

## **Causes of Unemployment among the Educated Youth in Sri Lanka**

B.M.R.M. Wimalaratna<sup>1</sup>, P.H.T. Kumara<sup>2\*</sup> and S. Niroshini<sup>1</sup>

<sup>1</sup>*Department of Management Sciences, Uva Wellassa University, Badulla, Sri Lanka*

<sup>2\*</sup>*Department of Public Administration, Uva Wellassa University, Badulla, Sri Lanka*

Educated youth unemployment is one of the major problems in many developing countries like Sri Lanka. It does not reflect the utilization of scarce resources that would be significant to the socio-economic development of countries. Unemployment among educated youth in Sri Lanka is an increasing trend over the last few years. The issue of unemployment among the population aged between 15 - 24 is the subject of this research. Literature argues that demographic and socio-economic factors significantly affect the educated youth unemployment. Thus, the major objective of this study was to analyze the causes of unemployment among the educated youth in Sri Lanka using the Labour Force Survey data of 2016 conducted by the Department of Census and Statistics of Sri Lanka. The study mainly applied the Probit regression model to analyze the data. The results suggested that the areas of living had a positive and statistically significant relationship between educated youth unemployment. However, education level of head of household, gender and vocational training showed a significant negative relationship with educated youth unemployment in Sri Lanka. Further, adding to that, participation in vocational training of respondents caused a decrease in unemployment of educated youth in Sri Lanka. The study recommended that improving access to the education system in Sri Lanka and promoting entrepreneurship among educated youths as two best solutions for the reduction of unemployment among the educated youth.

*Keywords:* Educated youth, Unemployment, Probit regression model, Labour force survey