



Pathfinder Foundation Election Myth Buster #4

Time to Stop Playing Politics with Education

The Constitution of Sri Lanka stipulates that education is a fundamental right. The population has achieved a literacy rate of 98.1%. From the time of the Kannangara Reforms in the 1940s, education at all levels has been primarily funded and administered by the government. The public school network has an enrolment of about four million students in over 10,000 schools across the nation. At tertiary level, there are 15 state universities.

Against this landscape, there is a tendency to be complacent about Sri Lanka's achievements in the education sector despite poor learning outcomes. There are some myths which need to be exposed, if the country is to develop a competitive workforce which is sufficiently skilled to be the basis for promoting sustained prosperity. Empowering people through education, training and skills development is the means through which this prosperity can be shared.

For this to happen the following 'myths' need to be 'blasted'.

- Sri Lanka is a highly literate and educated country which is well equipped to prosper in a highly competitive and globalized world economy. As such, it is an attractive location for domestic and foreign investment.
- Education must be provided 'free of charge' by the government at all levels.
- The current publicly funded education system supports the disadvantaged
- Increasing the funding available to the education sector alone is sufficient to deliver the desired outcomes.

This Pathfinder Foundation (PF) 'myth buster' seeks to draw on previous Economic Alerts to address these 'myths'.

Is the Sri Lankan education system fit for purpose in today's competitive world?

The introduction of free education from independence is seen as a major part of Sri Lanka's much vaunted record in social development. It has enabled the country to achieve very high enrolment rates in primary and secondary education, including an impressive female participation rate.

However, the quality of educational outcomes has been a serious problem. Sri Lanka's performance, when benchmarked against the successful countries of East and South East

Asia, is disappointing. Maths, Science and English education has been particularly weak. The drop-out rate from secondary education is high. At tertiary level, only 20% of those qualified to enter university are able to do so and quality is a problem. In addition, training and skills development programs are in short supply and are largely ineffective. The upshot is that there is an urgent need to strengthen the employability of students to meet the needs of a modernizing economy. The current system is delivering poor learning outcomes and does not equip the population with the aptitudes and skills necessary to prosper in a highly competitive world.

There is, therefore, an urgent need to upgrade education, training and skills development to take Sri Lanka out of a 'development trap' it is currently experiencing. Wage levels are now too high for the economy to compete with low-income countries, such as Bangladesh, Cambodia, Laos and Myanmar. At the same time, the quality of human resources/productivity is not high enough to compete with middle-income countries like Malaysia and Thailand.

In this connection, it is necessary to align education, training and skills development with the needs of the labour market and sectors where Sri Lanka has a dynamic comparative advantage. The system needs to be geared to meet the requirements of sectors with high growth potential, such as tourism, ICT/BPO, financial and accounting services, shipping, construction and light engineering (industrial parks). This has to be supported by an attitudinal shift which attaches higher value to technical training and skills development. The negative backwash effects of designing the whole education and training system to cater for the small minority, who pursue academic subjects at the tertiary level, should be addressed. Lessons can be drawn from the experience of countries like Germany and Japan.

It is important that these issues are addressed through policy-making processes in the education system. This should be undertaken in a consultative, pragmatic and non-ideological manner which focuses on obtaining the best possible outcomes in terms of both quality and equity.

It is not possible to sustain the argument that education, training and skills development are currently fit for purpose to meet the needs of Sri Lanka's modernizing economy.

Should education at all levels be provided "free" by the Government?

It is argued that education should be provided free as the whole of society benefits from a literate and numerate population. However, in practice, education is a private (rather than a public) good with externalities i.e. most of the benefits accrue to the individual, while there are also advantages for society at large. In this sense, education is more like food and clothing (essential private goods) rather than defence and street lighting (public goods).

There must, of course, be equality of opportunity. Every child must have access to education. However, it is legitimate to pose the question whether this can best be achieved through a pragmatic attitude to a combination of public, private and mixed provision and funding,

particularly in the context of constrained fiscal space. It should also be debated whether there would be merit in a targeted voucher system which can be used by parents to fund their children's education in a school of their choice (public or private). This would also introduce competition which can serve to raise overall standards.

The case for a radical review of the current failing system is further strengthened by the fact that 'free education' is not really 'free'. In practice, parents spend significant amounts of money on their children's education in various ways. This includes expensive private tuition to compensate for poor learning opportunities in schools. This is a widespread phenomenon which is casting an onerous burden on many families; rich and poor. It fundamentally undermines the "myth" of free education. It also strengthens the case for a thorough and pragmatic review of the current system

The present system is also characterised by a 'dysfunctional accountability framework'. When teachers are paid out of the public purse they become accountable to the government rather than to the students/parents. However, as education has a significant private good component, the provider should be more accountable to the latter who are the customers. This misalignment in accountability plays a major role in fostering poor quality teaching and administration, including a high level of absenteeism. There is a case for establishing school boards, involving parents and community leaders, for increasing accountability at the local level.

Does the current education system support the disadvantaged ?

The case for free education is often framed in terms of assisting the poor. This is not borne out in reality. While the rich ensure their children get the best possible education, the poor suffer most from the quality related issues associated with the current public provision and financing of education. Poor quality teachers, absenteeism and lack of basic facilities (ranging from science facilities to toilets) disproportionately affect rural schools and those in under-served urban areas.

In addition, free university education generates a huge 'rent' (the difference between private benefits and public costs). The rich are much better placed to capture these benefits. A disproportionate number of students from more well-off backgrounds are able to enter disciplines which are not only more costly but also prepare them for more lucrative occupations e.g. medicine, law and engineering. The combination of greater costs, which are financed by the government, and higher lifetime incomes means that the better-off students are able to secure very large 'rents'. This means that at tertiary level free education clearly brings about perverse outcomes in terms of equity.

Justifying government provision of free tertiary education as a means of assisting the poor is, therefore, a myth. High priority must be attached to a very pragmatic attitude to public, private (including foreign) and mixed provision of higher education. Quality should be assured through robust accreditation and regulation. Another debate should be had on whether greater equity can be achieved for society as a whole through a well designed and targeted system of student grants/loans.

Is increased funding the panacea for the ills of the education system?

The Sri Lankan government has been spending a little under 2% of GDP on education. The average for Asia is 2.9% and for the OECD it is 3.4%.

It has been argued that the government spend on education should be increased to 6% of GDP. While more funding can be justified, it is important to recognise that this will not be the panacea for all the ills of the education sector. Spending more money on salaries, bricks and mortar is not the whole answer. In this connection, it is instructive to learn from the Malaysian experience. In 2011, the Malaysian government spent 3.8% of GDP on education. This compared favourably with the top Asian performers, such as Japan, Singapore and South Korea. It was also higher than the OECD average. Despite this impressive funding commitment, the Malaysians found that:

1. Other countries were improving learning outcomes (student performance) more rapidly and found ways of sustaining that momentum; and
2. International assessments indicated that Malaysian student performance was declining in absolute terms as well.

Despite its robust financial commitment to education, Malaysia found itself among the bottom 30% of countries, in terms of learning outcomes. This highlights very vividly that additional money alone is not the answer. It has to be complemented by comprehensive reforms.

The Malaysian response was to develop a new Education Blueprint which was drawn up after consultations, involving 50,000 stakeholders. It is designed to lift Malaysia to reach the international average in terms of educational attainment by 2020 and reach the top 30% of countries by 2027. The Blueprint contains 11 areas of reform, including recruitment of teachers from the top 30% of graduates; high performing school principals; increasing access and improving quality through benchmarking against international standards; empowering education authorities at the local level; improving ICT and WiFi access; improving delivery through results-based approaches in the Ministry of Education; including parents, communities and private sector; and annual performance reports which make transparent the progress towards targets set out in the Education Blueprint. These reforms are to be implemented in three stages over a period of 12 years ending 2025.

It is still too early to assess the impact of these reforms. However, an important lesson for Sri Lanka is the urgent need for a consultative approach to develop holistic reforms in education, training and skills development.

Empowering our youth to provide world class human resources

Sri Lanka's aspirations to transform its economic prospects cannot be met without better preparing its young people for today's highly competitive world. This places a high premium on reforms at all levels of education (primary, secondary and tertiary as well as vocational training). The PF would like to emphasise that Sri Lanka can no longer be content with

success in terms of basic education. Reforms must be introduced to the education system which incentivise the development of world class human resources. This requires a strategic and holistic approach to reform and a pragmatic approach to public/private/mixed provision of education at all levels.

Your comments are welcome at

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