Responding To Future Challenges In Education and Training

Policy Issues At The Higher And Tertiary Levels

Shelton Wanasinghe

and

Neranjana Gunetilleke

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1. Introduction

Sri Lanka has often been held up as an example of a country which, despite its low income levels, has recorded impressive achievements in terms of her social indicators. Education has been an area which has figured prominently in these claims. Given the country's achievements in such areas as eradication of illiteracy, ensuring of a high level of participation of the relevant age cohorts in primary and secondary schooling as well as the expansion of spatial access to schooling, the claims are, no doubt, valid.

The factors which contributed to these achievements, including the country's relatively stronger economic situation in the early years of the effort and the electoral pressures which flowed from the introduction of universal franchise in 1931, are well known and documented and do not need repetition.

What is perhaps more relevant to this discussion are the policy thrusts which underpinned these achievements. Over almost five decades, the policy base has remained virtually constant. It has emphasised:

- The almost monolithic role of the public sector in the delivery of educational services, which came to be entrenched consequent to the nationalisation of schools in 1960.
- An overly centralised direction of the public sector service delivery system.
- A reluctance to look outside the public bureaucracy for implementing the delivery of services.
- An ideology wherein the **universal** availability of free education services is regarded as being the ideal instrument for ensuring social equity.

It is the above policy base which has, during the past half century, guided the efforts to both spatially expand and to qualitatively enhance the delivery of education services. During this

period of fifty years, there has hardly been any questioning of the relevance of this policy base. Policy complacency had set in.

However, the current discussion, if it is to be relevant, needs to take note of some of the new developments which sound a warning that the time has arrived to comprehensively re-examine the road followed so far and to re-evaluate the policy approaches for the future.

The severe constraints on the government budget affect the capacity of the government to provide adequate funds for the maintenance of the level and quality of education required by a country seeking rapid growth. Thus alternative approaches to financing of education need to be found.

The occurrence of rapid and continuous changes in the skill demands of the employment market necessitates the constant review of the supply of education in terms of its relevance to such demands. Complementing this is the growing demand from the clientele of the system,[1] flowing from their increasing awareness of the realities of the demands of the employment market, for improvements both in the quality of education and in the availability of choice.

The growing sophistication of the demands of the employment market flows from the increasingly severe competition in the global markets. This enhanced competition makes it imperative for Sri Lanka to raise her levels of productivity as well as to absorb and utilise improved production technology if she is to retain and enhance her competitive edge in the global market.

The skill profile of the work force also assumes a critical significance in attracting foreign direct investment in a context of increasing global competition for such resources.

Whilst change is necessary in every sub-sector and at each level in the Sri Lankan education system, nowhere is the need and demand for change more pronounced than in the higher and tertiary sector. This is the sub-sector which is proximate to the levels at which the employment aspirations of the educated and vocal cohorts of the youth population lie. It is also the sub-sector whose output has the most critical bearing on the pace and quality of growth of the economy.

Hence the focus of this Study would be on the issues related to the higher and tertiary sector of education. Whilst the salient issues related to primary and secondary levels of schooling are dealt with whenever they are directly linked to higher and tertiary levels, the main focus would be on the latter.

This Study would, first of all, attempt to provide an overview of how similar challenges were responded to by other countries, particularly the High Performing Asian Economies (HPAEs). Then it would seek to present background information concerning the higher and tertiary sector of the country's education system. These, it is hoped, would place the suggested policy reforms in perspective.

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1 These would include the youth cohorts participating in education as well as their parents.

This would be followed by an examination of each of the major issues which require, in the view of this Study, to be addressed in developing options for future policy changes. The issues to be covered would include:

- The enhancing of the employability of participants in the higher and tertiary education sector by improving the linkages between the supply of education at this level and the demands of the labour market.
- Improvement of inter-spatial and inter-income group equity in regard to access to higher and tertiary level education.
- The expansion of public chcice through the broadening of the channels of supply of higher and tertiary education.
- The improvement of the management of the public sector supply of higher and tertiary level education.

The decision to examine both the higher and tertiary levels of education at the same time arose from a recognition of the key role played jointly by both streams in the supply of critical segments of the country's labour force. They, together, provide the lead groups of the labour force who play the most crucial role as regards productivity enhancement, technological improvement and modernisation in the economy. Hence the conviction of this Study that the issues related to both these levels are most appropriately looked at together.

In this Study, Higher Education is viewed as comprising those programmes of education and training which require the General Certificate of Education (Advanced Level) as their minimum entry requirement. Tertiary Education would comprise those programmes wherein the minimum entry requirement would be the General Certificate of Education (Ordinary Level). As currently organised, the former tends, in the main, to stress the academic in its content whilst the contents of the latter stress the applied.

2. The Comparative Experience

It is now a commonly accepted fact that high quality human resource development, which was achieved through the promotion of an effective education system, made a crucial contribution to the success of the High Performing Asian Economies (HPAEs).[2]

Given the structural similarities between the Sri Lankan education system and that of many of the HPAEs, it would be useful to examine why the Sri Lankan system, especially in the higher and tertiary education sector, failed to make a contribution similar to that of it's counterparts in the HPAEs.

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2 The group of HPAEs includes Hong Kong, The Republic of Korea, Singapore, Taiwan, Indonesia, Malaysia and Thailand.

The HPAEs and Sri Lanka appear to share a comparable historical trend. By the 1950s most of these East Asian economies, too,were no longer under colonial rule. It was the education structure which existed during the colonial period that set the initial framework for the future development of the education systems in these countries also. This consisted of a well-developed primary and secondary school system which succeeded in producing very high literacy levels. Higher and tertiary education, on the other hand, was limited to the more elite sections of the population and was conducted in the colonial language. Since independence, these economies also faced several major manpower and educational problems. They included the inadequate absorption of the rapidly growing population into the higher and tertiary education system and into productive economic activity, the reluctance of educated youth to accept blue collar jobs and the shortage of qualified people with adequate training and specialized types of knowledge as necessitated by the structural changes in the economy.

Varying responses were made by these economies to overcome these problems. There seems to be a correlation between the effectiveness of these responses and the resultant success of the tertiary education system on the one hand, and the economic growth of the countries on the other. For example, during the period 1965 to 1990 the economy of the Republic of Korea grew at a rate of 7.1 per cent while tertiary level enrolment increased from 6 per cent to 39 per cent.

The experience of some of the HPAEs will be considered below, along with their relevance to Sri Lanka.

The experience of the Thai higher and tertiary education system seems similar to that of Sri Lanka in that, though both systems have much in common with the more efficient systems of Asia, such as of Singapore, they have been unable to yield the same results.

The major contributor to the higher and tertiary education sector in Thailand is the State. Over 80 per cent of the students are enroled in State institutions. Heavy State subsidies enable Universities to charge low fees. Over 20 per cent of the central government's budget is allocated to the education sector with about 22 per cent of it being spent on the technical and higher education sector.

When the 1970s saw a rapid increase in the demand for higher education, the Thai higher and tertiary education system did not follow the model of limited access in respect to the admission policy, which was followed by most other East Asian systems. Instead, they came up with the innovative solution of creating two Open Universities. The admissions to these two Universities were unrestricted and, hence, capable of absorbing a significant proportion of the rapidly increasing demand for higher education.

The majority of the courses in these universities were in low cost streams such as social sciences and humanities. The tertiary eduction sector was further expanded through the setting up of Colleges of Technology, Institutes of Technology and, Private Universities and Colleges. The result was a rapid increase in higher and tertiary level enrolments. The gross higher and tertiary enrolment ratio increased from 1.7 per cent in 1970 to 15.7 per cent in 1990.

As the experience of other economies has shown, the rapid expansion of the tertiary sector without effective manpower planning creates a situation of simultaneous shortage of certain skills and surpluses of other skills. This mismatch in supply and demand of skills needed by the economy and those provided by the education system was experienced by Thailand also. According to a Thai Ministry of University Affairs survey, 30 per cent to 40 per cent of graduates from State Universities remain unemployed even one year after their graduation. This situation is faced by both Science and Arts graduates. This is very similar to the situation faced by Sri Lankan graduates and is in stark contrast to that faced by their counterparts in Singapore and Taiwan.

Another issue facing the higher and tertiary education system of Thailand is that of equity. Heavy State subsidies maintain the sector. Yet, there are doubts as to who actually benefits from this heavy fiscal outlay. An analysis of the student body has revealed a disproportionate representation of students from high income families headed by professionals. Students from poorer rural families drop out of the system at lower levels.

As in Sri Lanka, the efficient functioning of the higher and tertiary education sector is further constrained by the large number of government Ministries involved in the sector.[3]

Studies indicate that inefficiencies in the higher and tertiary education system have posed a threat to the continued rapid growth of the Thai economy

If the success of a higher and tertiary education system is measured by its ability to provide the economy with the required numbers and types of skilled labour and to prevent graduate unemployment, the system in Taiwan has proved to be a success. The rate of graduate unemployment was 6.4 per cent at its worst while the average has remained between 4 per cent to 5 per cent over the past decade.

Important features that stand out in this system are the role played by the State in planning, the development of vocational schools and the expansion of the private sector in the delivery of higher and tertiary education services.

Initially, Taiwan faced two major constraints to successful manpower and educational planning -- the lack of labour force data and a coordinating agency. The Manpower Development Plan was initiated as a solution to this. Manpower planning in Taiwan looked to meeting the needs of Taiwan's growing economy rather than the social demand for higher education. The students were streamed towards science and engineering courses which would meet the needs of the expanding industrial and services sectors. The supply of university graduates was strictly limited and controlled by the manpower plan. The enrolment distribution between the various institutions of higher and tertiary education and even between the individual faculties and departments in the universities was decided by the manpower plan and implemented through an enrolment quota system. The manpower plan also facilitated the shift to more vocational areas of study and the development of vocational institutions. An important

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3 The Ministries of Education, University Affairs, Defence, Interior, Finance, Justice, Public Health and Industry all have a role in the education sector which includes vocational training. In addition, the Office of the Prime Minister is concerned with planning and overseeing the entire system.

element in the success of the vocational school system has been the close cooperation between the government and the business sector. This helped to create a pool of highly employable vocational graduates.

A special feature of the educational system in Taiwan is the extensive role played by the private sector in the expansion of higher and tertiary education. Over 60 per cent of the students in higher education are enroled in private Universities and Colleges. While these institutions are managed independently, they are strictly regulated by the government in regard to enrolments, curricula, degree requirements and even the fee structure which the institutions could charge. In return, the private institutions receive funds from the State.

Of the HPAEs, the structure of the higher and tertiary education system in Singapore would appear to be the most closely comparable to that of Sri Lanka. As in Sri Lanka, the Singapore institutions are State funded, centrally controlled and supervised, and managed by a University Grants Commission while coming under the direct purview of the Ministry of Education. Universities have little, if any, autonomy and are compelled to stay within the framework prescribed by the State. State intervention in university administration has, at times, risen to very high levels and even the threat of withdrawal of State financial support has been used as a means of ensuring compliance.[4] It is as if Sri Lanka has followed the example of Singapore with regard to university autonomy, following it to the point of seeking to curb student political activities through legislation.

However, though higher educational institutions in Singapore have to comply with the guidelines provided by the government, they have a far greater degree of internal freedom than the universities in Sri Lanka. As long as they keep within the State policy guidelines regarding student intake and course offerings, the university administrations have the autonomous authority to select and admit their student body, design their course content, carry out academic staff appointments and promotions, and administer their funds. These concessions give the higher educational institutions in Singapore greater autonomy than their counterparts in Sri Lanka.

While State funding and management created a highly efficient higher educational system in Singapore, it had the completely opposite effect in Sri Lanka. In the case of Singapore, the government, following its interventionist policy, has directed the higher education institutions to respond to and adapt to the major societal changes and economic needs of the country.[5] On the other hand, the interventions in the case of the Sri Lankan government were, in the main, directed towards increasing the intake to traditional courses. The result is clearly visible in the outcome. While the higher education system in Singapore has created a limited number of graduates who are highly employable[6] and of high quality, Sri Lankan Universities have

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4 In an effort to keep the Universities free from potentially disruptive elements, the Government of Singapore has intervened in the selection of students and has insisted on the removal of students whom the government suspected as being subversive or left-wing students.

5 See Viswanathan Selvaratnam, "Innovations in Higher Education - Singapore at the Competitive Edge".

6 According to the annually conducted Graduate Employment Survey, more than 90% of University graduates find employment within 6 months of graduation, 50% of them had received more than one job offer, while more than 80% of the graduates are employed in jobs relevant to their training. Seven out of ten graduates were employed by the private sector.

created a vast mass of graduates, the majority of whom are considered to be of questionable quality thus contributing to the critical issues of the high level of unemployment and under-employment among graduates.

What has caused the vastly different outcomes? Two basic factors can be identified:

- Effective manpower planning and implementation
- A consistent admission policy based only on merit

Manpower planning and effective implementation is a feature not only in Singapore but also in other HPAEs such as Taiwan. The education systems in these countries were developed in a manner that closely matched the changing manpower needs of the economies.

At the base of this successful manpower planning in Singapore is the availability of reliable and timely data, and even more importantly, undeterred efficient implementation.

> A central manpower planning unit monitors both the manpower needs of the economy and the supply of manpower from the universities.
>
> An analysis of high quality, accurate and timely data on students, staff, finance, performance of graduates at their workplace, breakdown of graduate employment etc. is provided through the Annual Reports of the Universities and the annual Graduate Employment Survey.[7]
>
> The manpower requirements of the economy up to the year 2000 have been forecast in the study "Manpower 2000" which is used as the basis for determining the demand.

Based on these, a sophisticated system of manpower planning is carried out where forecasts and recommendations for the right mix of manpower supply are made at assumed levels of real GDP and productivity growth.

The student enrolment and course structure at Universities and Polytechnics are quickly adjusted to the requirements of the manpower plan. Priority, for example, was given to disciplines which were in greater demand in the labour market i.e. Engineering, Management Science, Medicine etc. and, concurrently, faculties teaching Humanities, Liberal Arts etc. were contracted.[8]

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7 In Sri Lanka the only data available on students, staff, financing etc. is from the UGC Statistical Handbook. The most recent data available from this source is for the academic year 1991 which corresponds to the calendar year 1993. A limited amount of crude data on graduate unemployment is available at the Graduate Employment Unit of the Ministry of Youth Affairs, Sports and Rural Development. No data is available on the performance of employed graduates.

8 Singapore even went to the extent of reducing training in agriculture to such an extent that it met the economy's limited needs for agricultural professionals through foreign training.

Thus, Singapore's manpower planning system is characterized by its high level of centralization, a top-down approach, and its consistent and single-minded implementation. At the same time, it adopts a consultative modality wherein various sectors in the economy are included in the planning process. This ensures that the process is not isolated from the realities of a dynamic economy. Interaction between the institutions of tertiary education and the economy is further highlighted in polytechnics where individuals from the business and industrial sector and trade unions are included in the Boards of Governors.

The second major difference between the Singaporean and Sri Lankan higher and tertiary educational systems is the rigidly merit-based admission policy followed in Singapore.

The admission policy in Singapore, as in many other HPAEs, is directed towards managing the supply of graduates so as to prevent graduate unemployment, and the streaming of students according to the recommendations of the manpower plans to meet the requirements of the economy. The admissions to Universities and Polytechnics in Singapore are highly selective and merit-based. The practice of merit-based admission has been relentlessly pursued even in the face of growing pressure from political and educational groups to increase the intake into tertiary institutions. This is in stark contrast to Sri Lanka where the intake of students has been repeatedly increased in order to meet the social demand for higher and tertiary education. The reasoning behind this rigidly merit-based admission policy in Singapore has been that the lowering of the admission standard would lead to:

> the creation of a pool of unemployed graduates -- through an oversupply of graduates, and graduates of poor quality not having the knowledge and skills needed to perform well in the labour market;
>
> the resultant creation of a situation where the graduate qualification will be devalued; and
>
> a high level of drop-outs, through the lower quality of the entrants, which would cause a waste of scarce resources.

The reality of this can be seen by the situation currently facing the higher and tertiary graduates in Sri Lanka.

The above discussion highlights two major weaknesses in the Sri Lankan higher and tertiary education system. While political and social pressures are often a constraining force in the case of admission policy, there seems no logical explanation for the lack of proper manpower planning. As demonstrated by the Singaporean experience, manpower planning can lead to a more relevant educational policy which meets the requirements of the economy and prevents the formation of an unmanageable pool of unemployed graduates. Manpower planning is an essential input when attempting to overcome the mismatch which currently exists between the supply and demand for different skill levels in the Sri Lankan labour market.

3. The Current Scenario

3.1 The Background

Ninety five per cent or more of higher and tertiary level education institutions in Sri Lanka are directly financed and managed by the government. Only five per cent are in the private sector,[9] managed by private organizations or by NGOs.

Of the public sector institutions,

- The Universities, Affiliated University Colleges, Post Graduate Institutions come under the Ministry of Education and Higher Education, and are controlled by the UGC.
- The Colleges of Education and the Teacher Training Colleges also come under the Ministry of Education and Higher Education but are respectively controlled by the National Institute of Education and by the Ministry directly.
- The Technical Colleges come under the Ministry of Education and Higher Education.
- Some sectoral Ministries also have their own training institutes.[10]
- The Law College, which is managed by a Board of Professionals, is independent of the State.
- The institutions in the private sector do not come within the purview of the Ministry of Education and Higher Education but are registered under the Companies Act. Substantively, the State has neither control nor influence over them.

When the first university was established in 1942, it could easily cope with the then demand for higher education. As yet, only very limited numbers sought or had access to university education.

However, the introduction of free education in 1945 and the changing of the medium of instruction to the national languages in 1953 led to a sudden expansion in the school-going population. To cater to the resultant demands for more senior secondary education, Central Schools were established. More and more students having access to senior secondary education led to the expansion of institutions of higher education to cater to the products of this level. This rapidly increasing social demand for higher education could not be matched by

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9 Some of these private institutions are affiliated to foreign universities - e.g. the Institute of Technical Studies in Colombo which is affiliated to the University of Houston.

10 Examples are the Schools of Agriculture in the Ministry of Agriculture, the Nurses Training Schools in the Ministry of Health and even degree awarding institutes like the Institute of Surveying and Mapping in the Ministry of Lands.

the available financial resources. The policy makers had to adopt ad hoc approaches to meet the demand. Higher education institutes were expanded without much attention being paid to their relevance or even to the basic infrastructure requirements.[11]

These ad hoc responses brought about restlessness among students and contributed to a lowering of academic standards. They resulted in frustration among graduates, mainly Arts graduates, as a large number of them could not find suitable employment.

The structure of higher and tertiary education has evolved to be excessively rigid, hierarchical and fragmented. The interaction and linkages between various institutions and the flow of students between various levels are extremely limited. As seen in the case of technical training, there hardly appears to be a structure.

Despite there being considerable confusion regarding the specific level at which courses are conducted by some institutions, especially in the mid level, the higher and tertiary education sector can be roughly divided into four levels.

3.2 The Postgraduate Level

At the highest level are Postgraduate Institutions. Currently there are five Postgraduate Institutions attached to four Universities -- the Postgraduate Institutes of Agriculture (Peradeniya University), Archaeology (Kelaniya University), Management (SJP University) Medicine (Colombo University) and Pali & Buddhist Studies (Kelaniya University). These are augmented by graduate study programmes conducted by the Graduate Studies Faculties at the Universities of Colombo and Peradeniya, and by the Open University. In addition, most Faculties in the State Universities conduct Masters and Doctorate programmes relevant to their disciplines.

This level of higher education is rapidly expanding.[12] Between the academic years 1988/89 and 1991/92 there has been a more than 100% increase in enrolment, bringing the number of postgraduate students in 'residential' Universities and their affiliated institutions to 4,337 in 1991/92. A far greater number, a total of 15,957 students, were enroled at the Open University for Postgraduate Diplomas in Agricultural Engineering, Construction Management, Education and Management. Yet, due to the large number of dropouts, the annual output is not as significant. The output of Postgraduate Diplomates in 1990/91 was 938.

An encouraging feature regarding postgraduate education is that access to it is not as rigid as access to first degrees. The conventional method of access to postgraduate education is

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11 For example, the Colombo Race Course buildings were used, with hardly any modification, for the expansion of the Colombo University's Arts Faculty.

12 The Corporate Plan for University Education (1988-92) stated that `A shift of emphasis in University Education is being achieved from an overwhelming concentration on undergraduate teaching to postgraduate teaching and research.' and added that `the Government has ...(decided) not to hold foreign professional medical examinations in Sri Lanka... medical graduates passing out of Sri Lankan Universities should register with PGIM for professional training'.

through a university first degree. However, degree level professional qualifications combined with work experience are also accepted in several courses.

3.3 The Undergraduate Level

'Residential' Universities

The next level is the undergraduate level. Currently there are eight State `residential' Universities[13] providing undergraduate education in Sri Lanka.

Large cohorts of secondary school students consider gaining entry into one of the State 'residential' universities to be their ultimate academic goal. Even given the increasing levels of graduate unemployment, there is a social value attached to a university degree as a possible entry pass to better recognised employment. This seems to be one of the most important reasons for the ever increasing demand for a University education. As the Corporate Plan for University Education (1988-92) observed, the intake to the universities has been `influenced more by the social demand for higher education than by manpower considerations'. It added that `a reduction in the intake ... will involve a substantial and perhaps unacceptable curtailment of the social demand ...' for university education.

By the academic year 1991-92, 30,637 students were enroled as full time students in the eight 'residential' Universities. A further 13,000 were enroled as external students.[14] Of all the institutions which provide higher education, access to the State residential universities is the most limited and is totally inflexible. The sole avenue of entry is through the aggregate marks received at a specific GCE (A/L) examination. Presently, only about 20 per cent of the approximately 35 per cent of those who qualify for admission through the GCE (A/L) examination actually get admitted to the eight 'residential' universities. It follows that it is unrealistic, in the current context, for all but the top 7 per cent or so students to build their hopes for their future around an education at a 'residential' university.

Other sources of undergraduate level qualifications are the Open University of Sri Lanka, Professional Institutions, private degree awarding institutions which are affiliated to universities overseas, and external examinations of the University of London.

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13 In this Study, the term `residential' university refers to the University of Colombo, Eastern University of Sri Lanka, University of Jaffna, University of Kelaniya, University of Moratuwa, University of Peradeniya, University of Ruhunu and the University of Sri Jayawardenapura, which are characterised by the dominance of `on campus' courses of study and which are expected to provide residential facilities. These contrast with the Open University which is differently modelled.

14 These external students are made up of those qualified to read for a degree yet are unable to do so due to the limited number of spaces available at the Universities.

The Open University

The Open University of Sri Lanka was set up in 1980 to act as a complement to the eight 'residential' universities. Access to its first degree courses was designed to be more flexible than in the case of the residential universities - one of its stated objectives being `relieving the pressure on the traditional universities by catering to students who are "eligible" to gain admission to Universities but have not gained admission'.[15] The major target group is part-time students who follow correspondence courses. In the academic year 1991/92, 3,769 students were reading for degrees in Education, Law, Science and Technology at the Open University. Over 90 per cent of these students were reading for Degrees in Law and Science.

Professional Studies

The most successful and popularly accepted source of graduate level education outside the university system is the training provided by professional organisations. There are over 15 professional organisations which conduct training in their relevant professions. The organisations are controlled by Councils elected by members of the profession. While some professional organisations provide only graduate level training,[16] others conduct mid-level training as well.[17]

Normally, the only path to a first degree level course is through the GCE (A/L) examination. An exception to this is the degree level professional qualifications which can be accessed by students who have undergone mid-level technical training and have acquired a prescribed period of work experience in the relevant field.[18]

Flexibility of entrance requirements and study periods, and the reliability of examination schedules (as against State Universities), are other advantages that draw students to these professional courses. A feature of these professional training courses is that they are oriented towards persons already employed in the field.

There is an increasing trend among secondary school leavers, particularly in the urban areas, to opt for training for a professional qualification as their first choice. This trend is most obvious in the case of the accountancy profession. The probability of a fully-qualified or even a part-qualified accountant obtaining employment is very high due to the expansion of economic activities and the expanding need for professionals. Relatively high salaries and the possibility of upward mobility and good career prospects increase the attractiveness of this option.

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15 Corporate Plan For University Education 1988- 1992, University Grants Commission.

16 Examples are the Institute of Chartered Accountants of Sri Lanka, Institute of Architects,Sri Lanka.

17 Institute of Chemistry provides mid-level training for Laboratory Technicians in addition to the Graduateship Programme which is equal to a Chemistry Honours Degree.

18 An O/L qualified student can become eligible for registration as a student of the Institute of Chartered Accountants of Sri Lanka by completing the final examination of the Association of Accounting Technicians.

Large numbers are enroled in the Institute of Chartered Accountants,Sri Lanka (3,971 in 1993) and the CIMA, UK (4,634 in 1993). These figures, however, need to be used with caution since there is considerable overlap between these two programmes. Further, since these are flexible programmes large numbers enrol but do not, necessarily, pursue their training in a systematic manner. The more reliable data would be that of output. In 1994, 65 completed the Institute of Chartered Accountants programme and 168 the CIMA programme.

Enrolment at other professional institutes is much smaller. The figures for 1994 are; the Institute of Chemistry - 173, Institute of Engineers - 1016, Institute of Personnel Management - 48, Law College 705, Institute of Architects - 15.

Private Institutions

Private institutions are another source of a first degree level education. These fall into two categories. In one category are Institutions which operate as private universities and are affiliated to a foreign university.[19] The second category includes a number of institutions that prepare students for the external examinations of the University of London.[20] Approximately 50 students are enroled in the latter courses at any one time.

3.4 The Diploma Level

Next to the undergraduate education at the State Universities, the major source of higher education where the entry requirement is the GCE (A/L) are the Technical Colleges and the recently introduced Affiliated University Colleges. Both have a technical/vocational orientation.

Affiliated University Colleges

The Affiliated University Colleges (AUCs) were set up in 1991 as an alternative channel to university education. Presently there are 11 AUCs spread over seven provinces. These are affiliated to the Universities of Peradeniya and Sri Jayawardenapura. The courses offered are vocationally-oriented and are in areas that have been identified as having high potential for employment. Every student has to take a core course comprising of Computer Literacy, English, Commerce & Management, Sri Lanka Studies and Environment Studies. Course arrangements are flexible with students being able to either obtain a Certificate at the end of one year or continue for a further year to receive a Diploma. The AUCs are administratively independent of the two universities to which they are affiliated, but their Directors are members of the Senates of the respective universities. The original intention was for AUCs to be

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19 The Institute of Technological Studies (ITS) and the Informatics Institute of Computer Studies (IICS) are the two institutions that fall into this category. The ITS is affiliated to the University of Houston, Texas. The total enrolment in 1993 was 310 students, studying for degrees in Management, Computer Science,Economics, etc. The IICS awards degrees from the Manchester Metropolitan University. Its course work, academic standards, etc. are controlled by the MMU. Total enrolment in 1993 was 55 students.

20 The Aquinas College and the Royal Institute fall into this category.

conceptualised as the initial stage of Technological Universities. If so pursued, they could become a meaningful alternative to the 'residential' universities.

Technical Colleges

Institutionalized technical education was introduced to Sri Lanka in 1883 with the establishment of the Ceylon Technical College at Maradana in the city of Colombo. Today this sector has evolved into a vast and highly fragmented sector which comprises 26 Technical Colleges which come under the purview of the Ministry of Education & Higher Education and approximately 26 Statutory Bodies which come under 14 Ministries. These provide over 3000 publicly supported technical and vocational training programmes at different levels.

There seems to be considerable confusion as to the specific level at which courses are conducted in this sector. Most institutions conduct both Diploma level courses and lower level Certificate courses. The higher level courses are conducted primarily by the Technical Colleges and the institutes under the National Apprenticeship and Industrial Training Authority (NAITA). Technical Colleges provide both full-time and part-time courses at 5 different levels i.e. Higher National Diploma, National Diploma, National Certificate, National Crafts Courses and Short-term Courses. The selection for the Diploma level courses is based on an entrance examination and interview, with a minimum qualification of 4 GCE (A/L) passes. The 1992 intake of students to these higher level courses was 1,745. The courses conducted by the NAITA, which comes under the purview of the Ministry of Human Resources Development and Science and Technology, focus on practical training. At the higher level, the NAITA provides training to engineering undergraduates and technicians, the entrance requirement varying according to the course. The total on roll in 1993 was 199 students. Middle-level technical and supervisory training and artisan, sub-technician and situational apprenticeships are also provided by the NAITA.

3.5 Other

The lowest level in the structure of higher and tertiary level education and training are the mid-level technical and professional courses. The most convenient method of differentiating between the higher and middle level technical and professional education is on the basis of the entry requirement. In the mid-level, the minimum entry qualification is the GCE(O/L), making it tertiary rather than higher education. In most cases, institutions that provide higher level courses also have programmes at this level. This is the case in Technical Colleges where the Certificate Courses require only the GCE (O/L) qualifications. Most Professional Organizations too have technicians' courses, access to which is through work experience and GCE (O/L) education.

Theoretically, formal technical and vocational education programmes in Sri Lanka are oriented towards solving the critical unemployment problem by providing educated youth with an employable skill and towards the production of skills necessary for the economic development of the country. Yet, the proliferation of training programmes has not been based so much on

the needs of the economy as on the clamour by unemployed school leavers for further education.

3.6 Financing

Sri Lanka's higher education is very heavily dependent on public funding. Private funding is significant only in the case of overseas higher education and of private institutions which prepare students for degrees awarded by foreign universities. While the bulk of the funding for Professional Institutions is through student fees, member subscriptions, endowments, etc., here too, public funding plays an important role.[21]

In 1991 the government spent a total of Rs.1,470 million on higher and tertiary education. This amounted to just 0.45 per cent of the GNP, with 82 per cent of this going into university education. While this level of funding is far from adequate, budgetary constraints have made expansion of public funding very difficult.

Due to budgetary constraints the funding has not kept pace with increasing enrolment. The recurrent cost, in 1990, per student stood at Rs. 19,500 per annum on average. A vast difference can also be seen between the individual disciplines in the cost per student.[22]

In 1991 Rs.79 million was earned by the eight universities primarily through interest, rent from property sales and various fees. This amounts to just 8 per cent of the total expenditure of Rs. 1000 mn. The balance was contributed by the government in the form of grants. Income generation by the Postgraduate Institutes and by the Open University is somewhat better at 14 and 25 per cent of total expenditure respectively. Yet, unlike the 'residential' Universities, the Postgraduate Institutes and the Open University are expected to recover costs to a much greater extent through student fees. The Postgraduate Institutes meet 23 per cent of the recurrent costs through fees, while fees contribute 39 per cent of the total recurrent costs of the Open University.[23]

All public funds are channelled to the university system through the University Grants Commission(UGC). It has the authority to inquire into the financial needs of each institution and to prepare budgets in consultation with the governing authority of each university. Up to 1986, the grants were allocated based on the previous year's allocation. Since then the basis has been somewhat rationalized and student costs of each institution are taken into account.

Technical training also depends heavily on public funding. Yet, unlike in the case of universities, large injections of foreign aid funds for capital expenditure can be seen. Over

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21 Institutions such as the Institute of Chartered Accountants, Chartered Institute of Engineers, Chartered Institute of Chemistry etc. receive substantial government grants. Most grants are provided on an ad hoc basis to fund capital expenditure.

22 On average the highest unit cost was incurred on behalf of a medical graduate, Rs. 27,213 and the lowest on a law graduate, Rs. 5,651 for the academic year 1990.

23 The ratio of Income from student fees to recurrent expenditure in public universities is 22% of recurrent expenditures in Viet Nam, 36% in Chile, 46% in the Republic of Korea.

Rs. 962 million (approximately U.S.$ 19.2 million) has been negotiated as assistance from the ADB, the Swedish International Development Agency and the UNDP. For the year 1994, the estimated expenditure incurred by the Ministry of Higher Education on technical education amounted to Rs. 159 million. This amounted to just 7 per cent of the total public expenditure on higher and tertiary eduction. Financing of the various training institutes /programmes run by other Ministries is done though a combination of public funds and donor funds. The ILO has been a major contributor to vocational training activities carried out by the Department of Labour.

At the same time, certain sectors of tertiary education are heavily privately funded. For example, computer literacy obtained by most students is through private institutions. Available data in respect of these private institutions are very unreliable. In the Western Province alone there are more than 37 institutions registered with the Tertiary and Vocational Education Commission which conduct IT related courses. Student fees charged and the quality of training provided vary considerably among these institutions.

The severe constraints on the government budget and the rapid growth of demand for higher and tertiary education have led to a crisis situation. The fiscal burden on the government budget has become unsustainable. At the same time, the quality of education has deteriorated as resources for both recurrent and capital expenditure have failed to increase at the required pace.

Any policy review concerning the higher and tertiary education sector has, necessarily, to take these two inter-related factors into consideration. Primary objectives of any policy reform would be to enhance the quality of higher and tertiary education as well as to widen access to it. These have to be sought through a widening of the resource base which would be available for financing the higher and tertiary sector. Doing so would call for innovative, non-traditional policy responses.

Thus, when the public funds on which this sector traditionally depended continue to be inelastic, new sources outside the public budget would need to be explored. Such a departure from an emotion-laden tradition may seem difficult, and even traumatic, to tradition-bound policy makers.

Yet, this is the challenge which faces a policy review. If the following of a path, however well-trodden it may have been, no longer leads to the desired policy goals, the forging of new paths becomes inevitable. Else, the sector will remain mired in its present crisis.

4. Enhancing Employability

A truism which education planners of Sri Lanka have tended to overlook is that participants in higher and tertiary education, naturally, expect a direct co-relation between the level and content of education which they have acquired and their ability to access what they perceive as a `commensurate niche in the labour market'. If these expectations fail to be met, they tend to look at the exercise as having been a waste of time, energy and financial resources.

Increasingly, in recent years, youth have acquired a capacity to assess the range of courses which are available in the higher and tertiary sector in terms of their potential link with employment opportunities.[24] Being compelled, due to the rigidity in the higher and tertiary education system, to follow courses which they perceive as having poor linkages with the employment market, has been a major contributor to the unrest which is clearly manifest in the institutions within the system.

> *It is as if public funds were deliberately spent in such manner as to foment youth unrest.*

The continuing mismatch between the education and training provided to the youth and the demands of the employment market has been well documented. Nowhere is this mismatch more pronounced than in the higher and tertiary sector. For example, except for specific courses such as in medicine and in certain branches of engineering, most university level courses do not hold out prospects of ready access to employment with adequately commensurate remuneration and responsibilities.

Conversely, the filling of positions in the employment market which are critical to the rapid and sustained growth of the economy await those who have acquired appropriate qualifications from the higher and tertiary sector of education and training. Thus, Sri Lanka faces a paradox.

On the one hand, large cohorts of the current output of the higher and tertiary sector of education cannot be provided with appropriate employment commensurate with the time and energy spent by them in their post-secondary level studies and the public funds expended on them. On the other, the economy is unable to find the required critical manpower to fill the managerial and technical niches in the employment market.

> *Unemployment amongst those for whom higher and tertiary education has been provided reflects, in a sense, a failure to obtain the commensurate return on the investment already made in providing such education.*

The extent of the loss due to such failure is evident in the following data:

- As many as 11,707 graduates[25] who graduated after 1990, and who considered themselves unemployed or underemployed, responded to the call of the Graduate Employment Division of the Ministry of Policy Planning in 1994 for further training towards employment.

- The fact that as many as 11,707 (almost 47 per cent) of the approximately 25,000 who graduated since 1990 did so, is an indicator of the self-

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24 For example, there is a remarkable increase of students who opt for courses in Commerce at the GCE (A/L). This is seen in the fact that whilst the total enrolment of students in GCE (A/L) courses increased by 27 per cent between 1980 and 1993, the corresponding increase, during the same period, of students opting for courses in Commerce was 49 per cent.

25 Based on data obtained from the Graduate Employment Division of the Ministry of Youth Affairs, Sports and Rural Development.

perception of the cohort of graduates of the extent to which they have failed in finding employment which they consider to be appropriate to their educational achievements.

- Whilst 7,741 of the 11,707 had pursued general or special courses in Arts and Science, there were almost 4,000 who had followed courses which could be regarded as more specifically employment focused. Examples are graduates in Commerce (1,428), Business Administration (512), Engineering (117), Agricultural Science (444), Estate Management and Valuation (79), Public Administration (359) and Ayurvedic Medical Science (25). This would point to a failure on the part of the university system[26] to keep abreast of the rapid changes in the employment market for specific professional skills.

- Whilst as many as 17 per cent of those who pursued Special Courses in Arts found themselves in need of appropriate employment, only 5 per cent of their counterparts in Science found themselves in the same predicament - pointing to possible differences in quality and a closer employment co-relation in the latter.

> *Viewing this data one cannot escape coming to the conclusion that the policy approach, if there was one, was a reaction to having to cope with the ever increasing numbers who pass the GCE(A/ L). It depended, in the main, on the existing and traditional teaching capacities in the universities. It felt less comfortable in attempting to design new courses of study which may more directly meet the needs of the employment market. The approach was, essentially, ad hoc in that it preferred to deal with the immediate problem of the growing numbers finishing the secondary school level, leaving to the future to take care of the likely issues of failure to obtain employment.*

Several factors have contributed to the situation which has arisen.

Much of the courses in the higher and tertiary sector and their content have their origin in traditional courses which date back even to the pre-Independence period.

The 'residential' Universities tended to be conservative in their approach to introducing new programmes or to modifying existing ones. During the last several decades there have been relatively few changes in the content of the courses conducted or the course material used. Only feeble attempts have, at times, been made to modify them. There have not been basic structural changes linked to the demands of the labour market. Thus, they have failed to keep abreast of the emerging demands of the employment market and to adequately cater to the process of economic and social development.

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26 The individual Universities as well as the University Grants Commission.

On the other hand, the demands of the labour market in regard to higher and tertiary level skills have begun to witness rapid changes, particularly with the progressive integration of the country's economy to the international market.[27]

> *Whilst it may be argued that it is not for the Universities to prepare students for employment, yet the Universities, which cater to the youth who, ultimately, are job seekers, need, obviously, to take a realistic view of the needs of the country's employment market.*

To do so, there need to be institutionalised mechanisms which facilitate interaction between the institutions in the higher and tertiary sector and the employment market in the designing and modification of education programmes. There are none at present. Thus, the ongoing changes in employment market needs as well as the emerging new needs fail to be reflected in the available programmes.

The individual institutions at the higher and tertiary level also lack adequate operational autonomy in designing the different programmes and their content. There would appear to be a conspicuous preference for uniformity in the policy level agencies of the higher and tertiary education sector.

The recruitment and development of faculty resources have been overly influenced by the nature and content of the traditional education and training programmes. This, in turn, has reinforced the vested interests of the teaching cadres in the preservation of ongoing programmes.

The structure and operation of the current higher and tertiary education system, is geared for the provision, free of cost to the recipient, of what the system is ready and able to supply. This does not enable the prospective recipients to seek and demand what they perceive as being directly relevant to improving their capacity to access employment.

In the current structure of the higher and tertiary sector of the publicly funded education system, the financial survival of specific institutions depends on the fiscal resources which the Treasury is ready and able to provide for underwriting ongoing institutional budgets. It is not related to the capacity of the institution to attract students for its different programmes.

There is, thus, hardly any motivation for the different institutions to so tailor their programmes as to attract and retain a student clientele.

The private sector, which accounts for much of the current job creation, perceives the products of the higher and tertiary levels of education, particularly of the universities, as being "anti-business", of poor quality and being unfamiliar with the language of commerce (namely, English).

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27 For example, the availability of appropriate technical and managerial skills, than the availability of cheap labour, has become a key factor in attracting foreign direct investment.

The country has no Labour Market Information System (LMIS) which could provide adequate signals to those seeking education and to the institutions which provide such education, on the one hand, as well as to the employers who seek human resources, on the other. The absence of such a Labour Market Information System acts as a major barrier to the youth in their career planning, to the educational institutions in their programming and to the employers in their investment planning. Many a youth has been the unfortunate victim of the resultant absence of proper planning.

Due, in the main, to the inadequacy of investment the growth of employment in the economy has lagged behind the entry of job seekers to the employment market. Whilst this has been the norm for all levels of employment, the most pronounced has been in the case of job seekers with higher and tertiary levels of education. In the past, a common response to unemployment among the university educated was to absorb them into the public sector mainly as teachers in government schools or as trainees under a Ministry or as additional hands in already over-staffed State Owned Enterprises (SOEs). Constraints on the government budget and the progressive privatisation of SOEs have placed restrictions on such avenues. The situation has, thus, become more complicated with the ongoing shift of emphasis in employment generation from the public to the private sector.

Whilst there is now a greater awareness of the demand trends in the employment market, students at the level of GCE (Ordinary and Advanced levels), as well as their parents, lack adequate access to information on current and future employment prospects and on available courses of study as well as on their relative links to employment opportunities etc. Such information would assist them in making informed decisions regarding their higher or tertiary studies. The dearth of information is greater for the rural youth and their families. The production and active dissemination of such information should become a part of the LMIS which has been suggested above.

Such information would be of use only to the extent that it contributes to a process of career guidance for the students in their final years at the secondary schools as well as in the higher and tertiary institutions. Whilst this occurs at a rudimentary level in a few metropolitan schools, it is not available at all to the rural students or their parents who, on their own, lack information or guidance. Steps need, therefore, to be taken to provide appropriate training to selected groups of teachers[28] in secondary schools who could be equipped with such information and could provide career guidance to the concerned students.

The foregoing discussion points to the fact that the reduction of the mismatch between the supply of higher and tertiary education and the demands of the employment market calls for far reaching changes in the structure and processes of the system as well as in the contents of and approaches to its programme content.

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28 Of course, such a programme would be most effective in a system wherein teachers in secondary schools are not routinely transferred as at present but continue to be in the same school for long periods of time. This would provide the schools concerned with a continuing pool of expertise.

In accepting the need for changes, recognition must be made of the resistance to change that exists within the system. The prevalent resistance to change is but to be expected given;

- the inadequate communication between the educational institutions and the labour market,
- the pre-occupation of the institutions with historical tradition rather than with the challenges of the future,
- the suppliers of education being empowered -- through the rigidity inherent in a system wherein education is supplied free -- to decide for the clientele, and
- the inevitable vested interests which have grown up around the supply-oriented delivery system.

This Study does not propose to dwell, in depth, on the specifics of the changes in course offerings and their content which would satisfy the demands of the employment market. In fact, the changes in the latter in response to Sri Lanka's search for higher niches in the global production system are such that any attempt at being prescriptive regarding such modifications and changes could be superseded speedily.

Even so, it is possible to identify the broad nature of the changes which are required at the higher and tertiary levels. These include:

- A broadening of the information and knowledge base of the graduates of the higher and tertiary education system.[29]
- A greater emphasis on developing analytical and problem solving capacity in the graduates.
- Providing a high degree of familiarity with information technology.
- Developing a competence in foreign languages.[30]
- Introducing a higher content of practical and applied aspects of the knowledge base of the different courses.

Unless such correctives are effected, the current mismatch between the requirements of the employment market in terms of the skills and capacities necessary for the efficient functioning of the economy and the provision of skills and capacities to the prospective work force would continue.

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29 This is in contrast to the narrow `subject specificity' which obtains presently.

30 Particularly in English which has become the dominant language of international commerce.

5. Access Improvement

A major impediment to the improving of access, both spatial and income-related, to higher and tertiary education is the rigidity of the current rules and practices governing the entry into and pursuit of its component courses. The grant of autonomy to the institutional level, as proposed later in this Study, provides an opportunity to introduce greater flexibility into the entry process.

Examples of possibilities of such flexibility at the level of the `residential' universities are:

- The provision for the GCE (O/L) together with the successful completion of intermediate level courses and of pre-set periods of recognised work experience to be regarded as an alternative entry to higher level courses.
- The permitting of interruptions to the pursuit of courses to enable students to enter the job market and to return subsequently to full time or part time study.
- The provision of part time and/or 'sandwich-type' courses which permit students to be concurrently in employment.

> *What, in the view of this Study, is important is to regard higher and tertiary education not as a finite activity but as a post-secondary-continuum, which would provide both for interruptions to suit the beneficiary and for multiple modes of entry to its specific components.*

With the freeing of institutions from the dead hand of centralised monolithic control, considerable experimentation and innovation becomes possible and needs to be encouraged.

The thrust of the recommendations in this Study favour the higher and tertiary level supply institutions being autonomous both in regard to the earning of their financial resources as well as in the management of and accountability for such resources.

> *The implication of this would be that such institutions would, in the future, be requiring all those who are participants in their courses to pay `reimbursement costs' to them.*

This represents a basic change from the principles and practices which have hitherto been followed in Sri Lanka in regard to public education, at least in the post-Independence period. Policy makers have tended to advance the availability of education free of cost to **all** citizens who seek it as a principal element of Sri Lanka's structure of equity. However, its continuous re-iteration has tended to overlook recent developments.

- Recent economic growth and the wider participation in the activities of the economy have contributed to an increase in the number of families who could bear the costs, whether in part or whole, of the education of their

children. Given this development, there is no longer a case for not recovering such costs from these groups.

- At the same time, fiscal and budgetary constraints have become a serious barrier to the expansion of educational facilities and to the enhancement of the quality of education. This is particularly evident in the case of higher and tertiary education wherein the investment costs are high.

- With the progressively important role which indirect taxes on goods and services, as against the traditional taxes on income, play in the tax structure, it is the less affluent groups in the economy who are increasingly bearing the greater burden of taxation. In such a context `free education to all' becomes less of an instrument of income transfer than it may have been in the past.

However, there still are large numbers of the population who would not be able to bear such costs of education. It, therefore, remains the responsibility of the State to provide such groups with the required financial support to meet the cost recoveries by the supply institutions.

The future approach to higher and tertiary education should, therefore, be based on

- the recovery, by the institution, of full costs of delivery of courses of study from the beneficiaries, and

- the provision of State support for meeting such costs to students of families below pre-set income levels.

The approach suggested above has the advantage that it would contribute to the enhancement of the employment relevance of the education programmes that are provided. It would also result in the improvement of the efficiency of the higher and tertiary institutions both in terms of delivery and of costs.

The fact of the citizens bearing the costs of higher and tertiary education, whether with State support or not, has the added advantage of providing them with the right of choice of institutions and courses of study. Whilst this may not be so obvious at the start, the scope for choice would expand as institutions begin to respond to the demands of the clientele, which demands would be backed by payment.

Whilst the above advantages are likely to accrue, the proposed approach would not be likely to ease the current level of demands on the government budget. However, it has the advantage that, through inducing cost efficiency in the institutions concerned, the cost benefits from the budgetary outlays would improve.

It is, therefore, appropriate, in the view of this Study, to move away from the historical approach to this issue and to adopt an approach which takes into account the current realities.

> *For this to happen, the perception of equity in regard to the higher and tertiary sector has to change. Equity should, instead of being conceived as the supply of free education to all, be regarded as the availability of State support to all who need assistance to access the available higher and tertiary education facilities.*

Several issues need to be resolved in regard to cost recovery and the provision of State support to low income families.

Should the support provided be uniform or be graded according to specific income levels?

In the view of this Study, equity concerns will be more satisfactorily met if there were a co-relation between the actual income levels of the recipient families and the amount of the support provided. There will, of course, be a certain volume of work involved in establishing income levels. Given the nature of information collection and analysis tools which are now available, this should not, however, present an insurmountable task. Even more to the point, considering the importance of satisfactorily meeting equity objectives, the extra effort would be more than worth the cost.

What should be the institutional arrangements within the administrative system for managing the payment of support?

Whilst the initial predilection would be to assign this task to the ministries and agencies responsible for the subject of education and training, it is appropriate to take a closer look at the issue. The provision of support to low income families is, in reality, a measure of social security and has to be treated as such. Therefore, it is, along with other such schemes of social security, more appropriately dealt with by the agencies dealing with social security. Perhaps, the most appropriate arrangement would be to establish an Education Support Fund (ESF) which would provide the subsidy payments to the supply institutions either through the beneficiaries or, on their behalf, directly.

Having an institutional arrangement outside of the agencies responsible for the overseeing and regulation of higher and tertiary education has the added advantage of having an independent agency questioning the levels of unit costs as sought by the education institutions. The possibility of such scrutiny would serve to maintain costs at realistic levels within a competitive supply situation.

Should the availability of such access support to low income families be only in respect of institutions within the public sector or could it include providers outside the public sector?

Given that the payment of support would be administered by an agency outside of the higher and tertiary education system, there could, in the view of this Study, be no objection to the access support scheme being extended to include courses offered by institutions outside the public sector. This would also enable low income group students to access coveted private institution courses

which, today, are the preserve of the affluent sections of the community. However, such courses should be approved by the proposed Higher and Tertiary Education Commission (HTEC). Also access support should be limited to one post-G.C.E (Advanced Level or Ordinary Level) course, whether in the public or private sector, per beneficiary.

Should the rates of cost recovery be limited to recurrent costs or should they also provide for requirements of capital investment?

This is a matter which is specially relevant in the case of institutions in the public sector which, in the foreseeable future, would be the provider of services to the large majority of students. The inclusion of the element of capital investment requirements in the cost recovery rates would tend to make them prohibitive. It is, therefore, the view of this Study that such capital investment requirements should be directly provided to the institutions concerned by the government and that the cost recovery should be confined to recurrent costs.

However, the institutions in the private sector would have to build in their capital investment costs to their fees unless they receive endowments for financing their capital investment. Given the fact they would be in competition with public sector institutions, they would need to exercise a great deal of ingenuity in setting their fees and in the level of services which they provide in order to remain competitive in the market.

6. Changes in the Delivery Structure

Effecting the correctives as proposed above calls for the addressing of several structural issues related to the system of delivery of higher and tertiary education. Amongst these are:

- The introduction of a greater degree of flexibility to the present public sector dominated monolithic system of education and skill development at the higher and tertiary level.

- Changing the nature of the relationships within the system, between the suppliers and clientele, so as to empower the clientele to optimise their choices of programme access.

- The regulation[31] of the public and private delivery institutions within the system to achieve optimal relevance, quality and cost-effectiveness.

Institutions which provide education services would be better placed in responding flexibly to the changes in the economy and the society if they were autonomous in regard to all their decision making.

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31 Such regulation should, necessarily, be weighted in favour of the client beneficiaries.

This would contrast with the over heavy control which is inherent in the current monolithic system.[32]

The principal areas in which the enhancement of the autonomy of the institutions in the higher and tertiary sector is required would include:

- Decision making on the range of courses to be offered at any time and their level, structure, content and pedagogical approaches.
- The setting up of specific criteria for admission[33] to each course and the selection of the students to be admitted.
- The determination of the composition of faculty and other staff as well as the selection and management of the personnel.
- The management of the institution's financial and other resources.

The level of autonomy suggested above pre-supposes the creation of autonomous structures for the management of each institution.[34] Whilst the actual structures could vary as between institutions, accreditation of institutions, whether private or public, should ensure that, in each case, the institution structures provide for the required qualitative levels of academic oversight.

> *With individual institutions acquiring the level of autonomy as set out above, the need for an institution of the nature of the current University Grants Commission would cease to exist. Also the changes envisaged call for a review of the role of the Tertiary and Vocational Education Commission (TVEC) which, in the future, would need to focus only on vocational skill development.*

What would be appropriate for the future would be a regulatory and accreditation body for all higher and tertiary institutions. This could take the form of a `Higher and Tertiary Education Commission' (HTEC). The present TVEC should be converted to a Vocational Education

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32 An example is the control exercised over the universities by the UGC. The increase in the number of Universities and the greater demands on them led the State to seek to exercise a greater control over them. The enhanced controls which the State already had were considered insufficient. Thus, the UGC was established in 1978 for `looking after' higher education. All Universities and Post Graduate Institutes came under its control and almost all their administrative powers were taken over by it. It decides on the quantum of government grants to each University or Institute, the type of courses to be conducted, the student numbers in each faculty, the selection of students to each University, etc. It has a say in every activity from the appointment of a Vice Chancellor to the employment of a casual labourer. There was a period in which the University Councils had to obtain its approval even to insert a newspaper advertisement.

33 Whilst the Higher and Tertiary Education Commission, as recommended below, could, as a matter of national policy, lay down the minimum qualifications for seeking admission to a higher or tertiary level institution, the actual selection of the student body should be a matter for the individual institution. Institutions should be free to set their own modes of testing the suitability of candidates for specific course offerings.

34 An attempt would be made in Section 7 to identify some of the key features of such structures in the public sector institutions.

Commission (VEC) and should concentrate exclusively on skill development at the craft level. The proposed HTEC should be responsible for:

- The regulation of the structure and content of courses, as proposed by the different institutions, and of the relevant standards of certification in regard to such courses.

- The setting out of the minimum standards of qualifications for the faculties of the accredited institutions.

- Setting guidelines and criteria for levels of cost recovery for the education and training services provided by the accredited institutions.

> *What emerges from the above discussion is a network of autonomous, yet regulated, higher and tertiary level institutions which would offer education services to different client groups. These autonomous private and public institutions would be in interaction whilst being competitive in the provision of services. Their expenditure would be borne from costs recovered by them for the provision of such services. It is the conclusion of this Study that only such a structure would allow the system to grow in tandem with demand and would facilitate access.*

The past policy stances in regard to the role of the State in education have tended to be preoccupied with the notion of the State as the instrument which actually supplies the necessary educational services rather than as the one which ensures their equitable supply. Serious doubts have been raised as regards its validity due to:

- constraints on the public budget which negate possibilities of the State continuing to expand the public supply system in step with the rapidly expanding demands, as well as

- the growing importance of increasing the choice available to the citizen.

It has become clear that other options need to be explored if there is to be any realistic hope of meeting the public expectations in regard to the supply of higher and tertiary education.

This Study sees a significant future role for private institutions in the provision of facilities for education at the higher and tertiary levels. Such private institutions would, of course, be within the regulatory aegis of the `Higher and Tertiary Education Commission' (HTEC) envisaged above, as would their counterparts in the public sector.

Private institutions could, in theory, be organised as for-profit institutions as well as non-profit institutions. Given the nature of higher and tertiary education as a public good, and taking in to account the Sri Lankan traditions as regards the provision of education, it is more than likely that profit as a motive in the supply of education would be looked at with askance by the

community. For example, there would always be, in the public mind, a persistent doubt as to the quality of the education supplied based on the motive of profit.

> *Considering all these aspects, it is the view of this Study that such private institutions should be organised as non-profit organisations.*

A view which is often advanced is that the number of higher and tertiary education institutions, particularly `residential' universities, should be expanded. This, in the view of this Study, is a question which needs to be cautiously examined before decisions are rushed into.

Available statistics reveal that, of an average of 125,000 who sit for the GCE (A/L) examination annually, around 55,000 qualify for admission to the universities. However, not more than 25,250 succeed in gaining admission to the universities or to what are perceived as being equivalent courses of study.[35]

These statistics reveal a situation which, from the point of view of the needs of the economy, is hardly tenable. On the one hand, there is an annual pool of around 30,000 candidates qualified for higher and tertiary education who cannot access the level of skills which they are competent to obtain. On the other, the growth of the economy is hampered by the inadequacy of skilled human resources at the tertiary level.

Clearly, there is a need to considerably expand the availability of places for higher and tertiary education. The question is how this expansion is to be effected.

In addressing this issue, it is necessary to keep in perspective that, in the future, the public sector need not be the sole instrument for the supply of higher and tertiary education. Whilst the non-governmental sector has been a recent entrant on the scene and a slow starter, the indications are that, given a facilitative environment, it would gather momentum.

Such a facilitative environment would result from the implementation of the policy recommendation made earlier that the new two-pronged approach to financing of higher and tertiary education should take the form of the introduction of cost recovery by the supply institutions, whether public or private, with the provision of government assistance to those students who are at an income level at which they are unable to meet such cost recovery.

The above approach would make a significant contribution to an environment which would facilitate the growth of autonomous institutions both in the public and non-governmental sectors.

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35 This would, approximately, include 8,750 to the internal courses of 'residential' universities, 1,010 to external courses, 1,745 to HND and ND course of Technical Colleges, 1,045 to the AUCs, 4,642 to the Open University, 3,450 to the Institute of Chartered Accountancy, 990 to the CIMA, 235 to the Law College, 150 to private institutes for foreign university courses, 1,248 to other Professional Institutes and approximately 2,000 to universities abroad.

The present structure of public sector higher and tertiary education institutions[36] comprises, basically, of 8 'Residential' Universities, 1 Open University, 11 Affiliated University Colleges, 26 Technical Colleges and 7 Colleges of Education. The specific locations of these facilities could, of course, be a matter of endless debate. However, it is, in the view of this Study, practical to proceed, in the short term, on the basis that the current structure provides reasonable spatial coverage. Given the severe financial constraints faced by the Treasury, it is also unrealistic to think in terms of expanding the network of public sector institutions.

Whilst there would be a continuing need for investment in capacity expansion in the existing institutions, the major issue with regard to this institutional structure is the extent to which its constituents are optimally utilised, particularly in terms of provision of courses which directly relate to the demands of the employment market.

The indications available are that the AUCs and Technical Colleges are sub-optimally utilised - both in terms of capacity utilisation and range of courses.

One of the institutions which, in the context of policy changes recommended in this Study, has considerable scope for expansion is the Open University system.

The `residential' Universities would be more optimally utilised if a process of rationalisation of their course offerings in terms of the demands of the employment market was to be instituted.[37]

The conversion of the Colleges of Education to degree and diploma awarding institutions, as recommended later in the Study, could, with effective planning of capacity utilisation not only cope with the tasks of producing the teachers of the future and of upgrading those now in service, but also contribute, through postgraduate programmes, to developing education specialists.

> *The issue, in the short term, appears more to be one of upgrading and expanding the available facilities and of their optimal utilisation than of expanding the number of institutions.*

The discussions thus far have stressed the need for autonomy for the different constituent institutions within the public sector sub-system. At the same time, all institutions of higher and tertiary education, whether in the public sector or outside of it, would, as already indicated be placed under the broad umbrella of a Higher and Tertiary Education Commission (HTEC) for purposes of regulation and co-ordination.

These would be assumed as given in the discussions which follow in Section 7 which would deal with the issues related to the management of the component elements of this institutional structure.

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36 This is elaborated in Section 3.

37 An example is provided by the experience of Singapore cited earlier in Section 2.

7. Specific Issues of Public Sector Institutions

> *As already stated, a basic feature as regards the future public sector structure of higher and tertiary education is that whilst the constituent institutions remain within the public sector, they would, without exception, function autonomously in regard to their academic management as well as the administration of their finances, their personnel and their material assets.*

The preceding discussions have dealt, in general, with the issues which relate to this public sector institutional structure. This Section will discuss the more significant of these issues and the changes necessary in the management structures, as they relate to the different types of institutions.

7.1 Universities

The more acute problems faced by the university system include:

- The inadequacy of financial resources.
- The inadequacy of places for the ever increasing numbers of aspirants for university education.
- The difficulties in selection of appropriate students to the limited number of available places.
- The chronic shortage of qualified faculty.

Financial Resources

The inadequacy of financial resources has to be viewed in the context of the prevalent ideology of free education from the primary school to the university. This implies that all outlays on higher education become the responsibility of the government budget. Given the constraints on the government budget, this has come to mean the inadequacy of financial resources to cope not only with the ever increasing cohorts of aspirants for higher education, but also with the needs of those who are already in the system. The result is the endemic unrest in the system.

Thus, an issue which needs to be addressed urgently is that of finding additional financial resources for the universities. Limited attempts have been made by individual universities to diversify their funding within the limits set down by the UGC.

An income generating activity that is being pursued, even though in a very limited manner, which has great potential for expansion, is the setting up of consultancy units. A number of

departments within universities have set up consultancy units within their existing structure or within an affiliated Institute.[38]

Setting up consultancy units within the existing university structure can also contribute to a more dynamic, modernist and outward looking faculty that is sensitive to changes beyond the academic world. Radical changes in the legal structure governing the universities and the faculties within it are not required for such an initiative.[39] However, it has great potential to be a source of change. In order to reap the potential benefits of such an unit it would seem advisable to set it up as an independent unit affiliated to a university department.

A number of favourable outcomes from such an initiative can be identified:

- A consultancy unit will be an income generating unit which will financially benefit the relevant department/faculty as well as the teaching staff and possibly students who will provide the support. In the case of the faculty/department concerned, the income generated through the unit can be used to upgrade the quality of teaching through the acquisition of equipment, library material, funding of field work, etc. In the case of the teaching staff, it would supplement their earnings.

- A consultancy unit which works closely with the relevant faculty/department will create a link and a closer interaction between the academic world and the external world. This would reduce the current remoteness of the universities from the world outside.

- Consultancy units can be an ideal method for building bridges between the universities and the world of business. This is sorely lacking at the moment and the resultant loss is felt by both parties.

- The quality of teaching and teaching material would improve when the faculty is concurrently involved in consultancy related research and writing.

- Students involved in the unit will benefit considerably from the practical work involved. It will bring them into contact with the world of commerce and industry where they are likely, subsequently, to seek employment.

- It would make the university/teachers/students more sensitive to market needs.

Consultancy units should be carefully structured to prevent the abuse of university property. The allocation of faculty time between teaching and consultancy should be regulated with teaching always receiving priority.

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38 Examples are CSC of the ICT, University of Colombo, and the PIM Consultancy Unit, SJP University.

39 A General Ordinance approved by the University Council and the UGC would appear to be sufficient.

The setting up of consultancy activities as well as the consultations in regard to curriculum development which were recommended in Section 4, would lead to continuing close interaction between the world of business and the universities. If appropriately handled, this could contribute to strong bonds between the universities and the corporate sector. Such bonds would enable the universities[40] to seek endowments from the corporate sector -- to fund expansion of physical facilities, academic positions, libraries, etc -- relieving the government budget of such investments.

Admissions

The problems which relate to the admission of students to the Universities are inter connected. This is an area which has earned much criticism, has led to considerable frustration for the youth and their parents and has, due to its inherent complexity, defied all attempts at solution.

At the core of the issue is the magnitude of the demand for places for higher education and the low availability of places. With the State run institutions[41] being able to supply only around 17,000 places for almost 55,000 young people who qualify to enter higher education each year, the intense frustration amongst the youth and their resultant anti-social behaviour can be easily understood. The question remains how the issue could be realistically addressed. One fact that emerges from the experiments of the past four decades is that continued uni-dimensional attempts along the beaten path are not likely to provide viable solutions.

The system of admission is based on two basic elements.

The first is the system of quotas.[42] The argument, of differentials of educational facilities amongst the districts, which is advanced for the continuance of the system really begs the question. During the long period of 22 years during which the system has been in operation, ample time and opportunity were available for any government which was serious about the issue to have addressed the problem of differentials of facilities. Instead, to have continued with a sub-optimal system of university admissions is a sad reflection on the commitment of successive governments to issues of equity.

The second is the centrally directed allocation of entrance seekers to different universities and faculties. The rigidity of this process both precludes the receiving universities from assessing the suitability of the entrance seekers for the particular courses of study sought and denies the freedom for the student to change courses as well as universities in the pursuit of their studies.

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40 The same could apply in the case of other higher and tertiary sector institutions.

41 The 'Residential' Universities (Internal and External Examinations), the Open University, the Technical Colleges and the Affiliated University Colleges.

42 This currently operates as 40 per cent on an all-Island merit quota, 55 per cent on a district basis and 5 per cent for the 12 under privileged districts for all courses other than in Arts. Whilst the quota system has now been theoretically removed in the case of entrants to Arts courses, the UGC is required to ensure that the quota for each district is not below that which was applied in the academic year 1993/94 when the quota system was still in operation.

What passes for a system of admission to higher education thus suffers from a series of defects and inadequacies:

- The system is highly centralised within the UGC; is heavily bureaucratised and rigid; and resists attempts at introducing flexibility. Its major concern would appear to have been that of presenting itself as meeting `equity ideals'.

- The system with its many ad hoc changes has lacked consistency and predictability adding to the frustrations of the youth.

- The system has not paid any attention to the issue of the aptitudes of the entrance seekers for different courses of study or their suitability for university education. It has taken this factor for granted.

- The current system lacks transparency. The absence of transparency contributes to perceptions of possibilities of corruptive manipulation of the system. This denies the system credibility in the eyes of those whom it is designed to serve - leaving the feeling in their minds that their being outside the universities is the fault of the system.

- The rigidity of the system which strictly links a specific year's intake to the results of a particular year's GCE (A/L) examination denies possibilities for would be entrants to spend time at work[43] prior to returning to studies.

A way out of the current dilemma needs to be found. It would, however, be unrealistic to attempt to introduce a single package of correctives all at once expecting the system to correct itself overnight. The problem calls for a medium term corrective process which clearly identifies the future directions of the system and the elements of the reform process required to get there. These are briefly dealt with in the paragraphs which follow.

a. The basis now used by the UGC for selection of students to the universities is the aggregate marks obtained at the GCE (A/L) examination. This examination is essentially a subject examination and an achievement test. It is incorrect to use these marks to test the capacity of a student for pursuing university courses.[44]

   This Study, therefore, supports a proposal which has, for quite some time, been made by experienced educationists. The GCE (A/L) examination marks should be used only as a standard qualifying mark and the actual selection to universities and to courses should be on the results of specific

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43 This would enable young people both to establish a foothold in the employment market as well as to acquire financial resources which could help them and their families whilst they engage in higher studies. This would be of special value to students from low income groups.

44 This would also appear to be a major reason for the emergence of so many `tutories' and for students to get away from the school system and to move towards the tuition system.

aptitude tests conducted by the universities individually or jointly.[45] It is important that they be conducted by the universities themselves[46] and not by an extraneous body such as the present UGC.

b. To make such a system work the responsibility for admissions to individual universities should lie autonomously with the university concerned.

c. It also entails doing away with the district quota system.[47]

d. Greater scope could be provided for students to sit for their undergraduate examinations as external candidates. This would be a major step towards the easing of pressures on the limited number of `on campus' places. The production and availability of course material, the conduct of ad hoc preparation courses at selected centres during the regular vacations of the universities and the upgrading of the country's academic library system are some support measures which could help in this process.

e. In the future expansion of the higher education system, much greater stress should be laid on the extension of the facilities within the Open University sub-system. This would also encourage students to follow the option of combining studies and work.

A major area of discontent amongst students and parents is the unacceptable delays which have crept into the selection and induction process during the past ten years. There is a waiting period of two and a half years between the completion of the GCE (A/L) examination and the eventual entry to the universities.[48] With the individual universities making their own selections and being reimbursed costs according to the numbers to whom they cater, a beginning could be made in devising strategies to eliminate this backlog of delays.

As has already been mentioned, the only mode of entry to a university is through the GCE (A/L) examination. This has introduced a high level of rigidity to the structure of higher and tertiary education with a heavy compartmentalisation of the two sub-sectors. It has had the unfortunate effect of locking the youth into predetermined channels without any opportunity for mobility as suggested by changes in the employment market, by recognition of latent potential

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45 In order to remove possible discriminations and overcome any possible public misconceptions, necessary precautions should be taken to ensure that these tests are neither language biassed nor biassed towards a particular socio-economic class or group. Whilst aptitude tests should be used for selection of students to all institutions of higher education, they could be course-specific.

46 The original practice was to admit students, on merit, through a competitive examination which included an interview, with aspirants to science courses having to face a practical examination.

47 Instead, the universities could reserve a percentage of places in each course for students from disadvantaged Administrative Divisions.

48 Adding to the frustration of the students is the inordinate delay even in announcing the cut off marks. For example, in the case of the GCE (A/L) examination held in August 1993, the results of which were released in December 1993, the cut off marks for the various courses of study were announced by the UGC only in March 1995.

or by the discovery of lack of aptitude for courses already chosen. Flexibility is not a feature of the country's university system.

It is, therefore, necessary that the higher and tertiary education system, as a whole, should be underpinned by a more open ended process characterised by optimum mobility within it. Such flexibility would, for example, be provided for by several changes.

a. Provision could be made for those in employment to enter universities and other institutions within the higher and tertiary system as full- or part-time students.

b. Those who have followed courses in one institution could, if they so desire, be allowed to enrol for courses in others, including the universities, at different stages.

c. Credit could be assigned for courses at `certificate' and `diploma' levels as partially satisfying the requirements of degree level courses.[49]

d. The course content and the basic entry requirements of the different programmes offered by the different institutions in the higher and tertiary sector, including universities, should be under continuous review, led by the HTEC, with a view to encouraging and facilitating mobility.

Several ad hoc initiatives in flexibility have already been taken. While the problem of pre-qualifying subjects is yet to be addressed, a start has been made at the University of Kelaniya by the introduction of sandwich courses which will enable students to take a break in between the first year and the degree examination to acquire work experience. Attempts also have been made to make university education more responsive to market needs by establishing English Language Teaching Units in each university. The availability of graduate and postgraduate courses in Textile Engineering (Moratuwa) and the Research Centre for Mass Communication (Kelaniya) are further examples of attempts to provide programmes that are in keeping with the needs of the employment market. These initiatives point to the vast range of possibilities that lie ahead.

For such changes to come about, it is essential for all higher and tertiary sector institutions, both public and private, to regard themselves as autonomous elements within a comprehensive system.

Faculty

The university system as a whole is chronically short of qualified and experienced teachers. The approved teaching cadre for the eight 'residential' Universities in 1992 was 2,540. The number of permanent staff actually in position fell short of the approved cadre by 26 per cent

49 For example, the Diploma awarded on the successful completion of the present NDT course at the Moratuwa University could be used as credit for entry to degree level courses in engineering.

in the entire system - the worst being 47 per cent in the Faculty of Architecture in the University of Moratuwa and 43 per cent in the Faculty of Medicine in the University of Ruhuna. The situation is even more complex than appears on the surface. The existence of a large cadre of temporary staff, 764 in 1992, has resulted in adding confusion to the staffing situation of most faculties. The majority of this temporary staff are new graduates, with no postgraduate training, on two year contracts. The quality of teaching is, thereby, adversely affected. Post graduate training in foreign universities has been the primary method of staff development followed in the past, but this method is now being increasingly replaced by local post-graduate training.

A primary cause of the shortage of staff is the limited number of good quality graduates who are produced by the universities each year. This affects the available pool which could be tapped for faculty positions. The paucity of good quality graduates is a reflection of the relatively poor quality of the general intake of undergraduates, of the inadequacy of their knowledge base as well as of the quality of teaching.

The competition from the corporate private sector, as well as comparable public sector institutions, for the limited pool of good quality graduates adds to the difficulty of universities in attracting the calibre of staff they require. The inability of the universities, under their present rigid salary systems, to provide the required incentives to graduates in specific disciplines without repercussions on the total university salary structure (including gardeners and labourers) complicates the problem further.

The flexibility which institutions would have, under an autonomous arrangement, in regard to selection of undergraduates, to setting compensation packages for their different faculties as well as to the actual recruitment processes could, in the view of this Study, make a significant contribution to the resolution of the current impasse.

Student Needs

Perhaps, the most acute problem faced by university students, specially of rural origin, is that of accommodation.[50] Hardly any attempt has been made to tap the co-operation of Community Organisations, NGOs (religious as well as secular) to bridge the gap. For such voluntary co-operation to become activated, a closer link should come about between the university administration and the community.[51]

The culture of the Sri Lankan university system also appears to preclude close interaction, as occurs in other countries, between the prospective students and the university administration prior to their actual arrival on their respective campuses. Such interaction would have helped students to adapt to the new environment.

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50 According to information gathered, the mere occupancy of a `camp cot' in an overcrowded small room costs a student Rs. 300 to 400 per month. Their claim that they have to use public facilities for their toilet needs appears to be no exaggeration.

51 To cite one example, when the Medical Faculty of the Ruhuna university had a problem of providing hostel facilities to its students, a philanthropist came forward to provide a commodious house free of charge to the University to be used as a Hostel.

The youth in the universities have the perception that their needs and problems do not receive the attention they deserve. These perceptions are strongest in the minds of the student cohorts from the rural areas. Converse is much of the perception of those responsible for policy formulation who face the dilemma of trying to respond to demands in a context of dwindling resources - that the radical ethos of the students contributes to a magnification of the needs and problems. The result is a continuing confrontation.

7.2 Institutes of Advanced Education

The Affiliated University Colleges, which were established in 1991, are a misnomer. Whilst they were affiliated to the Universities of Sri Jayawardenapura and of Peradeniya for purposes of management oversight and support, they are not academically affiliated to them in the sense that such affiliation is normally understood. It was as if the name `Affiliated University College' was assigned to give a false aura of `respectability' to them with a view to lulling the youth into complacency. The designation and the pseudo-affiliation has, four years after their initiation, led to student agitation flowing from perceived gaps between expectations and realities.

Much of the current dissatisfaction could be countered through the suggested changes elsewhere in this Study that the present rigidity in the system of admission to universities be obviated through the introduction of multiple avenues of entry. This would contribute to a more rational restructuring of this constituent of the higher and tertiary education sector.

Considering that these institutions would be catering to pre-degree certificate and diploma courses and that their minimum admission requirements would remain the GCE (A/L) examination, they should be designated as Institutes of Advanced Education (IAEs).

They should be outside the administrative and financial control of any university.

There is, obviously, a wide range of areas of specialisation in which the IAEs could contribute to the demand for professional skills by the employment market. These include, amongst others, skill requirements related to: Health Care, Agricultural Production, Industrial Production, Tourism, Marketing, Public Relations, Advertising, Media; Language Skills; Information Technology, Transport, Banking and Finance, Fisheries.

It would, however, be appropriate, at least in the short term, to consider limiting the range of specialisations on which each IAE would focus. This would enable each IAE to develop its own special identity.

There have, for a long time, also been institutions initiated and managed by different ministries, departments and other agencies of government which have provided limited courses of training in some of the above areas.[52] The time is now opportune for these institutions to be de-linked from their present overseeing agencies and to be converted to

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52 Examples include Schools of Agriculture; The Ceylon Hotel School; Nurses Training Schools

autonomous IAEs. They could, then, be expanded and upgraded as truly academic institutions to provide multiple courses in their respective areas of specialisation.

It is recommended that the individual IAEs, which emerge from such de-linking and from the present AUCs, should function autonomously in keeping with the general pattern suggested in this Study for all institutions in the higher and tertiary sector. They could, initially, be `clustered' for purposes of management, but should be `declustered' as they grow in size and range of course offerings and be encouraged to develop their own individual identities.

7.3 Technical Colleges

The Technical Colleges, as they are constituted and operate at present, are conceptually contradictory in that they offer courses both at the diploma level and at the craft level. This duality is a major constraint to the development of tertiary level education and should be ended without delay.

Those craft level courses which must continue to be delivered by the public sector should be removed from the Technical Colleges. They should come within the purview of institutions and programmes under the aegis of the National Apprentice and Industrial Training Authority (NAITA). If required, the physical facilities of some of the existing Technical Colleges could be diverted to accommodate the craft level programmes.[53]

Even more appropriate, however, would be to rapidly move the responsibility for the actual delivery of craft level vocational training to the private sector, to be regulated by the proposed Vocational Education Commission (VEC)[54] and supported by the constitution of a Skill Development Fund for its financing.[55]

The Technical Colleges, with their diploma and certificate level courses, would constitute a critical component in the structure of the higher and tertiary level of education. The quality of their products would be a key determinant in attracting higher levels of investment. Hence the importance of improving the quality of their courses and of enhancing the relevance of the courses to the demands of the employment market.

The reality today in regard to the performance of the Technical Colleges is dismal.

- The course offerings and their content lack relevance to the demands of the employment market of a modernising economy.

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53 Such recommendations have been made on several previous occasions but have not been acted upon due, in the main, to bureaucratic and political inertia.

54 See Section 6.

55 This aspect is not discussed in detail in this Study as it falls outside its ambit.

- Faculties are of inadequate quality and the salary structures, which are linked to government salary systems, fail to attract persons of appropriate quality.

- Physical infrastructure and facilities are inappropriate and inadequate.

- Even institutions which had a high reputation at their initiation and whose products were in high demand[56] have tended to deteriorate.

A major process of restructuring of the Technical Colleges which are to offer courses at the Diploma and Certificate levels, thus, becomes necessary. Such a process of restructuring should be based on:

- The identification of the areas of specialisation on which these institutions would focus.

- The determination of the specific courses which each institution would concentrate on.

- The setting out, by the Higher and Tertiary Education Commission (HTEC) proposed elsewhere,[57] of the academic standards for each of the courses of study to be offered.

- The laying down, also by the HTEC, of the academic and other qualifications of the faculty who would teach such courses.

There is no specific reason as to why these Technical Colleges should also not be redesignated as IAEs. This would contribute to a reduction of the different categories of higher and tertiary institutions in the public sector.

The Technical Colleges, restructured as IAEs, should be `clustered' in order that they may yield more viable management units. This could be effected on a geographical basis or on the basis of their main courses of study - e.g. engineering and technology; accountancy and management etc.

7.4 Colleges of Education

One profession which will continue to demand large cohorts of trained professionals is that of teaching - both at the secondary and at the primary level.[58]

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56 As, for example, the Hardy Technical Institute which is now known as the Ampara Technical Institute.

57 See Section 6.

58 The present cadre of teachers within the Ministry of Education alone is 186,926.

At present there are sixteen Teachers' Training Colleges and seven Colleges of Education which provide training and education for teachers. The Teachers' Training Colleges are controlled by the Ministry directly whilst the Colleges of Education are under the direction of the National Institute of Education which also conducts distance education programmes for untrained teachers already in service.

It is the recommendation of this Study that the provision of education and training for the teaching profession - both for aspirants as well as continuing education for those already in service - be made the responsibility of one category of institutions. This should be the Colleges of Education. Their initial number could be set after an assessment of the workload involved. The physical facilities of both the present Teachers' Training Colleges and of the Colleges of Education could be used to house them.[59]

The Colleges of Education would have a major role within the future higher and tertiary sector. The heavy backlog of past untrained recruits to the teaching profession who need to be trained adds to the demand load on these Colleges of Education.

In order to perform their role effectively, the Colleges of Education should function with the same degree of autonomy as the Universities and the IAEs in regard to admission of students, financial management, recruitment of staff etc.

The products of the Colleges of Education are intended for a specific profession -- that of teaching - the practitioners of which require to possess specific aptitudes and attitudes. Hence, the process of selection of students for the course offerings of the Colleges of Education, in terms of the competitive selection tests etc., becomes critical.

The job requirements within the teaching profession would vary as between the primary and senior levels of education as well as in regard to specialist teachers. The Colleges of Education would need to cater to the different requirements by conducting several levels of courses. For example, a Diploma Course which stresses pedagogical skills would be appropriate in the case of teachers for Primary Schools, whilst a Degree Course which would combine pedagogical skills and subject knowledge would be a prerequisite in the case of teachers for Secondary Schools. Supplementary Diploma Courses would be required for specialist teachers.

The entry requirements for any of the courses of the Colleges of Education should invariably be kept at the GCE (A/L). The large cohorts of cadres inducted from time to time into the teachers' service without the GCE (A/L) qualification[60] need, therefore, to be upgraded through distance education programmes and the passing of qualifying examinations before they are admitted to courses at Colleges of Education.

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59 It is quite possible that such a process of rationalisation would yield surplus physical infrastructure which could be utilised to expand the network of IAEs.

60 This is but another tragic example of the absence of policy consistency in the education sector and the manner in which the long term interests of the future generations could be sacrificed for short term electoral interests!

8. Other Related Issues

8.1 The Secondary School System

The quality of the country's higher and tertiary education sector is closely co-related to the effectiveness and quality of the secondary school system. Therefore, even though the secondary school system is not a focus of this Study, reference needs to be made to some of the more relevant aspects thereof.

Though there is constant reference to equity and equal opportunities as goals in education, the reality on the ground is very different. For example, some areas of the country lag far behind others in regard to schools with classes up to Year 13 in Science, Commerce and Arts. There is unequal distribution even within Provinces and Divisions.

It was to overcome such problems that Central Schools began to be established in the late 1940s. They served rural children at least in some of the then administrative districts[61]. However, with the passage of time and with the demand pressures for expansion of the availability of secondary schooling, the system, instead of being refined and improved was allowed to be diluted.

The abandoning of the Central School system was due to a predilection for satisfying popular aspirations at the expense of quality. Schools were overnight converted to Maha Vidyalayas with no commensurate facilities. In place of establishing one or two Central Schools (or Madhya Maha Vidyalayas) with upgraded facilities, a large number of schools were designated as Maha Vidyalayas and the limited facilities of the Central Schools were distributed among the newly `promoted' Maha Vidyalayas. The net result was that almost all of them lacked the required facilities to provide a quality education.

Recognising the drawbacks of having allowed the school system to be diluted, a system of National Schools was introduced in 1980 with the idea of having schools of excellence in every administrative district. Originally there were only 18 such national schools under the direct control of the Ministry of Education, with the schools with the best facilities being selected. At the same time, further groups of schools were to be improved and promoted to the level of National Schools. The idea was for schools of excellence to be established throughout the country over a period of years.

However, the inevitable happened! Within a short time the name `National School' came to be a status symbol. A general clamour arose from the people of different areas, backed by respective politicians, that their schools too should be promoted to National School status! The concept of excellence and of quality was forgotten and the system was expanded to cater to the popular demand. Today there are over 140 National Schools. Even after the

61 Up to 1987, Sri Lanka was divided into 25 Administrative Districts. With the introduction of a devolved policy in 1988 and a programme of administrative de-concentration in 1992, the present sub-national levels are the Province and the Division.

expansion at the cost of standards there is still no equal distribution of these schools in the remote areas.[62]

The absence of an adequate network of appropriately spatially spread schools of excellence at the Senior Secondary level, thus, continues. This is a serious impediment to the smooth functioning of the higher and tertiary sector of education by denying it of an effective supporting supply base of high quality candidates:

- It limits the number of high quality senior secondary level students who could be considered by the higher and tertiary level institutions for admission.

- It impedes the access of rural students to those higher and tertiary courses of study which are likely to better provide entry to the emerging employment market.

- It encourages the perpetuation of the unsatisfactory system of district quotas for entry to the Universities.

- Within the district quota system, it foists on the Universities students who are ill-equipped to cope with the rigorous demands of university education.

Secondary education is a subject devolved to the Provincial Councils under the Constitution. The establishment of provincial networks of schools of excellence which are fed by primary and secondary school clusters is, therefore, a priority supportive element in the improvement of higher and tertiary education. Such networks need to be backed by dedicated systems of school transport and by bursaries to support out-of-home living expenses where appropriate.

National standards on such aspects as qualifications of teachers, teacher-pupil ratios, physical facilities, educational infrastructure such as science laboratories etc. should be laid down for such schools of excellence, which are best designated as 'Central Schools',

Such a cluster system with schools of excellence as their nodal points would obviate the need for the continuance of the Year-5 Scholarship Examination, which has nothing of educational value to recommend it.

8.2 Medium of Instruction

A major characteristic of all courses of study in the higher and tertiary sector of the education system is their being subject to rapid changes in their information and knowledge bases. Such

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62 An exception appears to be the Badulla District with a school population of 191,410, which provided the country's Minister of Education from 1988 to 1991 and later in 1993-94. This District is almost overcrowded with 29 National Schools. As against this, the Districts of Colombo, Gampaha and Kalutara with a total school population of 905,611 also have 29 National Schools!

changes, which are continuous, occur, in the main, outside of Sri Lanka, particularly in the technologically advanced countries. The voluminous output of literature which supports this information and knowledge base must, necessarily, be accessed by the Sri Lankan students if they are to be effective in the practice of their professions and are to appropriately contribute to the country's development.

This literature is generally available in foreign languages, depending on their point of origin, but particularly so in the English language into which even the output in other languages gets translated.

Thus, the Sri Lankan students at the higher and tertiary level who have received their secondary level education face a serious problem of accessing accretions to modern knowledge and information.[63] A way out of this impasse has to be found.

The option of translating the continuous literature explosion into Sinhala and Tamil is ruled out by its enormous financial costs and by the unacceptable time lags involved.

The option of using classroom lectures as a vehicle for transmission of such information and knowledge is inhibited both by constraints of time as well as by the inability of the students to analytically approach the sources on their own.

The only viable option would appear to be to equip the students with a level of competence in at least one of the international languages, mainly English,[64] which would enable them to acquire the capacity to effectively access the sources of knowledge and information. A combination of approaches could be used for this purpose:

- Any periods of waiting time between actual selection for and entry into the respective higher and tertiary institutions could be used to mount outreach courses for spatially located groups of would-be-entrants.

- Post-entry courses of instruction could be conducted for students already in the higher and tertiary level institutions both during academic terms and during vacations.

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63 Sri Lanka is not alone in facing this issue. Malaysia is faced with the same problem. As stated in the Far Eastern Economic Review of 31 August 1995, "..... The opening up of tertiary education to the Bhumiputras coincided with the implementation of Bahasa Malaysia ..... as the medium of instruction in the country's schools. Now ..... Bahasa is also the medium in the universities. As a result ..... unfamiliarity with English is common among all the races. That language gap has meant a dip in standards. One reason is that the bulk of most degree courses is in English. Says Professor Ungku Aziz, a former Vice Chancellor of University of Malaya, `The deterioration has come about because students have lost their ability to learn in English'. ..... The former Vice Chancellor suggests a renewed emphasis on pre-university education. Students, he says, `have to be taught how to develop their minds, feel their way through a text book and to lose their dread of English'."

64 This certainly should not preclude students acquiring competence in other foreign languages, if time and resources were available.

Several pre-requisites are necessary if this approach is to be effective:

- The responsibility for ensuring adequate competence in the English language should rest squarely on the specific higher and tertiary institutions and should be made a core responsibility of theirs.

- The course content of the language instructional programmes should be specifically developed geared to the objective of providing the students with the ability to access the relevant literature.

- Special cadres of instructors would need to be trained for conducting the language courses.

The situation as regards competence in the English language at the higher and tertiary level would be considerably strengthened by emphasis on English language teaching at the secondary school level. The need is so acute that resorting even to extending the school day and to increasing the number of school days would be an appropriate measure.

One of the causes of the failure to inspire adequate interest amongst the students in the current English language courses in the universities is the feeling amongst them that what is expected of them at examinations is merely the reproduction of their class room lesson contents. They, thus, see no reason to attempt to access the knowledge and information found in the related literature and to acquire language competency to do so. Therefore, a complete change in the approach to examinations would be a necessary adjunct to the successful launching of a language competency enhancement effort to enable students to access new knowledge and information.

8.3 Continuing Policy Review

The need for continuing evaluation of ongoing education policies applies to higher and tertiary levels of education as much as it does to primary and secondary education. Examples of inadequacy of policy review abound. A decision which, on hindsight, is seen to have been incorrect, was the hurried establishment of Junior University Colleges (JUCs). Within a few years they had to be closed down both as those who passed out could not find gainful employment and the incoming administration did not favour the JUCs.

The above example points to a major gap in the education system - the absence of a continuing national policy on education. The system tends to change with successive changes of administrations. Major policy changes do not require even changes of governments! A change of ministers would suffice! For example, a change of Ministers of Education in 1989 led to the immediate abandonment of the `continuous evaluation system' introduced during the tenure of the predecessor minister.

The analysis and formulation of policy options should, obviously, be a major task of the National Education Commission which carries the responsibility for all aspects of policy review in the area of education.

However, the National Education Commission, which was established in July 1991, does not appear as yet to have been able to pay the required attention to the higher and tertiary sector. No public reports of the Commission presenting its recommendations regarding policy options for this sector are yet available. This is a lacuna which needs to be filled without delay.

9. Elements of a Reform Agenda

The preceding discussions in this Study contain the elements of a medium term reform process towards the achievement of the objectives of improving the employability of the outputs of the higher and tertiary education system, enhancing the productivity of the system components, improving access to higher and tertiary education as well as introducing greater rationality to the system. These are brought together below, for convenience of reference, as elements of an integrated reform agenda.

The agenda restricts itself to highlighting the changes which need to be carried out. It does not purport to set out the action steps which need to be taken to effect the changes. These will have to be further worked out, specifically, in detail as a series of programmes of action once the proposed changes are considered and accepted.

9.1 Enhancing Employability

9.1.1 The institutions of the higher and tertiary sector should take the initiative to establish continuing consultative mechanisms between themselves and the institutions in the corporate sector (Chambers, Federations, etc) to support the process of designing and modification of courses of study.

9.1.2 The individual courses of study provided by the different institutions in the higher and tertiary sector should be kept, by them, continuously under review based on empirical studies and on the information gathered in the interactions with the Chambers, etc suggested above.

9.1.3 The revision of courses of study in the higher and tertiary sector should emphasise the broadening of the information and knowledge base of graduates, developing their analytical and problem solving capacity, enhancing their familiarity with information technology, developing competence in English and other foreign languages and introducing a higher content of practical and applied aspects of the subjects being studied.

9.1.4 Action should be taken to establish a Labour Market Information System (LMIS) as a tripartite activity of the government, the private sector and the higher and tertiary education institutions. The information disseminated by such a system

should be actively utilised by the higher and tertiary institutions as well as by the secondary schools to provide students with career guidance.

9.2 Improving Access

9.2.1 The entry process to higher and tertiary institutions should be made more flexible so as to provide alternative entry modes, to permit interruptions to the following of courses and to permit students to be concurrently in employment.

9.2.2 The quota system which is currently used for admission of students to universities should be done away with.

9.2.3 The GCE (A/L) marks should only be used as a standard qualifying mark for application to universities which would, thereafter, conduct specific aptitude tests for the applicants to different courses. Under this change, the responsibility for admissions would rest with the individual universities.

9.2.4 Greater scope should be provided for students to follow their undergraduate courses as external candidates. The stress in the future expansion of the capacity of the higher education system should be laid on the Open University sub-system.

9.2.5 The higher and tertiary sector, embracing both public and private institutions, should function as an inter-linked system providing for optimum mobility for students amongst the component institutions and their courses of study.

9.3 Financing

9.3.1 The future approach to the financing of higher and tertiary education should be based on cost recovery, by the respective institutions and the provision by the government of graded financial support to students whose income levels would not enable them to meet such cost recoveries by themselves.

9.3.2 The financial support to students with low incomes should be provided through an Educational Support Fund.

9.3.3 The capital investment requirements of the public sector higher and tertiary institutions should continue to be the responsibility of the government.

9.3.4 As a means of finding their own additional resources, the higher and tertiary institutions should set up arrangements which would enable them to provide consultancy services to the corporate sector. The links established through such services could be utilised to seek endowments from the corporate sector.

9.4 The Institutional Structure

9.4.1 The public sector higher and tertiary institutions should become autonomous in regard to making of decisions on the range and structure of courses offered by them; the setting up specific admission criteria and effecting admissions; management of personnel as well as of financial and other resources.

9.4.2 A Higher and Tertiary Education Commission (HTEC) should be established to carry out the tasks of accreditation of institutions; the regulation of the structure, content and certification standards of their courses as well as of the standards of their faculty; the setting of guidelines for cost recovery.

9.4.3 With the establishment of the HTEC, the present UGC should be abolished and the functions of the present TVEC should be limited to craft level vocational training.

9.4.4 In so far as the public sector institutions are concerned, the future short-term agenda should emphasise the upgrading, expansion and optimal utilisation of the available facilities rather than expanding their number.

9.4.5 A set of Institutes of Advanced Education (IAEs), which would offer Certificate and Diploma level courses, should be created through modifications to the present AUCs, specialised training institutions of different ministries, departments and agencies and the Technical Colleges. All these would come under the aegis of the HTEC.

9.4.6 The present duality in Technical Colleges should be obviated by removing the craft level vocational courses from their purview and handing them over to NAITA. The HTEC should decide on the areas of specialisation of each of the Technical Colleges which would conduct Certificate and diploma courses.

9.4.7 Through a rationalisation of the facilities of the present Teachers' Training Colleges and the Colleges of Education, a series of Colleges of Education should be created to provide Diploma and Degree level courses of study designed for the teaching profession. All teachers to be recruited in the future should be products of these Colleges of Education which would function as autonomous institutions.

9.4.8 Future policies and strategies should be so designed as to provide a facilitative environment for the growth of non-profit higher and tertiary level institutions in the private sector as an option for expanding the places available for aspirants to higher and tertiary education. Such private sector institutions should be under the oversight of the HTEC.

9.5 Other Issues

9.5.1 Regional/Provincial networks of Central Schools, at the senior secondary level, should be established to provide a pool of high quality candidates for admission to universities and other higher and tertiary level institutions.

9.5.2 The higher and tertiary level institutions should be made responsible for organising both pre-entry and post-entry programmes for teaching of English to their students. At the same time, greater provision should be made for the teaching of English in the senior secondary schools even by extensions to school time and school days.

9.5.3. It is necessary to recognise the need for continuous review of the policies and strategies which affect the higher and tertiary education sector in the light of the performance of the sector in relation to national requirements. This, therefore, should be a priority task for the National Education Commission.

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