

DEVELOPING SKILLS IN YOUTH TO SUCCEED IN THE EVOLVING SOUTH ASIAN ECONOMY

SRI LANKA COUNTRY REPORT

Country at a glance

1. Sri Lanka is an island nation in the Indian Ocean with a population of 21.7 million people. It's rich cultural heritage and increasingly sophisticated workforce have positioned the country well to drive strong economic growth. This means that many Sri Lankans are now able to earn more and invest in their families and communities.

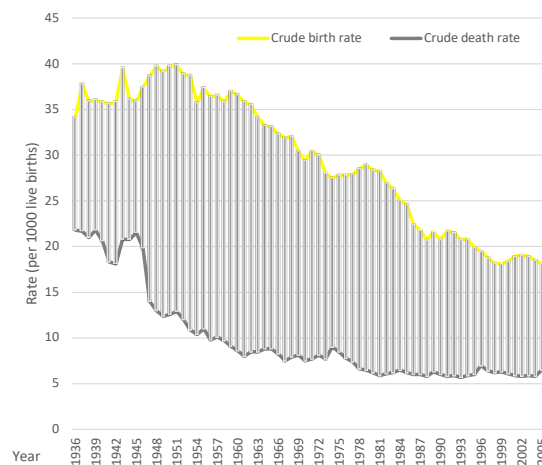
2. Sri Lanka recently became an upper middle-income country and has a GDP per capita of US\$ 4,102 (2018). The economy is transitioning from a predominantly rural-based to urban oriented one with a focus on manufacturing and services.

Key Development Indicators

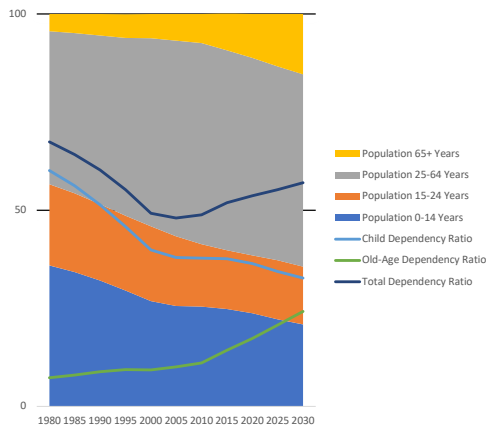
Human Development Index	0.770
Gender Development Index (GDI)	0.935
Working poor at PPP \$3.10 a day (% of total employment)	10.1
Skilled labour force (% of labour force)	36.0

Demographic Trends

1. Sri Lanka is currently experiencing a low fertility rate and increased life expectancy
2. An increase in the number of 65+ year-old citizens by 2030 will increase the dependency ratio—i.e the number of persons each person of working age must support.



3. The changes mean the demographic dividend—a time with a large working age cohort and fewer persons to be supported—is nearing its end.
4. The changes will slow economic growth unless a boost in skills raises the productivity of the workforce.



A shrinking working-age population will impact growth and affect pensions. Promoting entrepreneurship, quality education, and female participation in the labour force can buffer this demographic transition

Sri Lanka's workforce is better educated than that of other countries in the South Asia region. However, this has not translated into competitiveness of the economy

Financial issues, lack of interest in education and availability of schools were cited as the main reasons students dropped out of school by respondents (those who had left school before completing their primary education)

From focus group discussions with youth and surveys, youth report that the inability to complete formal education due to financial constraints, unemployment, job discrimination in the government sector, the cost of higher education and corruption in public institutions are the core problems the next generation in Sri Lanka will face. Corruption remains a critical issue for young Sri Lankans – there are significant trust issues between youth and government institutions because of this.

Youth also report that gender stereotypes remain a big issue. For example, girls are expected to be home by 6 pm. They can't remain outside the home to work or study after this time. Some parents do not like girls and boys working together, and certain companies favour either female or male staff.

Technical and Vocational Education and Training [TVET]

TVET Ecosystem

The Technical and Vocational Education and Training (TVET) sector provides opportunity for the workforce to learn new skills and enhance their skill level. Sri Lankan TVET sector is governed by the Technical and Vocational Education Commission (TVEC) under

Ministry of Skill Development and Vocational Training (MSDVT), and had 525 public, and 622 private (including non-governmental) institutions registered with the TVEC.

The Government introduced a National Vocational Qualifications (NVQ) certification system which adds important legitimacy to training courses that youth take and thus improves their employability. Furthermore, the Government has introduced market oriented and accredited vocational training opportunities based on industry demand. Also, youth centric institutions were created that introduced career guidance and career counselling facilities. The National Youth Services Council (NYSC) and the Vocational Training Authority annually facilitate accredited vocational training for approximately 85,000 youths. On average, 80 per cent of participants secure employment after completing these vocational trainings.

TVET Sector Strategy

Establishment of Industry Sector Skills Councils (ISSC)

IISCs represent the industry to get them directly involved in the TVET sector in Sri Lanka.

Regional Industry Forum (RIF)

The regional industry mechanism are designed to increase industry membership in ISSCs, and coordinate efforts of TVET providers in the district. The forums maintain details of industries and training providers in the district, facilitate coordination between training providers, employees, and trainees.

Employment Linked Training Programme (ELTP, Training Purchase model)

The objective of the ELTP is to utilize the capacity with the private sector to skill country's workforce. Three models are used: center-based training combined with on-the-job training; training that is delivered at both the center and at the place of employment; and industry-based training established by the firm under TVEC oversight.

Free of Charge Training Delivery

The Sri Lankan Government is taking steps to provide free post-secondary education and vocational training, particularly for the country's youth. All vocational schools administered by the Ministry of Skills Development and Vocational Training (MSDVT) have offered free attendance since early 2017. On-the-job training, soft skills development, employment services and low-interest bank loans are also available to Sri Lankan residents, free of charge, through MSDVT.

Labour market-youth expectation mismatch

Available jobs are either unattractive to young people because of the precarious nature of employment or because of a negative stigma associated with certain jobs like manual labor and construction. In many cases, labour market opportunities simply do not meet their expectations, especially amongst educated youth who have secured a qualification without relevant work experience. Once graduated, their expectations are high but they become disappointed by the opportunities available to them.

Engagement of NEET youths

New policies could be devised to ensure engagement with young people that helps drive the economy. Apart from gender barriers to work, other key risk factors for youth not being in education, employment or training (NEET) include: being an ethnic or religious minority, being between 20 and 24 years of age, having very low or very high levels of education, and not speaking English.

Need for change of perception

To change the negative perceptions of vocational training, awareness-raising campaigns in mainstream media is an avenue to explore, possibly using celebrities or role models in advertisement campaigns.

Soft and transferable skills

The education system places emphasis on attaining good grades rather than developing soft and transferable skills.

Gender parity

It is important to empower women to seek jobs which are traditionally seen as 'male jobs' by providing transport facilities and flexi-work. The media should take a leading role in correcting the portrayal of women with regard to employment, along with government initiatives to introduce paternity leave and subsidised child care.

Recommendations for government, businesses and TVET institutions:

- Universities need to facilitate connections with the job market via programmes such as internships and introduce more courses supporting soft skills development and education-to-work life skills.

- Information on employment opportunities and skills development both in Sri Lanka and abroad needs to be shared widely to reduce the unemployment rate and cater to the foreign demand for labour.

- Ensure the education system provides the knowledge and basic skills to facilitate the transition from education to work

- Improve the relevance and effectiveness of trainings at various skills levels for specific occupations.

- The gig economy and self-financing social security and health insurance schemes can work together to create an environment that is not detrimental to female workers and is conducive to creating a work-family balance for women in Sri Lanka.

- Initiate employer-led training programmes for 'low aspiration' sectors like construction.

- Ensure long-term career vision and planning programmes are developed.

- Reduce barriers to women's participation in paid work, particularly the lack of child care services and physical constraints on women's mobility, which undermines their ability to travel to work.

- Strengthen girls' early orientation to career development and help them acquire the type of education and skills (e.g. STEM courses) that prepare them for the labour market.

- Ensure gender equity in labour legislation, non-discriminatory workplace environments that include zero tolerance for sexual harassment in—and traveling to—the workplace, and provision of safe transportation

- Take affirmative action and roll-out ethical branding initiatives to expand women's share of employment in emerging sectors

Recommendations for Youth:

- Skilling should be the primary pathway for vocational preparation instead of residual training after the basic education is concluded.

- Youth who have completed training should encourage their peers to undertake similar programmes

