

Sri Lanka
State of the Economy Report 2015

Chapter 8
Educational Sector Reforms to Bridge Skill Gaps

by
Priyanka Jayawardena

8. Educational Sector Reforms to Bridge Skill Gaps

8.1 Introduction

In an increasingly more globalized world, higher skills and higher order-competencies are extremely important to 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.

Thus, 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 advantage will depend on the availability of its human capital to cater to these demands in adequate numbers and quality. Most countries recognize the importance of scientific and technological progress for economic growth and greater social well-being. For example, patent data show a wave of innovation in all Organization for Economic Co-operation and Development (OECD) countries across many technology fields, in particular in ICT and bio-technology.¹ Identifying

the importance of science literacy, the OECD's Programme for International Student Assessment (PISA) has selected scientific literacy which refers both to a knowledge of science and science-based technology, as the major domain for the 2015 PISA assessment.²

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 workforce with market-oriented skills is a must; today, ICT skills have become a fundamental requirement for services and industry sectors of the economy. According to the World Bank's Skills Toward Employment and Productivity (STEP) survey 2012, there are substantial mismatches between skills supply and demand for higher educated and high-skilled workers in Sri Lanka.³ Further, similar mismatches are observed in the country's Technical Education and Vocational Training (TEVT) sector, where skill mismatches are more pronounced for firms that are internationally based and innovative. According to the Business Outlook Surveys carried out in 2012 and 2013, a shortage of manpower with required skills has become the most severe constraint encountered by the business community

¹ OECD (2000), "Science, Technology and Innovation in the New Economy"; OECD Policy Brief, OECD, Paris.

² OECD (2013), "PISA 2015 Draft Science Framework"; OECD, Paris. The PISA is an international survey which aims to evaluate education systems worldwide by testing the skills and knowledge of 15-year-old students.

³ Dundar, H., *et al.*, (2014). "Building the Skills for Economic Growth and Competitiveness in Sri Lanka"; World Bank, Washington, D.C.

in Sri Lanka.⁴ This can lead to slow growth in investment and job creation in the country. To compete globally, Sri Lanka needs to go beyond standard measures of skills in terms of enrolment and completion rates by looking at job specific skills in cognitive, technical and soft skills.

To cater to this demand, Sri Lanka needs good-quality formal education, complemented by relevant skills development opportunities. Good quality education prepares future generations to meet skill needs of the economy, smooth the transition from education to the world of work, enables adjustments to changes in technology, and also fuels lifelong learning. However, Sri Lanka's education system is inadequate to meet the evolving demands of a globalizing world. The education system is not modern, and has limited scope and relevance to meet market needs.⁵ There is a mismatch in the courses offered by the education system and competencies needed by the private sector. This situation leads to high youth unemployment and low productivity which in turn lowers economic output.

Sri Lanka's education system has also not been able to provide equitable access to quality education. There are large disparities in the quality of education provided across districts. In particular, there are resource disparities for more demanding subjects such as science, mathematics, English and IT. This leads to a shortage of qualified employees, especially in knowledge-intensive occupations. Thus, lack of relevant skills will turn out to be a bottleneck on the country's economic growth prospects.

Higher education and technical training enables a country to cater for the skill needs of the labour markets, adjust to changes in technology, fuel innovation, and thus create a more productive workforce. In turn, these developments form the basis for faster and sustained economic growth and

rising living standards. However, Sri Lanka's tertiary education system caters to only a very small proportion of the population. As the pace of change is faster in emerging economies, a lack of opportunity for skills training could substantially hinder development of the country through low investment, lack of innovation and slow growth of business start-ups and entrepreneurs, etc.

Given this backdrop on how supply side inadequacies affect 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. The following discussion 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.

8.2 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. The Education Ordinance of 1939 and the principle of free education embraced in 1945 were among the earliest policies aimed at achieving universal and equal access to education at all levels. Sri Lanka is committed to supporting "Education for All," adhering to ethics and standards as proclaimed by provisions in international conventions. A National Education Commission (NEC) was established under the NEC Act of 1991, vested with the

⁴ Ceylon Chamber of Commerce (2013), "Business Outlook - June 2013", <http://chamberblog.chamber.lk/wp-content/uploads/2013/08/BOS-survey-Jun-2013.pdf> [accessed, 27th April, 2015].

⁵ NEC (2003), "Proposal for a National Policy Framework on General Education in Sri Lanka," National Education Commission, Sri Lanka.

responsibility for formulating national policies on education to enable the system to respond to changing needs. The NEC recommends education policy reforms every 10 years. A National Institute of Education (NIE) was established in 1985 as a corporate body functioning under the Ministry of Education (MOE) to formulate the school curricula. According to set policy, the curriculum is revised every eight years.

In this context, Sri Lanka has almost achieved the Millennium Development Goal (MDG) relating to universal primary education (Goal 2). In 2012, its primary net enrolment rate was 99.7 per cent; survival to grade 5 was 100 per cent; and the country exhibited a high literacy level of 97.8 per cent among 15-24 year olds.⁶ 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. Following NEC recommendations in 1995 and proposed reforms under the Presidential Task Force on General Education in 1997, educational reforms were implemented in 1997 with the aim of improving access and equity, while also improving the quality of education. Accordingly, the 1997 reforms included the enactment of compulsory education regulations for children aged 5-14 years, curriculum reforms, school rationalization, etc. Subsequent NEC recommendations followed in 2003, while there are also reforms being formulated currently, expected to be put forward in 2015.

Parallel to the general education reforms, two Presidential Task Forces on university education,

and technical education and vocational training were formed with the aim of strengthening the higher education sector. Their recommendations were presented in 1998. The recommended reforms included improving quality and relevance of the higher education sector programmes, involvement of private sector in training, etc. Subsequently, the NEC presented a comprehensive National Policy Framework on Higher Education and Technical and Vocational Education in 2010, covering all areas of tertiary education in Sri Lanka.⁷ The successes, failures and gaps in these reform efforts and other subsequent reforms are discussed in-depth in the following sections with regard to developing market-oriented skills, improving access to quality education, and expanding opportunities in tertiary education.

8.3 Change from Traditional to Market-oriented Skills Requirement

As previously noted, developing a high quality human resource base enables a country to strive for higher growth through economic diversification and improved competitiveness. It also provides occupational mobility within the labour force, which leads to more productive and rewarding jobs. 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, etc., to create an educated workforce with market-oriented skills. The primary reason behind this skill mismatch is that the quality of the general and higher education systems, mainly provided by the public sector, does

⁶ UNDP (2015), *Millennium Development Goals Country Report 2014 - Sri Lanka*, United Nations Development Programme, Colombo.

⁷ NEC (2009), "National Policy Framework on Higher Education and Technical and Vocational Education", National Education Commission, Sri Lanka.

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not transmit much productive skills to students. This has resulted in mismatches between the demands of the market, and the skills of school and university graduates. In recent years, governments have recognized the need to break from the traditional track and to create an activity based curriculum relevant to the world of work. Although attempts were made to improve the quality of education through the 1997 and 2007 curriculum reforms, there are shortcomings in curricula designing, development and implementation.⁸

The education reforms initiated in 1997 aimed to modernize and improve competencies in science, mathematics, IT and English, deemed to be of high demand in the employment market. Measures were taken to move towards a competency based curriculum from an examination based curriculum, promoting English and IT in education and providing

opportunities for children to gain life skills. The reforms introduced IT as a common subject for all A-Level students. Also, as part of the reforms, English medium instruction was introduced for A-Level science streams and for selected subjects at the secondary level in 2001.

In 2003, the NEC evaluated the 1997 curriculum and a set of proposals for a National Policy Framework on General Education were recommended. Accordingly, the curriculum developed in 1997 for primary education (Grades 1-5) was to be retained, but further reforms were recommended for the Grade 6-11 curriculum as it was considered to be weak from the perspectives of both conceptualization and implementation.⁹ Some recommendations for secondary grades curriculum were to introduce compulsory activity based projects and practical work in all subjects, modern learning-teaching techniques, use of IT as a tool for learning teaching process, etc. Also, the NEC in its proposals recommended making provision for the teaching of mathematics and science in all schools with GCE A-Level grades.¹⁰

Following these recommendations, the NIE introduced the curriculum reforms for Grade 6-11 in 2007, on the basis of a competency based learning-teaching assessment model. It aimed to improve the capacity of students to apply their learning to everyday situations. To facilitate this approach, NIE prepared teacher instruction manuals that explain the new student centred learning-teaching process, expected to be followed by all teachers. Furthermore, the reforms strengthened more demanding subjects - expanding the science syllabus, introducing computer literacy under a 'practical and technical skills' subject of the secondary curriculum, etc.

⁸ NIE (2009), "An Evaluation of the Process of Development and Implementation of the New Curriculum in Grades 7 and 11", National Institute of Education, Sri Lanka.

⁹ NEC (2003).

¹⁰ *Ibid.*

Studies have found that despite these reform efforts, there has been little change in the quality of education provided.¹¹ Moreover, these studies reveal that there has not been much improvement in relation to the overloaded curriculum, outdated teaching methods, and a traditional examination system which require only memorizing information. Some teacher training programmes have also been found to be unsuccessful as resource persons of these training programmes were university academic staff who were not involved in curriculum development or paper setting and marking.¹² Research carried out by the NIE itself to evaluate the 2007 curricula reforms points to several shortcomings such as curriculum reforms not being based on identified weaknesses in the preceding curriculum; lack of proper pre-testing carried out with regard to its appropriateness; shortcomings in the content, teaching methodology and curricular materials (textbooks, teacher instructional manuals); inadequate knowledge on the part of teachers about the new curriculum; and lack of a proper monitoring and evaluation system.¹³

Based on findings of NIE curriculum evaluations, curriculum reforms are currently ongoing once again for Grade 6-11 in stages from 2015. According to NIE officials, the changes are to introduce a more practical-oriented curriculum. Also, as a remedy for gaps in teacher training, teacher trainers are coached at provincial level with new course manuals. Further, for the first time, NIE has started monitoring and evaluating the curriculum reforms at school level.¹⁴

A major reason for the slow progress of curriculum reforms is due to issues encountered at the

implementation stage. Available data show large disparities in the quality of education provided due to unequal distribution of resources, both human and physical, and also differences in personal circumstances to afford required materials, identified as the major constraint at the ground level. For example, although English medium instruction was introduced, the lack of sufficiently competent and English-trained teachers to sustain the reforms was recognized only later.¹⁵ Further, although the necessity of school activity rooms was identified under the 1997 reforms, it could not be properly implemented due to financial constraints.¹⁶

A key reason for implementation problems is lack of required funds to sustain changes. In fact, the NIE argues that Sri Lanka's educational policies are formulated and put into practice without allocating required funds.¹⁷ This inevitably means that implementation gets stuck halfway without the necessary funds to support the reforms. These practical issues hinder the expected outcomes of attempted educational reforms. Thus, it is clear that although there were attempts to change the curriculum to a more market-oriented competency based curriculum, there are many shortcomings and implementation issues at the ground level which needs urgent attention.

8.4 Access to Quality Education

All children should have equal opportunity 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

¹¹ Liyanage, I.M.K (2014), "Education System of Sri Lanka: Strengths and Weaknesses" http://www.ide.go.jp/Japanese/Publish/Download/Report/2013/pdf/C02_ch7.pdf.

¹² World Bank (2011), "Strengthening Mathematics Education in Sri Lanka," Report No. 43, World Bank, Washington, D.C.

¹³ NIE (2008), "An Evaluation of the Process of Development and Implementation of the New Curriculum in Grades 6 and 10", National Institute of Education, Sri Lanka.

¹⁴ Based on interview with officials of the NIE.

¹⁵ De Silva. E. J. (2013), *Politics of Education and other Reforms*, Sarasavi Publishers, Colombo.

¹⁶ *Ibid.*

¹⁷ NIE (2008).

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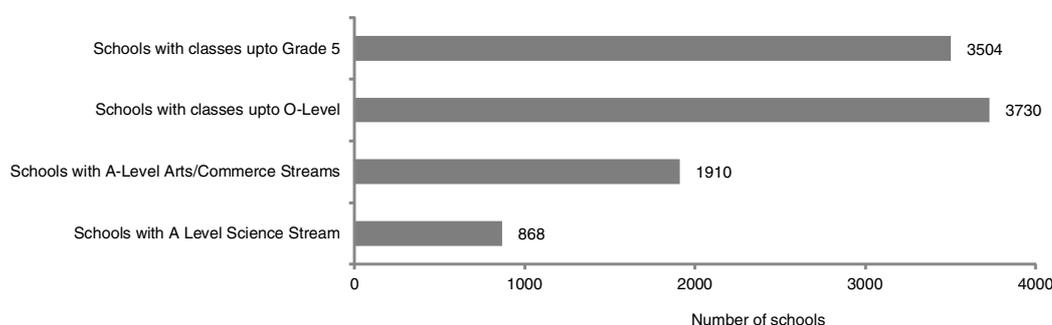
made available by the state. However, these regulations do not go far enough to address the quality of the compulsory education received. Sri Lanka's education sector suffers from human and physical resource disparities for more demanding subjects such as science, English and IT.

There are large disparities in the quality of education provided by schools due to limited facilities. Many of the schools have only the very basic facilities and lack required resources to suit modern learning needs such as science labs, activity rooms, etc. In particular, there are resource disparities for more demanding subjects such as science and

mathematics. For example, as of 2013, less than 10 per cent of schools have facilities to teach A-Level science streams (Figure 8.1).¹⁸ There are 1,900 schools with A-Level arts and commerce streams, but do not have a science stream. Due to the lack of other options, many students are thus compelled to follow arts or commerce streams for A-Levels. For example, of total A-Level student enrolment in 2013 (471,000), almost a half are studying in the arts stream, while 24 per cent and 27 per cent were studying in science and commerce streams, respectively. These constraints have knock-on effects; for example, although there were plans to train 3,000 nurses a year, lack of A-L science graduates was a constraint in achieving this.

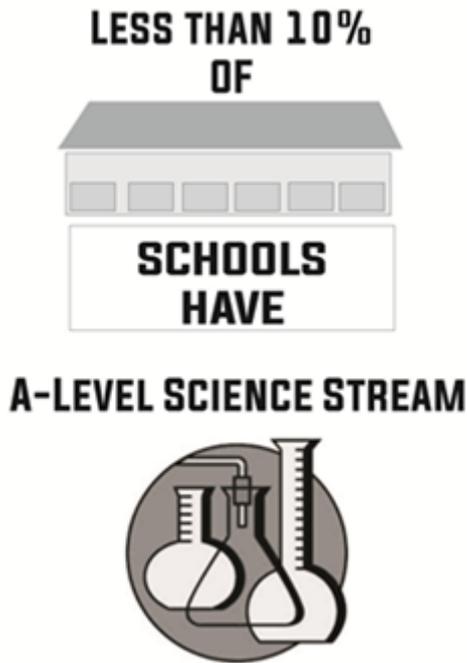
Despite the NEC 2003 recommendations to make provision for the teaching of mathematics and science in all schools with GCE A-Level grades, during 2003-2013, only 262 schools have been added on to provide A-Level science streams. Furthermore, schools offering science subjects in A-Levels are not rationally located, with a majority of these to be found in urban areas, with almost one-fifth of such schools located in the Western Province alone (Figure 8.2). Lack of geographical access to science education has also limited access to more technical education at higher levels.

Figure 8.1
Number of Schools by the Highest Functional Grade (2013)



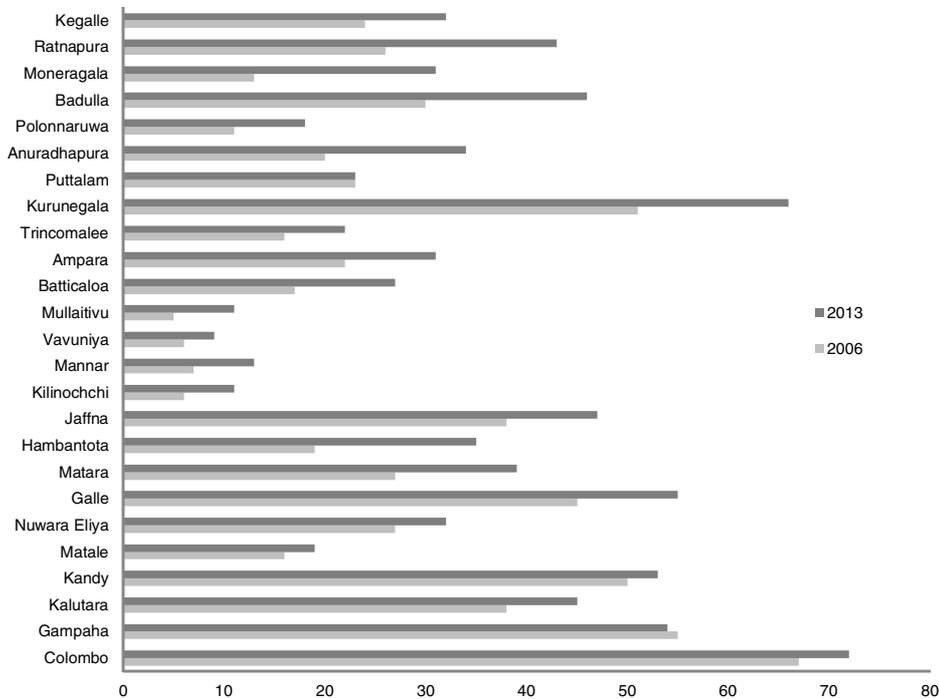
Source: Ministry of Education (2013), "Sri Lanka Education Information 2013", Ministry of Education, Battaramulla.

¹⁸ Ministry of Education (2013), "Sri Lanka Education Information 2013", http://www.moe.gov.lk/english/images/Statistics/sri_lanka_education_information_2013.pdf.



Even with the limited physical resources, if there is good leadership by principals - backed by an efficient teaching staff - schools can provide quality education. Thus, teachers are the most crucial and valuable resource for delivering quality education within the system. However, Sri Lanka's recruitment process to attract the best teachers, providing them with constant training and development, and incentivizing performance is poor.¹⁹ The current practice is for the central government to recruit teachers through the National Colleges of Education and universities. However, graduate teachers are often recruited outside these procedures under frequent government initiatives to absorb unemployed graduates into the public sector. Their quality is questionable as they mostly join as teachers in the absence of any other alternative, as a result of which their commitment to the profession can also be low. Such recruits have also not

Figure 8.2
Number of Schools with A-Level Science Stream, by District (2013)



Source: Ministry of Education (2013), "Sri Lanka Education Information 2013", Ministry of Education, Battaramulla.

¹⁹ IPS (2014), "Learning from Asian Best Practices in School Education" in *Sri Lanka: State of the Economy 2014*, Institute of Policy Studies of Sri Lanka, Colombo.

undergone the 2-3 years initial pedagogy training which is given for other trained teachers.

Even after recruitment, teachers are not continuously trained, aside from ad-hoc training such as those targeting curriculum reforms. Further, under the current system teachers are not motivated as there is no proper process to monitor and evaluate performance. Teacher competencies - in communication, creativity, leadership skills, etc. - are not evaluated at all and promotions are just based on exam qualifications and experience. Overall, therefore, teacher recruitment policies and processes should be strictly adhered to, whilst proper teacher training and teacher evaluation procedures should be implemented to ensure good quality teachers, and thus a better general education sector.

There is currently a mismatch between demand and supply of teachers, with subject specific teacher shortages. Teacher deficits are found in almost all districts for IT and English. 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 (Figure 8.3). There is an excess of teachers in urban popular schools and a shortage in rural difficult area schools.²⁰ In particular, a deficit of Tamil medium teachers in former conflict-affected areas could be observed. For instance, according to the School Census 2013, out of 62 schools with one teacher, 38 such schools are in the Northern Province. Lack of qualified teachers and disparities in teacher deployment mean that schools which cater to the vulnerable are faced with shortages of teachers.²¹ These figures, bad as they are, do not show the true picture of educational problems - i.e., the internal disparities within a district - which in reality is even more disturbing. Within such districts, facilities are concentrated in the urban and suburban centres, leaving out the rural areas. As such, parents who are the best judges struggle to get their children

into urban schools. It is the economically disadvantaged people who have been forced to send their children unwillingly to village schools.

Several initiatives are in the process of being implemented with the aim of improving teacher deployment. Some of these measures include providing special incentives for teachers as well as principals who serve in remote areas; giving preferences to the applicants in the districts which experience teacher shortages; appointing newly trained teachers to remote areas when selecting candidates for teacher training; inter-provincial teacher transfers to get rid of teacher surpluses and deficits; and living accommodation for teachers who serve in disadvantaged remote schools.

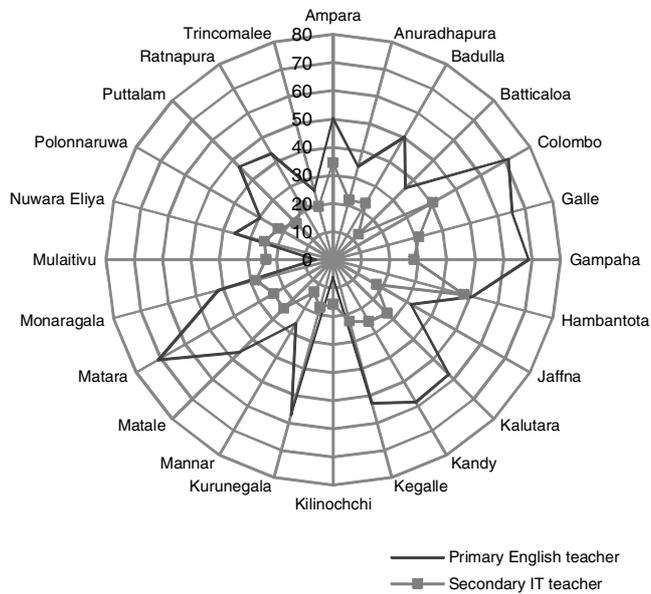
There have been many initiatives which focus on improving the quality of education available to children, including expanding and enhancing the quality of human and physical resources, with particular emphasis on disadvantaged and remote regions. Since 2000, a 'school rationalization programme' has been implemented which aims to absorb smaller schools into nearby bigger schools. The official policy and programme of closing small schools with low student enrolment was to rationalize the distribution of schools and to eliminate wastage of resources.

Under the school rationalization programme, the MOE has used geographical positioning of schools in a rational manner to avoid exclusion. With the use of mapping exercises, school networks are established where each group proposed, consists of about 5-10 schools, with access to primary, junior secondary and at least one school providing A-Level science and technology classes. However, a major shortcoming of this system is that when looked at from an aerial view, the schools are located at an accessible distance, but some of these schools have limited access due to poor roads and transport

²⁰ Balasooriya, B. M. J. (2013). "Teacher Recruitment and Teacher Mobility in Sri Lanka", Commonwealth Education Partnership.

²¹ World Bank (2011), "Transforming School Education in Sri Lanka", World Bank, Colombo.

Figure 8.3
Proportion of Schools with Teachers for English for Primary Grades and IT (2011)



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

systems in remote areas. Thus, the closure of such small schools will deprive the children of poor families in these villages of the only opportunity they have for education, even with limited facilities.

An Education Sector Development Framework and Programme (ESDFP) formulated by the MOE with the support of the World Bank was put forward in 2005 to maintain the basic principles of quality, equality and equity in education. The first phase of this programme covered 2006-10, with a second phase planned for 2012-16. The major policy themes of the ESDFP were: (i) increasing equitable access to basic and secondary education; (ii) improving the quality of basic and secondary education; (iii) enhancing economic efficiency and equity of resource allocation; and (iv) strengthening the educational governance and service delivery, and monitoring and evaluation. Key achievements of the ESDFP under the first phase includes promoting child-centred pedagogical methods; revision of curricula and teacher instructional manuals for all grades; training the in-service advisors to help

teachers by providing practical guidance on pedagogy; a medium term budget framework being developed for basic and secondary education, etc.

8.5 Limited Opportunities for Tertiary Education

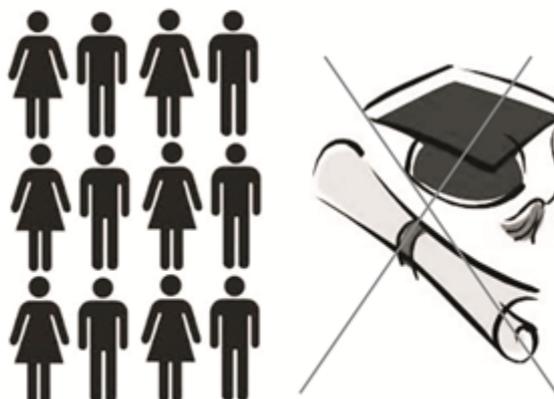
Sri Lanka needs a higher education system which produces graduates who are able to carry out the complex tasks required by the market and learn new things easily. Workers with advanced skills are needed, where a dynamic tertiary education sector plays a key role in catering to changing demand in the labour market.

The government plays a prominent role in the provision of higher education services in Sri Lanka, but the capacity of the state university system is limited. It comprises of 15 universities, eight postgraduate institutes and 10 other higher educational institutions functioning under the purview of the University Grants Commission (UGC). With the aim of increasing opportunities and

diversifying higher education options, new higher education institutes have been established while expanding the existing universities with new faculties. As a result of these developments, the university intake which was confined to about 12,000 students in 2002 increased up to about 24,000 in 2013.²² Yet, even as of 2013, more than 120,000 (around 83 per cent of the students who qualified for university education) were forced to abandon their ambitions to enter a university due to the limited number of placements in the state funded universities.²³

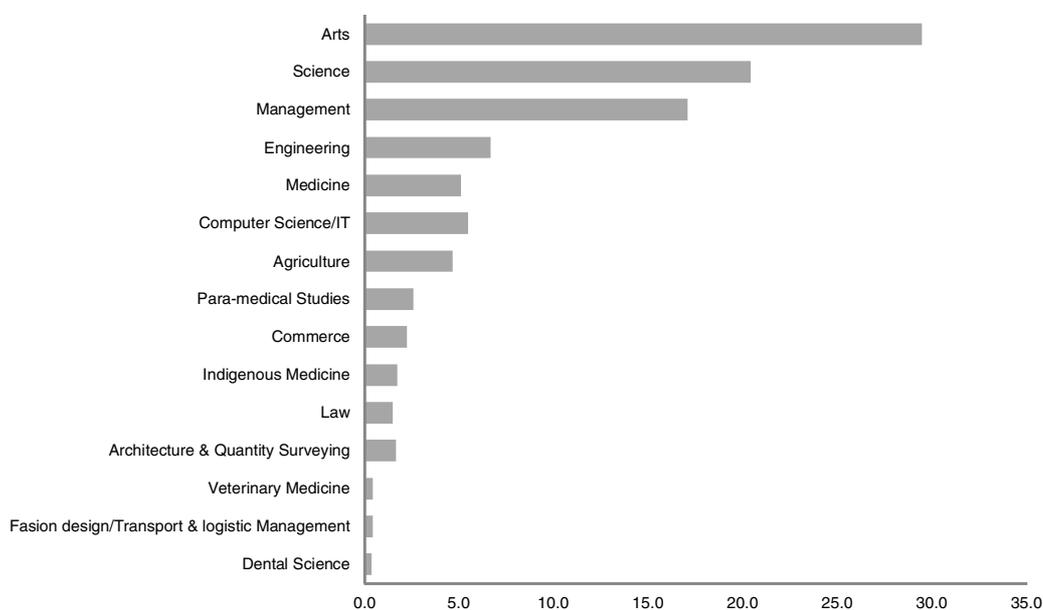
Making matters worse from the supply side is that the curriculum is not modern and has limited scope and relevance to market needs. Indeed, the state higher education system is not changing sufficiently to meet the evolving labour market demands of a globalizing world, reflected in recurring high unemployment rates among graduates in Sri Lanka. There is a mismatch in the courses offered by higher

120,000 STUDENTS (83%) QUALIFIED FOR UNIVERSITY EDUCATION FORCED TO ABANDON THEIR AMBITIONS TO ENTER A UNIVERSITY DUE TO LIMITED CAPACITY



education institutes and competencies needed by the private sector. Lack of relevant skills can also act as bottlenecks for business start-ups and entrepreneurs, stifling growth prospects for the

Figure 8.4
Distribution of University Admissions by Subject (2012/13)



Source: DCS, "Statistical Pocket Book 2014", Department of Census and Statistics, Colombo.

²² UGC (2013), "University Admission", http://www.ugc.ac.lk/downloads/statistics/stat_2013/chapter2.pdf [accessed, 27 April, 2015].

²³ *Ibid.*

country. A major reason for the skill mismatch is the outdated curricula, aggravated by the lack of interaction with the private sector when designing degree programmes.²⁴ As seen in Figure 8.4, even of those who do attend a university, one-third are studying in the arts stream. As discussed before, this is mainly due to the fact that only a small proportion of students pursue A-Levels in science and mathematics subjects at the school level.

Lack of avenues for higher education hamper the higher education system in Sri Lanka. Although there is no explicit legal barrier, the political economy context of the country makes it impossible to invest in private universities.²⁵ Those who cannot enter public universities have limited options for pursuing higher education. Only those from highly affluent families are able to obtain university education outside the country. Annually, around 12,000 Sri Lankan students are estimated to go overseas for higher education opportunities.²⁶ Others are able to obtain external degrees from degree awarding institutions in Sri Lanka that are affiliated to private universities outside the country. However, these institutions have gained the attention of policy makers for at least two reasons recently: a) the high cost of these degree programmes, and b) the quality of education offered by these institutions.

The absence of an accreditation system for private sector higher education providers makes it difficult to regulate the quality of programmes on offer. There are around 59 private universities functioning in the country.²⁷ However, there is no proper quality assurance, quality control and monitoring mechanism to measure the quality of the programmes which are being offered by these institutes.

Proposed reforms spelt out in the National Policy Framework on Higher Education and Technical and Vocational Education by the NEC in 2009 aimed broadly at restructuring the governance and institutional framework of higher education in order to facilitate expansion in access, as well as improving the quality and relevance of higher education.²⁸ To optimize higher education opportunities, it called for increasing the number of places in the existing higher education institutes by providing human and physical resources, as well as introducing new methods of teaching, such as distance learning. It strongly recommended the need to expand higher education through different means, including the establishment of affiliated institutions to universities, establishment of degree awarding institutions outside the purview of the UGC, and for cross-border higher education. It also called for 1) a quality assurance, assessment and accreditation system; 2) coordination with the industry sector in designing courses; and 3) promoting research and creative activity in higher education institutes.

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. In 2011, the government attempted to introduce new legislation under the Act on Quality Assurance, Equalization, Qualification and Framework with the aim of uplifting the quality of the diplomas and degrees which are being offered by the private sector degree awarding bodies. Under the proposed framework, degrees and diplomas awarded by the non-state sector were to be regulated to ensure quality. However, the government had to

²⁴ NEC (2009).

²⁵ ADB (2005), "Technical Assistance to the Democratic Socialist Republic of Sri Lanka: Preparing the Education Sector Development Programme", Asian Development Bank, Manila.

²⁶ De Alwis. D., (2013), "More Foreign Students, Scholarships in Pursuit of Hub Status", <http://www.universityworldnews.com/article.php?story=20130524094742394>.

²⁷ De Alwis. D. (2012), "Private Universities Bill Halted for Now", http://www.universityworldnews.com/article.php?story=20120118_171_12_62.

²⁸ See NEC (2009).

withdraw the proposed Bill owing to escalating confrontation from student groups and lecturers.²⁹ Student groups argued that the Bill would destroy the free education provisions currently enjoyed; the Federation of University Teachers' Associations (FUTA) also opposed the Bill, especially the manner in which it was processed, arguing that the Bill should be discussed with all stakeholders including students, before being presented to Parliament. It should be noted however, that the NEC 2009 recommendations included the establishment of a National Quality Assurance, Accreditation Council by an Act of Parliament, as an independent body appointed by the President, to cover all areas of higher education and technical and vocational education in Sri Lanka.

In these circumstance, with the aim of bringing private universities into operation while avoiding escalating conflicts, the government took measures to attract foreign universities to set up campuses and research centres in 'free investment zones' as BOI approved projects. Under this scheme, foreign investors will be offered land and tax breaks. The aim is to create a higher education hub in Sri Lanka which is cost effective for foreign students. Also, the establishment of foreign branch universities in the country is expected to encourage local students to study at international universities at home and lessen the drain of foreign exchange from the country. In September 2013, an Extraordinary Gazette was tabled in Parliament to grant a 15-year tax break to a British university that was planning to establish a branch campus in Sri Lanka. Plans to allow 10 private universities to operate locally by 2020 in six such education zones were announced in 2014.³⁰ However, the absence of a Quality Assurance, Equalization, Qualification and Framework for higher education that will regulate such 'free zone universities' is a continuing cause of concern.

Existing regulations governing quality of higher education is inadequate. Under the recommendations for 'Reforms in University Education' by the Presidential Task Force of 1998, several measures were initiated to improve the quality and relevance of university education in Sri Lanka, with ongoing reforms targeting quality improvements as well as expanding the availability of opportunities for university education. A Quality Assurance and Accreditation Council (QAAC) of the UGC was set up in 2005 under the 'Improving the Relevance and Quality of Undergraduate Education (IRQUE)' project (2003-2010) with World Bank funding, to monitor the quality of academic programmes offered by public universities and higher education institutions. Under the same IRQUE project, initiatives have been made to establish a common National Higher Education Management Information System (N-HEMIS), to generate information for planning, monitoring and evaluating the higher education sector. With the aim of increasing opportunities for higher education, the

Absence of a Quality Assurance, Equalization, Qualification and Framework for higher education that will regulate 'free zone universities' is a continuing cause of concern.

²⁹ It should be noted that although the draft Bill had been approved by the Cabinet in 2011, its provisions have never been made fully public.

³⁰ Business Standard, (2014), "10 International Universities to Open Campuses in Sri Lanka" http://www.business-standard.com/article/news-ians/10-international-universities-to-open-campus-in-sri-lanka-114042300988_1.html.

UGC has granted degree awarding status for several institutes in specific disciplinary areas to meet the needs of a knowledge society. With the recognition of the Institute of Technological Studies (ITS) as a degree awarding institute in 1988, several other institutes such as the National Institute of Business Management (NIBM), Sri Lanka Institute of Information Technology (SLIIT), the Institute of Chartered Accountants of Sri Lanka (ICASL) were recognized as degree awarding institutes under Section 25 A of the Universities Act No. 16 of 1978.

8.5.1 Training and Skills Development outside the University Sector

The intensive application of technology and pace of innovation is an integral part of the modern economy. New occupations are emerging and replacing others. 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.

The Technical Education and Vocational Training (TEVT) in Sri Lanka is characterized by a multitude of agencies, including public and private sector training providers and a regulatory body - the Tertiary and Vocational Education Commission (TVEC). Since 1990 the TVEC has been mandated to formulate policy, plan and coordinate, as well as set standards and regulate the TEVT sector for relevance and quality of training.

Private and non-governmental organization (NGO) sector training institutions also play a key role in providing TVET in the country. There are a large number of TVET institutions operating on a fee-levying basis, while a widespread network of non-

fee levying institutions supported by national and international charities are also in operation. As of 2012, there were 2,421 registered institutes under government (337), statutory bodies (766), private (1,051) and NGO (267).³¹ The TVEC has put in place a system for registration of training institutions and accreditation of courses to establish and maintain a credible system for quality assurance for the TVET sector. As of 2012, 1,148 courses have been accredited and recognized by the National Vocational Qualifications (NVQ) as one of recruitment criteria in the public sector. According to TVEC registered institutes, the student intake in the public sector was 112,569, with another 43,693 intake in the private sector.³²

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 per cent, youth unemployment is significantly higher, estimated at 21.5 per cent (15-19 years) and 13.7 per cent (20-29 years) in 2014.³³

The majority of school leavers leave the education system after O-Levels. Each year about 140,000 and 80,000 students leave the school system without succeeding at the O-Level and A-Level examinations, respectively.³⁴ These children are the prime target for specific training and skills development programmes in meeting skills demand of the country. However, the general acceptance of the country's TEVT sector is poor due to low recognition of the qualifications, low employability of graduates and the poor effectiveness of the course in catering to the demands of the market. Thus, the transition from school to the world of work is not smooth.

This is compounded by an inadequate flow of information between youth and the labour market.

³¹ TVEC (2012), "Corporate Plan 2013-2017", Tertiary and Vocational Education Commission, Sri Lanka.

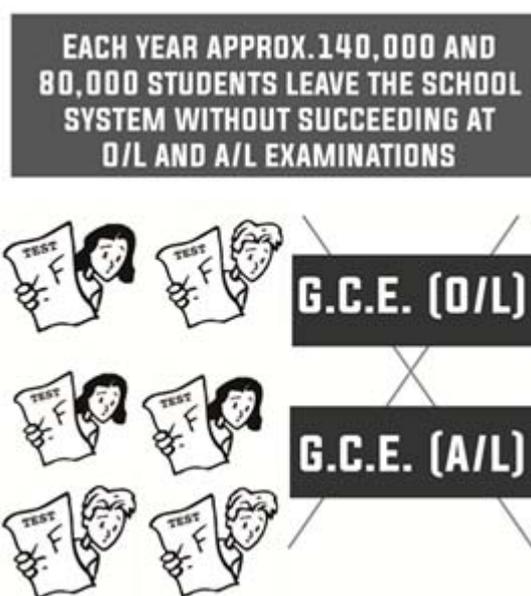
³² TVEC (2013), "Labour Market Bulletin – 2013", Tertiary and Vocational Education Commission, Sri Lanka.

³³ CBSL, *Annual Report 2014*, Central Bank of Sri Lanka, Colombo.

³⁴ DCS, "Statistical Pocket Book 2014", <http://www.statistics.gov.lk/Pocket%20Book/chap13.pdf>.

Inadequate information flows such as 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. This is partly due to the lack of a systematic link between the TEVT and secondary education, leaving a majority of school leavers with no access to skills development programmes.³⁵

In the past, the TEVT sector expanded without adequate focus on quality of the programmes. From the 1990s, there were attempts to improve the TEVT sector - establishment of TVEC and the Ministry of Vocational Training in 1994, etc. Following the recommendations of a Presidential Task Force on TEVT sector reforms in 1998, major reforms were initiated to restructure the TEVT system. These include, improving the quality and relevance of programmes by introducing national skill standards, and registration and accreditation of courses of all vocational institutions. The Tertiary and Vocational Education Commission, in association with the Skills Development Project (SDP) of 2000-07 introduced the national certification system for the TVET sector - the National Vocational Qualifications (NVQ) framework. The Technical Education Development Project (TEDP) of 2007-2011, the successor to the Skills Development Project, mainly concentrated on NVQ diploma level courses and the setting up of the University of Vocational Technology (UNIVOTEC) to award NVQ degree equivalent qualifications. UNIVOTEC was established in 2008. Along with that, nine Technical Colleges in nine provinces were upgraded to Colleges of Technology to offer national diplomas, starting from 2010.³⁶ The TVEC is responsible for monitoring the consistency and quality of training delivery, its validity and reliability. However, the TEDP validation report by the ADB



reveals that there were many shortcomings.³⁷ These include lack of teachers to reach the expected outcome of the programmes; staff training not being successful due to short period of training, late scheduling, and also some irrelevant training; existing technical colleges being only marginally improved in order to upgrade to the level of a College of Technology, etc.

8.6 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 workforce 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

³⁵ ADB (2005).

³⁶ TVEC (2010), "Corporate Plan 2011-2015"; Tertiary and Vocational Education Commission, Sri Lanka.

³⁷ ADB (2014), <http://www.adb.org/sites/default/files/PVR-375.pdf>.

Lack of a systematic link between the TEVT and secondary education, leave a majority of school leavers with no access to skills development programmes.

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. Required reforms in addressing the above critical issues are discussed below.

Fund allocation: The allocation of funds is often identified as a major reason for slow progress of recommended reform efforts. Therefore, adequate funding should be allocated on time to meet necessary ground level resources and to sustain the reforms. Sri Lanka has proposed to increase government spending on education from the current 1.9 per cent of GDP to 6 per cent over five years. If proposed higher budgetary allocations materialize, priority areas where additional spending is needed should address resource disparities in school education, expanding science education and

capacity building, teacher recruitment and training, including in higher and tertiary education sectors.

Reforms to address skill gaps to improve quality and relevance of programmes:

Addressing the mismatch between the skills acquired through the education system and the requirements of the labour market is a key concern of the current higher education system. State universities should change to become dynamic centres of teaching and learning that will react to changes in the market in a timely manner. Curriculum should be reformed to match the skills demands of the globalized labour market with sufficient practical applications. Linkages should be developed between universities and the private sector when designing the courses, securing the relevance of training to the changing needs of enterprises and labour markets.

A minimum of two years training should be initiated for students after sitting for O-Levels to address the skill gaps of school leavers. Training programmes should be more work-oriented technical training programmes in different fields - such as hotel, construction, T&G sectors, etc. Vocational education systems should be linked with industries that can absorb these students. Therefore, training programmes should be developed with the involvement of private sector companies while the programmes should more relevant to regional development priorities. Public-private partnerships, and schemes of recruitment through vocational education and training institutes directly to the industry, are essential.

Reforms to strengthen human resources:

Qualified teachers should be recruited for more demanding subjects such as science, mathematics, IT and English according to a proper procedure - i.e., through Colleges of Education. Also, teacher education programmes should be strengthened. More specifically, initial 2-3 years pedagogy training should be given to all newly appointed teachers including university graduates. Also, continuous

short period training (2-3 weeks) should be given to all teachers during the school vacations at the district level training centres. This continuous training should be considered for salary increments, promotions, etc., based on proper performance criteria.

To address the teacher disparities, teacher incentives should be provided to teachers to work in rural areas to ensure a more equitable distribution of qualified teachers. To attract qualified teachers and increase retention, measures to motivate them such as better salaries and working conditions should be provided. Payment of a substantial monthly allowance as practised in some OECD countries and fully decentralized school based teacher recruitment also could be incentives to persuade teachers to take up appointments in schools in difficult locations.³⁸ In the TEVT sector, academic staff should be well qualified and remunerated accordingly. In the absence of qualified staff and local trainers, foreign trainers should be considered drawing on best practices from other relevant countries.

Reforms to strengthen implementation by giving appropriate powers to authorities, with adequate monitoring and evaluation of implemented programmes to ensure proper coordination with different groups: Although reforms are recommended, there have been many implementation issues at the ground level due to resource disparities. Therefore, reforms should be done in a holistic manner with responsible authorities, identifying required resources, budget estimates, etc. It could be observed that although policy recommendations are done by authorities such as NEC, at the implementation stage, their involvement is very low. Due to this, many of the recommended reforms are slow to take-off and progress. Therefore, more powers can be given to the NEC on implementation, allowing for monitoring

and evaluation systems to provide feedback to policy makers.

Under the proposed 'free investment zone' concept, private universities are entering the system, without proper regulatory mechanisms. Therefore, urgent attention should be given to regulating these private higher education institutes. Although the proposed Quality Assurance, Equalization, Qualification and Framework Bill failed, registering these institutes under the UGC Act, similar to some other registered higher education institutes such as SLIIT, NIBM, can be considered. Also, it is necessary to strengthen the regulatory mechanism of these institutes by incorporating new rules and regulations, especially with regard to standards of the curricula, etc.

To address the labour market information gap among school leavers, awareness and absorptive capacities of industries, as well as education and training institutes need to be developed. Therefore, it is important to identify innovative, rapid, effective, and feasible strategies to reach school leavers for vocational training. Most students do not have adequate awareness of these opportunities presented by the institutes of vocational education and training. Therefore, raising awareness should be done at the school level after sitting for O-Levels. Through such efforts, students will be better prepared to choose between vocational training and following more academic training for A-Levels. Particular attention should be given to school leavers who do not succeed at their O-Levels. This awareness campaign should be done in a well-planned manner, with the involvement of vocational training authorities, private sector institutes, etc. In addition, the institutional capacities for delivering vocational training programmes should be upgraded in areas such as training material and equipment. At district level, there is an identified need for well-equipped training centres with residential facilities.

³⁸ World Bank (2011), "Transforming School Education in Sri Lanka," World Bank, Colombo.