



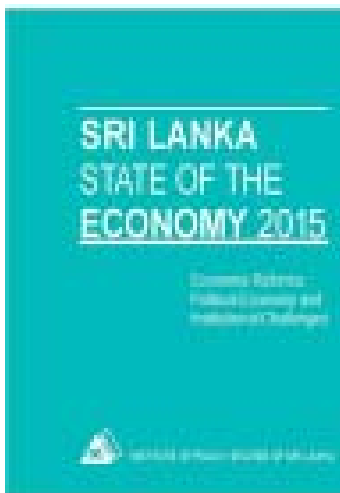
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POLICYINSIGHTS

INSTITUTE OF POLICY STUDIES OF SRI LANKA

EDUCATIONAL SECTOR REFORMS TO BRIDGE SKILL GAPS

*From the IPS Flagship Publication
'Sri Lanka: State of the Economy 2015 Report'*



In an increasingly more globalized world, higher skills and higher order-competencies are extremely important skills that make it possible to use new technologies and perform difficult tasks more efficiently. The demand for job specific skills accompany structural changes in an economy - a transformation from agricultural into manufacturing and services, a shift from labour intensive to more knowledge intensive industries, an expansion of Information and Communications Technology (ICT) sectors are all elements of this transition. This calls for continuous improvements in skill requirements where skill development and training plays a critical role. Therefore, capacity building in science, technology and innovation are more crucial today than ever before. A country's ability to pick-up new technologies and turn them to economic advantages, depends on the availability of its human capital to cater to these demands in adequate numbers and quality.

In this context, Sri Lanka has to transform itself to a competitive and efficiency driven economy - where innovation and

technological transformation will be important drivers of economic growth - if the country is to progress up the middle income ladder. For this, an educated work force with market-oriented skills is a must. To cater to this demand, Sri Lanka needs good-quality formal education, complemented by relevant skills development opportunities. Given how the inadequacies in the supply side are affecting Sri Lanka's human capital, it is timely to focus on reforms that will enable every student to make the best use of the country's free education system and be a part of a dynamic and skilled labour force.

This Policy Insight is based on the SOE 2015 chapter on "Educational Sector Reforms to Bridge Skill Gaps", which attempts to assess the required reforms in the education sector to address the major challenges ahead, including ways and means of enhancing the responsiveness of the education system, better provision of equitable access to quality education, and building capacity in the tertiary education system.

Key Education Policies and Reforms in Sri Lanka

The Sri Lankan state continues to provide free education since its introduction in 1945. Over the years, several measures have enabled the country's general education system to improve on equity in the provision of education for all persons, irrespective of socio- economic and regional disparities. While Sri Lanka has long been recognized for its achievements in access to education, it faces new challenges in providing quality education services that are relevant to the changing

demands of a rapidly growing economy and aspirations of the younger generation.

In recent decades, government and public attention has begun to focus on learning achievements beyond basic literacy. Despite educational reforms that were made to meet the changing demands of the globalized world, there are many shortcomings and implementation issues at ground level, which needs urgent attention. The SOE 2015 discusses in depth the successes, failures and gaps in these reform efforts and other subsequent reforms with regards to developing market-oriented skills, improving access to quality education, and expanding opportunities in tertiary education.

Transition from Traditional to Market-oriented Skills Requirement

Recognizing the skill needs and implications of skills constraints for a country's economic growth is more crucial today than ever before.

"As an emerging knowledge economy, Sri Lanka faces considerable challenges in providing its labour force with necessary skills in ICT, English, technology, research and development."

The quality of the general and higher education systems, mainly provided by the public sector, does not transmit much productive skills to students; which is the primary reason behind the skill mismatch in the country. Although attempts have been made to improve the quality of education through curriculum reforms over the years, there are shortcomings in curricula

designing, development and implementation. Reasons for this include; the curricular not being based on identified weaknesses in the preceding curriculum; lack of pre-testing; lack of proper teacher training to suit the new curriculum; and the lack of an appropriate monitoring and evaluation system.

“Sri Lanka's educational policies are formulated and put into practice without allocating required funds.”

Also, available data demonstrates large disparities in the quality of education provided due to unequal distribution of resources, both human and physical, which hampers the implementation of reforms at ground level.

Access to Quality Education

All children should have equal opportunities to successfully complete a basic education. The compulsory education regulations of 1997 addresses the issue of the inability of the economically disadvantaged to utilize free education made available by the state. However, these regulations do not go far enough to address the quality of the compulsory education received.

Sri Lanka's education sector suffers from human and physical resource disparities for more demanding subjects. There are only a limited number of schools in Sri Lanka with facilities to provide A-level Science streams subjects. As a result, almost a half of A-Level student are compelled to follow subjects in the arts stream. Also in rural schools, it is often the case that there is a deficit of teachers for more demanding subjects such as English, science and IT.

Limited Opportunities for Tertiary Education

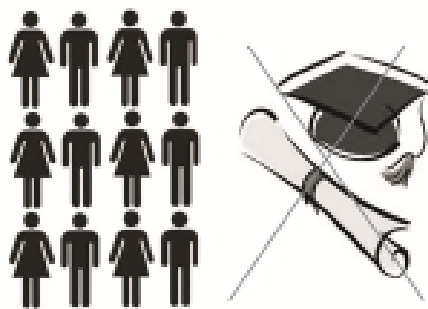
A dynamic tertiary education sector plays a key role in catering to the changing demand in the labour market.

“The state higher education system is not changing sufficiently to meet the evolving labour market demands of a globalizing world.”

In Sri Lanka, the government plays a prominent role in the provision of higher education services, but the capacity of the state university system is limited. Making matters worse, the curriculum is not modern and has limited scope and relevance to market needs.

Lack of avenues for higher education hamper the higher education system in Sri

120,000 STUDENTS QUALIFIED FOR UNIVERSITY EDUCATION FORCED TO ABANDON THEIR AMBITIONS TO ENTER A UNIVERSITY DUE TO LIMITED CAPACITY



Lanka. Although there is no explicit legal barrier, the political economy context of the country makes it impossible to invest in private universities. Those who cannot enter public universities have limited options for pursuing higher education and only those from highly affluent families are able to obtain university education outside the country. In addition, the absence of an accreditation system for private sector higher education providers makes it difficult to regulate the quality of programmes on offer.

“Absence of a Quality Assurance, Equalization, Qualification and Framework for higher education that will regulate private sector degree awarding institutes is a continuing cause of concern”

One of the key strategies for expanding access to higher education is the expansion of the private higher education sector. Encouraging private investment in university education could provide benefits, improving the quality of education through competition and enhance access to university education

Training and Skills Development outside the University Sector

Required skill levels and competencies are rising with the changing demands of the globalized labour market. To enhance the responsiveness of Sri Lanka's education and training system to these changes is a major challenge.

Clearly, Sri Lanka's tertiary education and training systems are failing the country's youth. Whilst the national unemployment rate is low at around 4%, youth unemployment is significantly higher, estimated at 21.5% (15-19 years) and 13.7% (20-29 years) in 2014.

The general acceptance of the country's Technical Education and Vocational Training (TEVT) sector is poor due to low recognition of qualifications, low employability of graduates and the poor effectiveness of the course in catering to the demands of the market.

Inadequate information flows on the types of job opportunities in the labour market, limit the aspirations and life goals of youth. Most of the young students are not aware of skill needs when selecting a subject stream at the A-Levels. There is no proper career guidance system to advise these school leavers. Therefore, most usually find unskilled or casual jobs.

Policy Implications and Recommendations

For Sri Lanka to continue its transition as a middle-income emerging economy, it will have to rely on efficiency driven productivity growth. For this, the country needs a skilled work force that is able to create and adapt to new technologies, and has the necessary general skills to be competitive in the global market. However, the ability of the present education system to cater to these emerging demands and train the country's human capital is highly questionable. Some of the critical issues in the education system which need urgent attention include allocation of sufficient funds, reforms to enhance the quality and relevance of the curriculum, address deficiencies in human resources in recruiting and training; and consistent implementation of reforms issues.

This Policy Insight is based on the comprehensive chapter on "Educational Sector Reforms to Bridge Skill Gaps" in the 'Sri Lanka: State of the Economy 2015 Report' (SOE 2015). The State of the Economy Report is the flagship publication of the Institute of Policy Studies of Sri Lanka. 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 0112143100.



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