



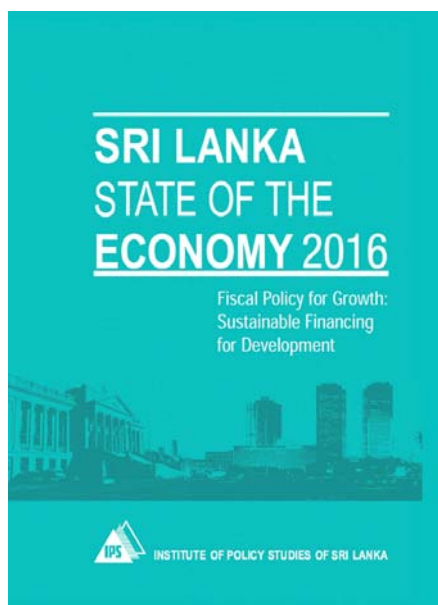
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POLICYINSIGHTS

INSTITUTE OF POLICY STUDIES OF SRI LANKA

ADVANCING SRI LANKA'S EDUCATION SYSTEM THROUGH INNOVATIVE FUNDING

From the IPS Flagship Publication 'Sri Lanka: State of the Economy 2016 Report'



The Sri Lankan education system faces new challenges in improving the quality and relevance of education to equip workers with evolving skills demanded in a more globalized world. There are substantial mismatches between demand for and supply of workers, especially in terms of higher education and high-skilled workers. Also, there is a wide gap between school and the world of work; the quality of the general education system, mainly provided

by the public sector, does not transmit much productive skills to pupils.

To meet the emerging needs of Sri Lanka's labour market, the education system now needs substantial modernization to equip workers. With existing public finance constraints and limited private sector participation, addressing these education sector needs to align with changing needs of a dynamic labour market is a major challenge. Although, there have been attempts to improve the quality and relevance of general education by introducing market-oriented subjects, and more practical-oriented curriculum, etc., there have been many implementation issues at the ground level; financial constraints, lack of resources which obstruct the expected outcomes of attempted reforms were some of the more critical.

Education Sector Service Delivery

The public education system remains the predominant education service provider of general education in Sri Lanka; while its socio-political context has limited private sector involvement.

Despite making remarkable progress in terms of access to education, the country's provision of equitable access for quality education is a major challenge. There are large disparities in the quality of education due to unequal distribution of both human and physical resources.

Further, limited higher-order learning spaces, such as science laboratories, ICT facilities - hinder the expected outcomes of attempted educational reforms. There are also teacher deficits for more demanding subjects such as mathematics, science, English and IT, especially in rural areas.

The Government plays a prominent role in the provision of higher education services, but the capacity of the state university system is limited.

Consequently, each year, about 120,000 students who qualify have to abandon their ambitions to enter a university.

Those who cannot enter public universities have little options for pursuing higher education. Although, there is no legal barrier for private universities to function in the country, these institutions are unable to offer degrees unless affiliated with a foreign university. Different higher



Less than **10%** of schools have the facilities to teach **A/L SCIENCE STREAM**

education institutions have attempted to get authority to award degrees; yet, these attempts have not been successful due to political economy reasons, and issues with controlling the quality of education.

“The absence of an accreditation system for private sector higher education providers makes it difficult to regulate the quality of programmes offered by these institutions.”

Establishment of degree awarding institutions outside the purview of the University Grants Commission (UGC) is a recent development in the field of higher education. Established institutes like the Sri Lanka Institute of Information Technology (SLIIT) and the National Institute of Business Management (NIBM) are some non-controversial set-ups under this system, while there are others such as the South Asian Institute of Technology and Medicine (SAITM), which has garnered opposition from students and doctors alike due to certain concerns on standards to be met and maintained, especially with regard to clinical training.

Financing the Education Sector

The overall public education investment in Sri Lanka is relatively low (around 2% of GDP). Of this limited spending on education, a major part (80%) is devoted to recurrent expenditure, the bulk (90%) of this recurrent expenditure is devoted for teacher salaries and welfare programmes. The limited capital spending on education has held back improvements to improve facilities.

Further, Sri Lanka currently spends a relatively small percentage of its education expenditure on higher education. At present, the ability of public universities to raise funds for improving standards is severely limited. In addition, the government spends only 5% of its education budget on the Technical Education and Vocational Training (TEVT) sector. Lack of resources has limited the expansion of TEVT and constrained improvements with regard to its relevance and quality.



Policy Recommendations

Private investment in university education - operated under state regulations and standards - could improve the quality of education through competition, enhanced access to university education and resource mobilization, etc. However, accommodating PPPs in higher education can be very challenging. Policy makers have to ensure that quality and standards are not compromised through effective monitoring and control. Therefore, urgent attention should be given to regulating these private higher education institutes. It is crucial to identify desired standards of these institutions with respect to their student recruitment criteria, fee structure, academic programmes, quality assurance and accreditation, etc.

Further, state universities should change to become dynamic centres of teaching and learning that respond to changes in the market in a timely manner. Rethinking the governance structure of public universities and allowing them more autonomy to manage their affairs and raise funds could also increase the resources available for public universities.

It is important to focus on the vocational and training levels of the education system, as TEVT is needed to respond to the changing labour market needs. Spending on education needs to increase by a substantial amount, with more of it distributed towards the TEVT sector.

PPPs, and schemes of recruitment through vocational education and training institutes directly to the industry, are essential. Some possible ways to finance these programmes are introducing a voucher system, state / private funded pay back loans for

unemployed youth; introducing a system of pay back to private companies when recruiting trained graduates from state funded training institutes. To achieve these, vocational education systems should be linked with industries that can absorb these trained students.

Governments can take measures to encourage private investments in general education. Private investment could be encouraged by lifting current restrictions

“The general acceptance of the country's TEVT sector is low owing to low recognition of qualifications due to varying standards, low employability of graduates, and weaknesses of courses to cater to market demands.”

on establishment of private schools. As a result, students who can afford costs can choose private schools while those who cannot, can continue in better funded state schools.

This Policy Insight is based on the comprehensive chapter on "Advancing Sri Lanka's Education System through Innovative Funding" in the 'Sri Lanka: State of the Economy 2016 Report' - the flagship publication of the Institute of Policy Studies of Sri Lanka (IPS). The complete report can be purchased from the publications section of the IPS, located at 100/20, Independence Avenue, Colombo 7. For more information, contact the Publications Unit on 0112143107/ 0112143100.



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