

**FACTORS ASSOCIATED WITH YOUTH
UNEMPLOYMENT AND
NEW TRENDS OF EMPLOYMENT IN SRI LANKA**

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Degree of Master of Science in Business Statistics

Department of Mathematics

University of Moratuwa

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Abstract

Youth unemployment is a significant issue in our country. This thesis aims to analyze and uncover the factors influencing youth unemployment and the requisite skills for Sri Lanka's growing industries, which are poised to become dominant sectors in the next decade. Data was sourced from the Varite Research and USAID Labour Market Assessment Survey conducted in 2018, with a specific focus on youth data as secondary data. The survey involved 2040 respondents, constituting 86.6 percent of the youth population, and followed the 2012 Census of Population and Housing sampling framework. Utilizing Pearson's Chi-square test statistics, the secondary data revealed a Significant association between most factors and youth unemployment. Interestingly, apart from English Reading Ability and Basic and Advanced Computer Skills, the remaining 18 variables, such as Presentation Skills, Customer Handling, and Sales Skills, exhibited a substantial influence on youth unemployment. Employing the Factor Analysis Method, these 21 variables (above mentioned) were categorized into four common factors: English and IT Skills, Communication Skills, Interpersonal Skills, and Technical Skills. Furthermore, through the application of the Cluster Analysis Method, the study concludes by identifying the main skills needed for each of the growing sectors: Tourism, ICT/BPO, Healthcare, Construction, and Light Engineering. The study underscores the demand for Technical Skills in Construction and Light Engineering, the significance of Interpersonal Skills in the Health sector, the importance of English proficiency in Tourism, and the critical need for IT skills in the ICT/BPO sector. These findings carry implications for the government's long-term developmental strategies.

Key words-Youth Unemployment, chi-square ,growing sectors ,Skills

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