GOVERNMENT OF SRI LANKA’S HUMAN CAPITAL DEVELOPMENT STRATEGY

1. Sri Lanka is currently experiencing a period of strong economic growth that is expected to last over the medium term. This economic activity and the cessation of civil unrest has resulted in the creation of several new jobs in various priority sectors such as Leisure and BPO/IT services. In order to prepare for this growth and capitalize on the opportunity, the Government of Sri Lanka (the government) will have to prioritize developing the human capital base in the country. Furthermore, developing human capital and securing employment will help ensure the well-being of the people and improvements to their overall quality of life.

2. The task of developing human capital in Sri Lanka is a complex and multifaceted one which falls at the intersection of several ministries and government agencies. Given the complexity of this task, the government tasked the Ministry for Human Resources within the Secretariat for Senior Ministers to develop a national policy for human resources, which would encompass all the various efforts currently underway to develop the human capital base and also align these plans with the future needs of the country.

3. The recently launched National Human Resources and Employment Policy (NHREP, October 2012) is an overarching framework that does exactly this and sets the stage for all human capital development activity in Sri Lanka over the next 10 years including the work carried out by several other Ministries. This new policy is a leap forward for the government in raising the agenda for human capital development and ensuring that all areas of Government are prepared to deliver on this important goal.

4. The NHREP was developed in alignment with the “Mahinda Chintana: Vision for the future” which provides the overall national development plan and is guided by the vision of “Sri Lanka—the Wonder of Asia, in which all persons of working age become globally competitive and multi-skilled, and enjoy full, decent and productive employment with higher incomes in conditions of freedom, equity, security and human dignity.”

5. More specifically, the NHREP has five main goals: (i) to promote full, productive and freely chosen employment for all women and men in Sri Lanka; (ii) to develop a highly competent, globally competitive, multi-skilled and productive workforce; (iii) to improve incomes and the quality of life of the working population across different sectors and regions; (iv) to provide the fullest possible opportunity to each worker without discrimination; and (v) to safeguard the basic rights and interests of workers in line with national labor laws and key international labor standards. These goals of the NHREP and their alignment with the overall government policy framework ensure that all government organizations can work in a unified manner with a clear set of priorities. As part of these priorities, the NHREP also seeks to address the needs of the target groups who are at higher levels of unemployment in particular youth, women, those in lagging regions and vulnerable populations.

6. The NHREP has taken into consideration other key active policy documents related to human resources and employment such as the Education Sector Development Framework and Program (2012) and the National Policy Framework on Higher Education and Technical and

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7. The NHREP was formulated though the significant effort and coordination of the Secretariat for Senior Ministers working through a National Steering Committee and 10 thematic working groups to draft the final policy statement. The Policy received approval from the President of Sri Lanka and the Cabinet and was launched on 30 October 2012. Having received this approval, the Secretariat for Senior Ministers is currently formulating a plan to help coordinate and monitor the implementation of the policy through the establishment of a National Steering Committee and Program Monitoring Unit (PMU) at the Secretariat. The PMU would act as a coordinating body that would liaise with each of the line Ministries including the Ministry of Education (MOE), Ministry of Higher Education (MOHE), and the Ministry of Youth Affairs and Skills Development (MYASD) to ensure that the policy is implemented.

8. The government will likely allocate ~$15 billion over the period of 2013–2023 for education related efforts in primary, secondary, tertiary and vocational education and technology and research to help achieve the goals set out in the NHREP. Of the $4.9 billion, the government and development partners plan to allocate to school education alone for the next 5 years (2013–2017), $624 million is expected to be spent on capital expenditures. This significant investment will be made to upgrade the access, quality and outcomes of the education system, including several long-term initiatives such as the flagship 1,000 Secondary Schools Development Program within the MOE. NHREP’s long term planning and investment horizon makes it feasible for government agencies, including the National Planning Department within the Ministry of Finance, to better plan and allocate the necessary budget for activities in human capital development. Furthermore under this framework, line Ministries such as the MOE will also be able to work towards stronger and longer term planning of sector strategies in line with overall national objectives.

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10 This is based on future projections using 2013 budget forecasts for 2013, 2014, and 2015 as the basis.