /renter car Self-employment

### C. Entrepreneurship

	<b>What do we want to know?</b>	<b>Opening Question [guidance]</b>	<b>Potential answer options [guidance]</b>
	Understanding the appeal (or not) of entrepreneurship	Anyone here is trying to start your own business? Why/why not?	
	Understanding the appeal (or not) of entrepreneurship	Do you consider entrepreneurship to be a good long-term career option, or just something to do short term?	

	<b>What do we want to know?</b>	<b>Opening Question [guidance]</b>	<b>Potential answer options [guidance]</b>
	How business activities are selected by entrepreneurs	ASK IF SMEs are in the group:  Do you already work in your own business?  If so, how and why did you select the business activity?	Family business/ family tradition It is the common sector of work in this region Better income opportunities Can combine business with housework/family care responsibilities Can't find other work Other (please specify)
	Understanding whether youth think their community is a conducive environment for entrepreneurship	Do you think this area is generally a good place to start a business? Why/why not?	
	Perceived difficulties to entrepreneurship in this community	What are the biggest barriers that entrepreneurs face when trying to start a business in this community?	Capital. Lack of access to credit, finance, etc. Lack of access to land No access to quality infrastructure (roads, electricity, water, etc.) Markets: low demand for goods or services I offer; high competition Skills or education: Low technical skills / Lack of skilled workforce Costly or difficult regulations: Licensing permits, inspections, trade and customs, etc. Other: Lack of information; theft, etc. Lack of business ideas There are no challenges
	Understanding whether youth think their community is a conducive environment for entrepreneurship	Is it easier or harder for a young person, such as yourself, to start a business in this community? Why?	



	<b>What do we want to know?</b>	<b>Opening Question [guidance]</b>	<b>Potential answer options [guidance]</b>
	Understanding the gender component of entrepreneurship	Is it easier or harder for women to start a business in this community? Why?	
	Understanding the way aspirations around entrepreneurship may/may not intersect with the desire to migrate	Are there better places to start a business than this area (including other countries)? If so, where? And what makes them better than this community?	
	Knowledge of existing support services	What Government programs are you aware of that could be helpful in starting or running your own business? Have you pursued any of these?	

#### **D. Education and skills ASK ALL**

	<b>What do we want to know?</b>	<b>Opening Question [guidance]</b>	<b>Potential answer options [guidance]</b>
	Perceptions of the value of education	How did you decide when to continue school and when to finish school?	
	Perceptions of the value of education	Do you think it makes sense for youth in this community to go to university or other tertiary schooling? Why/why not?	
	Perceptions of the value of training	Do you think it makes sense for youth in this community to take TVET courses? Why/why not? Which courses?	
	Value of training	Would you take the same training courses if they were not free or did not pay a stipend?	
	Potential skills gaps (or not)	Has your education prepared you for the job or career path you want?	

	<b>What do we want to know?</b>	<b>Opening Question [guidance]</b>	<b>Potential answer options [guidance]</b>
		<p>If yes, in what ways?</p> <p>If no, what did you need that you didn't get?</p>	
	Where it is seen as best to go to school	<p>Do you think this community is the right place to go to secondary school? Why/why not?</p> <p>If not, where is a better place for youth in this area to for to school? Abroad?</p>	

**E. Unemployment and labor force participation ASL ALL**

	<b>What do we want to know?</b>	<b>Opening Question [guidance]</b>	<b>Potential answer options [guidance]</b>
	Why young people may be unemployed	<p>Now let's talk about people who are not working.</p> <p>Sometimes it can be very hard to find paid work, even if you want it and are trying to find a job. What are the reasons for a youth like you to be unemployed as of your opinion?</p> <p>ASK from NEET- what is the main reason for you to be unemployed why?</p>	
	How significant the unemployment problem may be	<p>How long have you been unemployed?</p> <p>Everyone can answer to this based on their past experience</p>	
	How unemployed youth look for jobs	<p>How have you been looking for paid work?</p> <p>What channels/medium have you been using?</p>	
	Youth's perception of their age intersecting with job opportunities	<p>Do you think it would be easier, harder, or the same to find a job if you were older? Why?</p>	
	What kinds of jobs youth are seeking	<p>ASK NEET- What kind of paid work have you been looking for</p>	

	<b>What do we want to know?</b>	<b>Opening Question [guidance]</b>	<b>Potential answer options [guidance]</b>
	Whether/how unemployment in this community connects to migration	Do you think this community has what you are looking for?	
	Understanding inactivity – who is inactive and why	At other times, people may not want paid work at all. For those of you who don't work for pay and are not looking to work for pay, what is the main reason why?	In school Motherhood Other, explain
	Understanding inactivity – who is inactive and why	Do you think you will want to work in the future? If so, when? Why?	

**F. Migration (for focus groups that include urban migrants or potential or returned migrants)**

	<b>What do we want to know?</b>	<b>Opening Question [guidance]</b>	<b>Potential answer options [guidance]</b>
	Kick off the discussion	Now let's talk a little bit about migration.  ALL- Why do you think some youth like you migrate to the city/for another country for jobs? Probe	
		ASK ONLY migrants	
	Information on the pull-push factors	Who was born in this community?  Who migrated here? What was/were the primary reason(s) for your migration?	a) Poor local job prospects b) Education c) Join family/marriage d) Other
	To understand the decision to migrate or not	Who influenced your decision to migrate?	a) Personal decision b) Immediate family in sending area c) Family in receiving area d) Friends in receiving area e) Not sure/Other
	Reasons some decided to migrate to a main city vs. migrating to a secondary town	What were the major reasons for choosing a particular destination? Was more than one city/country considered?	a) Availability of jobs b) Good working conditions c) Presence of friends and family d) Recruited by a firm or institutional education e) Education f) Other
	This can hint whether the decision to migrate was supported by others or not	How did you finance your migration?	a) Support from family b) Savings c) Borrowing from informal lenders d) Other (specify)
	To gain awareness on what organizations could offer to new migrants	What were the biggest difficulties for you when you arrived?	a) Housing b) Learn to use transportation c) Finding a job d) Other (specify)
	Understanding the experience of	Was your new destination different to what you expected? If so, How?	I did not have the support I was expecting Other

	<b>What do we want to know?</b>	<b>Opening Question [guidance]</b>	<b>Potential answer options [guidance]</b>
	migration and integrating into the new community		
	Understanding the experience of integrating into the new community and how this interacts with job seeking	Did you have difficulties finding a job?	Yes No
	Understanding how migrants are treated on the job	Do you think you are/were treated equally to local employees in terms of wages, working hours, benefits, social security, etc.?	Yes No I am not sure
	Types of jobs migrants find	Does your work correspond to your education and training qualifications?	Yes No Not sure
	Information on access to social security, paid leave, health insurance, unemployment benefit, pensions, etc.	Are you entitled to any benefits (e.g., social security/pension, paid leave) as part of your job? Which benefits?	Yes No Not sure
	We want to understand if migrants are satisfied with their decision	Would you advise a friend or family member to migrate to your new destination?	Yes No Not sure Only if.....
	We want to understand if migrants are satisfied with their decision	Will you consider returning to your place of origin? Under what conditions?	Yes No Only if...
	We want to understand if migrants are satisfied with their decision	Do you think migration has improved your social? Your economic status?	Yes No Yes, in my place of origin Yes, in my place of residency

	<b>What do we want to know?</b>	<b>Opening Question [guidance]</b>	<b>Potential answer options [guidance]</b>
	Getting an idea of what young migrants need/want	In what ways, if any, do you think organizations could support young migrating workers?	They can help match young workers with jobs They can provide orientation on how to get around the city/new place Other:
	To understand the decision to migrate or not	For those of you who were born here and have not migrated, why have you remained here until now?	No interest in moving Opportunities not better elsewhere Lack of info or connections elsewhere Cannot afford it
	To understand the decision to migrate internally or not	Who here would like to move to another community within this country? What community and why?	Are the job opportunities better in those communities, and what are they? Is it easier to open a business? How are the opportunities different for youth? For women?
	To understand the decision to migrate externally or not	Who here would like to move to another country? Where would you go and why?	Are the job opportunities better in those countries, what are they? Is it easier to open a business? How are the opportunities different for youth? For women?
	To understand the decision to migrate or not	If the employment opportunities in this community and other communities paid the same amount of money, how would that change your desire to migrate or not?	

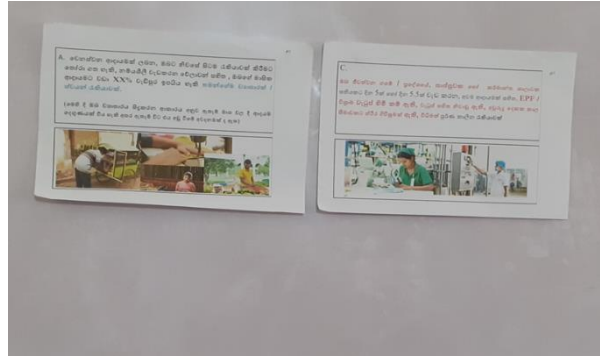
## G. Gender roles and main constraints facing young women

	What do we want to know?	Opening Question [guidance]	Potential answer options [guidance]
	Gender roles in market-based work	In your community, what is expected of men when it comes to different types of work (paid work, unpaid work in family firm)? How is this different for women?	
	Gender roles in market-based work	Are certain types of work off limits/not socially acceptable? Do you agree with these norms or feel constrained by these norms?	Certain sectors off limits or with low status? Unpaid work in family firm?
	Gender roles in household-based work	In your community, what is expected of men when it comes to taking care of the home and the family (unpaid care)? How is this different for women?	
	Acceptance of cultural norms	What do you like and dislike about this? Should anything change, and if so, what?	
	Relevance of cultural norms	Do your friends and community members closely follow these roles? How yes and no?	
	Different treatment	Do you see differences in the way men and women are treated: <ul style="list-style-type: none"> <li>a. At home? If yes, how are they treated differently?</li> <li>b. In school? If yes, how are they treated differently?</li> <li>c. At work? If yes, how are they treated differently?</li> </ul>	
	Women's decision-making power	What is women's role in household decisions with respect to: <ul style="list-style-type: none"> <li>a. Purchases?</li> <li>b. Savings and investment decisions?</li> <li>c. Education?</li> <li>d. Employment?</li> </ul>	

## Appendix 3: Blind Voting Process

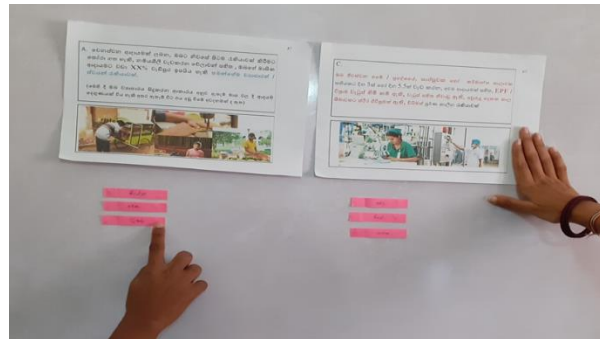
### Step 1:

- A written description and illustration were presented for each pair of job choices. Each pair was affixed to a wall/white board side by side, and the moderator read each job profile aloud, including salary. Salaries were expressed relative to each individual's current salary, or to the minimum wage (for NEETs).
- Respondents were able to read and study the job descriptions, but were not permitted to discuss them, and were instructed to express their individual choices only.



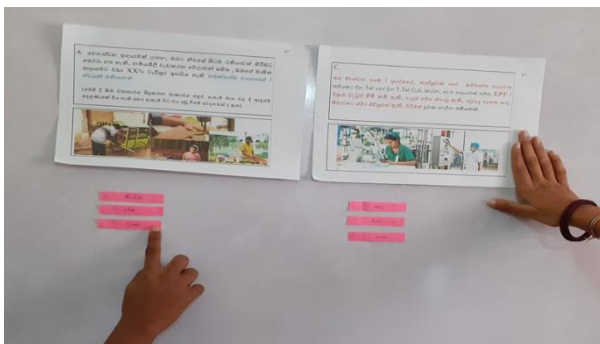
### Step 2:

- Respondents were given their names written on colored paper strips.
- Then respondents were asked to affix their name on top of their preferred job opportunity.
- The respondents could choose one or none.
- After the initial choice, the moderator offered a 10% salary increase for option A, and kept the other job salary fixed in option B. Respondents are asked to select again their preferred option.
- In this scenario presented, once the 10% salary increase was offered, no one changed their vote; i.e., 3 out of 6 respondents preferred option A, and the other 3 respondents continued to prefer option B.



### Step 3:

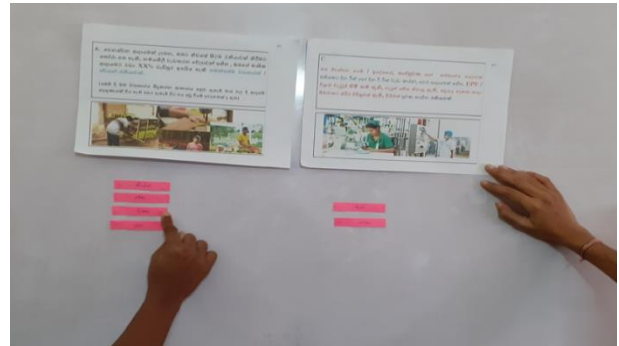
- The moderator then offered a second salary increase, equivalent to 20% for option A, and asks those who didn't choose this option with the 10% salary increase in the previous round, "How would you vote now?"
- The three respondents who had selected job option B under the 10% salary increase still did not change their choice. E.g., a 20% increase did not motivate for them to change their choice to option A.





#### Step 4:

- Then the moderator offered a final salary increase of 50% for option A.
- As shown at right, one respondent changed her vote to option A.
- In the end, 4/6 respondents preferred option A (with a 50% higher wage) to option B, and two respondents preferred option B.
- The moderator recorded the results in a pre-prepared tabular sheet.



## Appendix 4: Key Blind Voting Results

**A1. Own-account work/Self employment** with irregular earnings. You would have the choice of working from home, flexible working hours, **earning 10% more on average wage** Depending on how you execute your business, twice the average monthly salary income in one month, if not low monthly income in another month).

**B. Working full time in a shop/ factory** in your own village/area 5 days or 5.5 days per week. Earning minimum wage, **no EPF/Pension, no paid vacation, no contract.** (RS. )

Between A1 & B job choices, majority choose A1-Self employment at the first salary increase point itself. This trend was common among male, female as well as NEET group

Salary increase	Votes-All		Male		Female	
	A1	B	A1	B	A1	B
10%	153	18	81	9	72	9
20%	1	17	1	8	0	9
50%	1	16	0	8	1	8

**A1. Own-account work/Self employment** with irregular earnings. You would have the choice of working from home, flexible working hours, **earning 10% more on average wage** Depending on how you execute your business, twice the average monthly salary income in one month, if not low monthly income in another month).

**C. Working full time in a shop/ factory** in your own Village/area 5 days or 5.5 days per week. Earning minimum wage, **with EPF/Pension coverage (formal), 2 weeks paid vacation, fixed term contract for two years . (no severance pay),** (RS. )

However, when A1 was exposed in comparison to C, i.e., Working full time in a shop/factory – formal few more youth jumped in to that option leaving A1. The trend is similar among male, female and NEET as well

Salary increase	Votes-All		Male		Female	
	A1	C	A1	C	A1	C
10%	126	49	67	23	59	26
20%	6	43	5	18	1	25
50%	2	41	1	17	1	24

**D. Working full time in an office in the private sector** located close to your village/area earning minimum wage **no benefits, no paid vacation, no contract (informal)** (RS. )

**C. Working full time in a shop/ factory** in your own Village/area 5 days or 5.5 days per week. Earning minimum wage, **with EPF/Pension coverage (formal), 2 weeks paid vacation, fixed term contract for two years . (no severance pay),** (RS. )

In C & D job type pair exposure, Full time work in office (D) was rejected at the same salary point giving a higher weight to benefits attached to the option C. Trend is similar across different youth segments

Votes-All		Male		Female	
D	C	D	C	D	C
16	154	7	83	9	71

**E. Working in a civil service job** Rs. 35,000/-, with Pension (formal), paid vacation

**F. Working full time in a shop/ factory** in your own Village/area 5 days or 5.5 days per week. Earning minimum wage, **with EPF/Pension coverage (formal), 2 weeks paid vacation, fixed term contract for two years. (no severance pay), and with opportunity for advancement and/or performance bonuses..**

Votes-All		Male		Female		Salary Increase
E	F	E	F	E	F	
109	66	50	40	59	26	Rs.35,000/-
102	7	45	5	57	2	10%
98	4	45	0	53	4	20%
90	6	40	3	50	3	50%

Job option F, i.e., Working full time in a shop with EPF..+ Opportunity for advancements and performance bonuses, while there is an attraction towards the Civil service job by majority, a significant attraction towards the Option F as well.

## Appendix 5: Life Stories of Youth



**≥A/L Employed**  
*Formal*  
*Urban*

Vilashini is 23 years old, the youngest in a family of three children. Her elder brother and the sister are married and living separately. She loves studying and she passed grade 5 scholarship and she got bursary from the government. Her father is a labourer, got sick when she entered O/L. With many difficulties she sat for O/L and passed. In the four months gap till she received the O/L results, she worked in a shop. With that she started liking earning money as she could support her parents. She has not selected commerce but selected arts for A/L as she didn't have money to go for tuition. Somehow, she sat for A/L and passed well and started working again in a shop as a cashier. It was working all days including weekends, poya days and she did not have time even to take her parents to clinic. She left that job too. Vilashini lives near a Dewalaya(Temple) and hence she started making garlands to sell near Devalaya till she finds a good job. Then she found a job through

one of her neighbors in an office where she didn't have to work on weekends and could take leave easily too. She started working in that shop doing accounting. The office sponsored Vilashini to do AAT course. The office paid half of the tuition fee and she bore the other half. However, her salary was Rs. 8000/- per month which was very low at the start and was difficult to manage family requirements. She earns LKR. 20,000/- per month now and works as an Account clerk with two subordinates under her. Now she takes her parents to private health services. Her dream of being a teacher was sacrificed on behalf of her parents. What she studied and what she is doing right now as a job are completely different. She learnt Accounting, English language and everything from her work place. She wanted to get a government job, but without connections, she could not get one. She was very worried about her job with the recent violence and subsequent religion-based attacks, as it impacted a lot of businesses and shut down many. She hugely depends on her job. Hence, Vilashini is working very carefully and committedly at work to protect her job. Vilashini refused to marry a young man proposed by parents because he wanted Vilashini to quit her job after marriage. Vilashini refused him!



**<A/L(incomplete)**  
*employed- informal*  
*Urban*

Sajith, a 22 year old young man, had a comfortable life when he was young as his family was rich. He has two elder sisters and a brother. Sajith's father used to help others a lot when he was rich. But, no one was there to help his father when he faced difficulties in life. All these incidents happened at the time when Sajith was studying for O/L. In his A/L time, he had decided that studying was useless and he wanted to work. He started working in a garment factory and then his father found a vacancy in a pharmacy and insisted he join there. Sajith was hesitant to join the pharmacy as it needed different knowledge and skills. But his father insisted he go there and gain experience. The chief pharmacist taught him everything in the first day and offered Sajith a salary of LKR12, 000/- per month. The owner of the business bought a bike worth LKR2, 000,000/- for Sajith and provided LKR800/- per day for meals. Unfortunately, that business made losses and was later sold; Sajith quit after

1.5 years. He joined another pharmacy for a monthly salary of LKR 45,000/-. Sajith was happy with his situation as he was aware that his friends who had passed A/L still earned around LKR 11,000/- . Sajith is very confident of himself. When Sajith was 19 years old, he joined another pharmacy and ran the business alone. But, after two years the owner of that pharmacy wanted the pharmacy back as he saw Sajith was running the business well. Because Sajith didn't have any legal agreement, he lost that opportunity. With the help of Sajith's father, he started his own pharmacy. His father took out a loan and helped Sajith. As Sajith could not register his business, the bank rejected his loan. When trying to register the business, the government agents did not even come to make an assessment of his business. After that incident, Sajith struggled, doing a lot of odd jobs (Mason work, security job, Pick me taxi driver, etc.) to earn money to pay back his father's loan. After a month, he got a job opportunity to keep accounts in a construction company, but that company cheated Sajith without paying him for work he completed. Sajith got

a job in another Pharmacy for a monthly salary of LKR30,000/- and he was content with that as his father had sold his house to settle the loan. Although Sajith worked very well there, due to a problem he faced with a girl who worked in that pharmacy who was the girlfriend of the pharmacy's owner, Sajith had to leave that job too. Then Sajith bought a Three Wheeler and started driving Pick me Taxi, but his father met with an accident in the three wheeler and damaged the vehicle. Moreover, he realized that Pick me was not a profitable career. The pharmacy where Sajith works now pays him LKR45, 000/- per month but Sajith is not happy with that as he has a lot of loans to settle.



**<A/L(incomplete)**  
*employed- informal*  
*Semi – Urban*

Nimali is an unfortunate youth whose mother migrated when she was 10 years old. She missed her affection and protection, and had to take care of a 2 year old brother as well. Nimali's father used to drink all the time when she was young. She was able to study until grade 6. She stayed for five years at home after left school taking care of household work. When she was 19, she had got pregnant by her fiancé and he left her; now Nimali is a 27 year old single mother of a 6 years old daughter. She has six siblings. Her sister insisted her to let her daughter to be adopted or abort at pregnancy stage, hence the fights for this, between Nimali and her sister became a reason for her to return to her home town to live at father's house. She had started working 6 years before, weighing prawns and cuttlefish and packet to export in a fish export company. Her daughter is looked after by her father and the brother when she goes to work. Nimali works in a semi-frozen environment throughout the day. She gets chest pain all the time and has to take leave

often. But she does not want to leave this job as she can manage her house work with this job. She would like to go to other areas or abroad for work, but she cannot because of her daughter. She takes daily wages, which she prefers over a monthly salary as it helps meet day to day expenses. She is not in a position to save any money for her daughter. She earns 35,000-40,000/- per month. Nimali's elder sister also works abroad, like her mother. Nimali has desire to marry!



**≥A/L Employed**  
*formal*  
*Semi-Urban*

29 years old Susith was a courageous boy who had all the support from his parents and relatives to study well. He had been guided well by Dhamma School, school, parents, relatives and also educational institutions he attended after A/L. In 2006, when he was entering A/L, he lost his father, and his mother helped him get through it. Susith's father was a gem businessman and his mother was a post graduate degree holder, but quit her job when Susith's elder brother was born. After Susith's father's death, all his businesses were shut down and his mother started doing tutoring and working at Sanasa to earn money. Although, Susith didn't have serious romantic relationships in his life, he got upset after breaking up with a Vietnamese lady. He loves travelling around the world.

Although there were a few fluctuations in his life, Susith ensured that his life does not get impacted by them. His first job was in Saudi Arabia which gave him a lot of opportunities to work with and be exposed to people from different cultures. After two years of work in Saudi Arabia, he has come back to Sri Lanka with the aim of completing his diploma that was interrupted to go abroad. But unfortunately, the educational institute requested that he start the course from the beginning and pay the full amount; this discouraged him and led him to give up on that course. He has had a lot of job opportunities for his education and experience once he came back from abroad. Finally, he has started working in a private sector company at the executive level. He earns LKR 45,000/- per month. Sujith has good memories about his life abroad and wishes to go back and work abroad again. He thinks that life in other countries is much easier than living in Sri Lanka, as he doesn't have to spend time at weddings, funerals, and meeting friends etc. He thinks those things don't have much meaning. The teachings of Buddhism have guided him to understand what is worth spending time on in life and what is not. His family is very religious.



**<A/L(incomplete)**  
*NEET*  
*Rural*

27 year old Danushika is the elder daughter of a family of three children. Her younger sister works in a garment factory and her elder brother is a priest. She got married at age 18 and has two sons now. Her husband works in Army and didn't have financial issues. She never wanted to work after marriage, but she feels the need to now with two kids' expenses. Her parents' support is the biggest relief in her life; her parents support her by looking after her kids, but they insist that she get a job. She has to change many things in her life to compensate for that, hence she is not working presently but plans to start in self-employment if she finds an opportunity. The biggest regret in her life is getting married when she was very young; she believes that she could have had a better life if she worked more!



**<A/L(incomplete)**  
*employed- Self-*  
*Employment*  
*Rural*

Fazrin is a 27 year old farm shop owner, doing his business with his brother. His monthly income varies daily depending on business and averages around LKR. 35,000/- monthly. He is married and has a lot of support from his parents and relatives. At the same time, Fazrin has faced many difficulties in his life due to relatives. Unexpectedly he had to migrate to Saudi Arabia for a job when he was 24 as he had to settle some debts for a relative. He is very disappointed by the memories of how Sri Lankans in his Saudi work place treated him badly, while Indian friends supported him. He would still be in Saudi Arabia today if Sri Lankans hadn't treated him badly there. All his dreams are around testing out different business ideas to improve his earnings. His parents have worked in Saudi Arabia, as have many other relatives. He does not want to go abroad again, however.



**≥A/L Employed**  
*Formal*  
*Estate*

29 year old Darshini is a teacher in Badulla, has completed an English diploma course after her A/L (science stream), and earns Rs. 34,000/- monthly salary. She is married and has a son. Her mother and other family members look after her son. Her husband works in Jaffna. She has relatives who work outside their home towns and some have migrated too. Her inspiration was one of her teachers at her school who was very punctual and dedicated to her work. She is anxious about her health and family. She takes good care of her health and saves for the future. Although she would love to migrate, she doesn't want to leave her family, especially her son, as she has seen relatives who had migrated and how they missed taking care of their children well. She believes that her life would have been much better if someone was there to guide her through her education and career choices.



20 year old Saran is a cricket lover who is the eldest in a family of three children. His parents' guide him very closely. He has crazy memories about his school days. His parents work in the planation sector and Saran is very critical of how little planation workers are paid for their hard work. His single-minded wish in life is to become a cricketer, coach and umpire. His parents support him in all ways possible to achieve his dream. He is planning to sit for an umpire exam and learn English for that. The most painful event in his life was the moment he heard that his name was cut from the selection of the district cricket team, replaced by the son of politician in the area. He had bought a t-shirt with his name printed on it ready to go on the following day. Saran will not forget that incident in his life!

<A/L(incomplete)  
NEET  
Estate



Najeeha is 18 years old, the youngest in the family. She has a brother and two sisters. Her brother is a degree holder who has worked at the Urban Council for many years and earns around 30,000-40,000/- per month. One sister is married and has a degree; the other sister studied up to O/L and is doing household work at home. Her father is a farmer and mother makes and sells string hopper to shops. Najeeha loves studying, playing cricket and carom. She stopped her education starting from O/L due to financial difficulties. She works on a temporary basis in a garment factory for Rs.4000/- per month, working from morning till 2PM (part-time). She has tried to take out a loan to study, but bank interest rates were too high. She is determined to study somehow in the future. Although there are many who have migrated in her relatives' families, she doesn't want to migrate!

<A/L(incomplete)  
employed-  
informal  
Rural

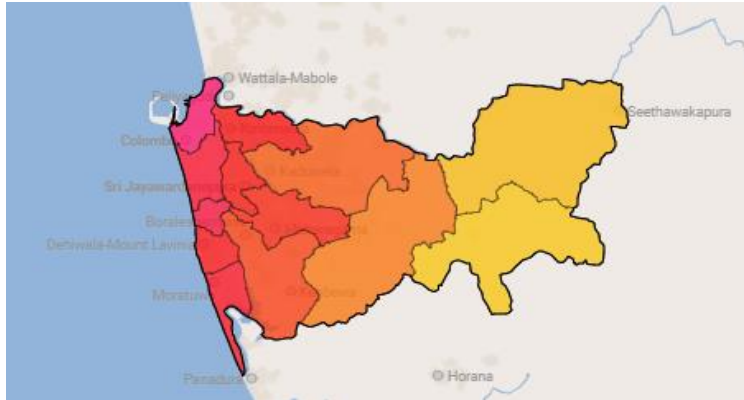
## Appendix 6: A Brief Description of Employers Interviewed in the Study

<b>Industry description</b>	<b>Company description</b>	<b>Main activities</b>
<b>Coir Products Manufacturer-Export</b>	Total number of employees 250: 200 are unskilled labor among whom only 30 are youth, 100 employees are over 50 years old. Among office staff there are 20 youths. Only 50 employees are female.	It's a Board of Investment project. They collect coir products and repurpose into different products for export market which will be used as a growing medium and as inputs to produce mattresses (semi-finished products) and animal bedding (finished product). No sophisticated machinery used for the production and hence it's labor-intensive. The company has an unappealing working environment and hence jobs are not very attractive to youth.
<b>Garment Factory – Export</b>	Company 1 - Total number of employees 1100 70% are youth, In Quality and manufacturing functions, 90% are female. For 900 female workers, there is a need of 100 males and hence recruiting males is not a challenge. Company 2 – 110 employees out of which 75 female and 35 male. Majority is youth.	Company 1 - Garment manufacturer for export market Company 2 – Garment manufacturing for local market
<b>Tea Plantation – Export</b>	Total number of employees 325 70% are female and 30% male. Only 10% are youth	Manufacture tea and sell at the auction.
<b>Bakery Food manufacturer</b>	425 employees	Supply baked foods (Bread, Bun, etc..) to the local market through super markets, HORECA (Hotel, Restaurants, Eateries, Canteen), & export mainly to Maldives
<b>Security firm</b>	542 employees	Provide security services to corporates
<b>Buying and selling company</b>	67 employees are in the company, where 40% are youth. 54% are female and 46% are male employees in the company	Kitchen ware products are packed, branded, quality check and issued to the market
<b>Distribution company</b>	Total number of employees is 40, of which 20 are youth	Bring goods from Colombo in bulk and sell them in the local area. This is the only company distributing these products to the entire Eastern Province.
<b>Confectionery manufacturer</b>	5000 employees approximately, 60% male and 40% female, 20-30% are youth. 60% of the manufacturing function are youth and the balance are adults. Only males are recruited as Sales Representatives, and 90% of the packing division are female.	Confectionery manufacturing, distribution and sales
<b>Plastic product manufacturer</b>	337 employees in the company and 40% are below age 30. Only 47 of total number of employees are female.	Manufacture plastic products for the local market
<b>Tourist Hotel</b>	The company is a 5 star hotel in the service industry. Both young as well as older employees are employed and female representation is 9% and male are 91% of the total labour force	Mainly providing hospitality services to its guests. Guest relation is the main activity in the hotel ensuring all set standards to provide excellent customer satisfaction at the end.

## Appendix 7: Description of Areas Covered by the Study

### Colombo | කොළඹ | கொழும்பு

Figure 7.1: Colombo Area



With a total population of 2,324,349, Colombo district is the largest city in Sri Lanka. Youth population in the district is approximately 16%, with an equal gender balance.

As the most urbanized and commercialized area of the country, Colombo is known as a location with many job and business opportunities. Many people across the country migrate

to Colombo city for work, sometimes as daily commuters, sometimes staying in the city and traveling to their home towns on weekends or once a month (after they have received their monthly pay). People traveling from other areas to Colombo for work span the spectrum of job quality, from low-level work to the top echelons. On public holidays, the city becomes deserted as many migrants return to their home towns. The social status of a person who migrates to Colombo for work is perceived to be higher among villagers.

### Gampaha | ගම්පහ | கம்பஹா

Figure 7.2: Gampaha



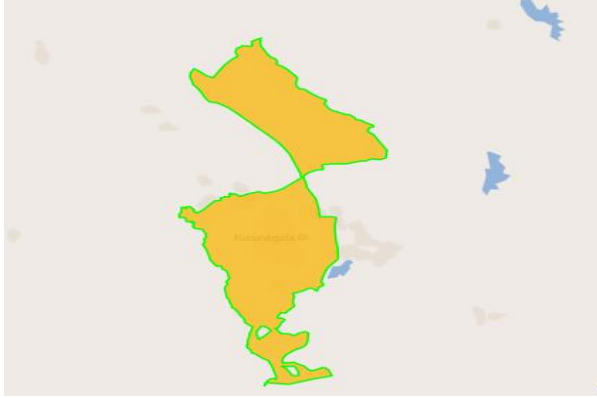
Gampaha is the second most populated area in the country, with a total population of 2,304,833, 14% of whom are youth. It is the second largest internal migration destination, reflects a mix of Industrial and agricultural activities, but is rapidly converting to an industrial area. Gampaha also reflects a mix of urban and rural cultures and traditions. Many people migrate from Gampaha to Colombo for work, given its close proximity. Other than agriculture, fishing, fishery-related occupations and tourism-related job

opportunities are prevalent in the area. Sri Lanka's two biggest industrial zones are located in Gampaha.



## Kurunegala | කුරුමෙ|குருணாகல்

Figure 7.3: Kurunegala

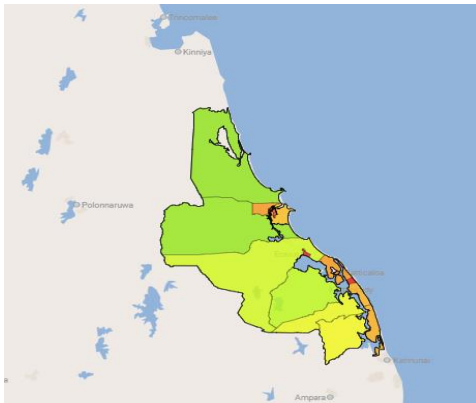


The population in Kurunegala is 1,618,465 and 14% are youth. It is fast growing, and has been identified as the central hub for the new Sri Lanka Highway project as it provides easy access to many areas of the country. Many families in Kurunegala have a member/s who work in Sri Lanka's armed forces. Furthermore, it is one of the highest illicit alcohol prevalent areas in the country, with a preponderance of associated social challenges. Coconut and coconut-related businesses are

prevalent in the area, creating a large number of job opportunities. In fact, opportunities for employment and opportunities to start businesses were not perceived as areas of concern.

## Batticaloa | මඩකලපුව|மட்டக்களப்பு

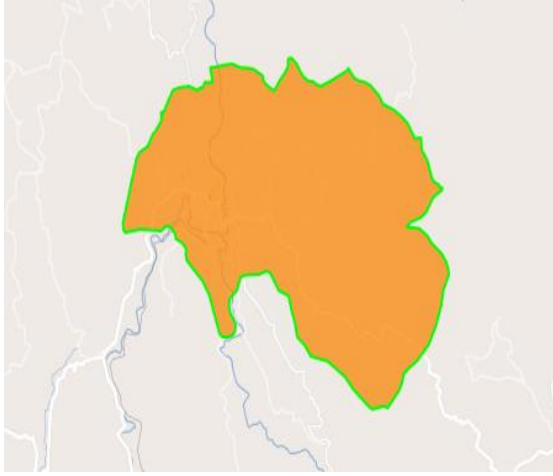
Figure 7.4: Batticaloa



Batticaloa is a district that represents the eastern part of the country, and has 526,567 residents. It is in an early stage of development compared to other rural areas of the country. The highest share of the population in the area is Tamil, followed by Sri Lankan Moor (Muslim) and Sinhalese, each with distinct cultural beliefs and values. Agriculture and fishing are the main occupations of the area; tourism also complements the area's development and job opportunities.

## Badulla | බදුල්ල | பதுளை

Figure 7.5: Badulla



Badulla is an estate area with 815,405 residents comprising both Sinhalese and plantation Tamil communities. The most prevalent economic activity is horticulture and plantation sector occupations. Farm sizes range from very small to very big. Most Tamil communities in the area work in tea estates for a monthly salary. Most educated Sinhalese or Tamil residents from Badulla migrate to Colombo city for work. Tourism is one of the main industries that creates job opportunities in the area.