

## SECTOR ASSESSMENT (SUMMARY): EDUCATION

### A. Sector Performance, Problems, and Opportunities

1. **Overview.** Sri Lanka reached upper middle-income country status in 2019 with a per capita income of \$4,020. However, it was reclassified as a lower middle-income country in June 2020.<sup>1</sup> Growth began to slow (2.3% in 2019),<sup>2</sup> partly because of the 2019 Easter bombings, which devastated the country's vital tourism industry, a main source of jobs, and discouraged foreign investment. The impact of the coronavirus disease (COVID-19) pandemic is expected to contract real gross domestic product by 5.5% in 2020<sup>3</sup> and sharply increase poverty.<sup>4</sup> Sri Lanka aspires to be an advanced knowledge economy<sup>5</sup> but needs to develop its human capital and transition to higher-value, more complex economic activities.<sup>6</sup> The COVID-19 outbreak<sup>7</sup> disrupted education for more than 5.57 million learners (including 2.73 million at secondary level) when schools and universities had to close.<sup>8</sup> In response, the government is implementing the Contingency Emergency Response Plan for general education,<sup>9</sup> using e-learning platforms and/or classes through television. However, children and teachers in rural areas lack internet connectivity, access to devices and digital platforms, and the training required for distance education.<sup>10</sup> Thus, the pandemic has exacerbated rural–urban inequity, while causing earning losses that could lead to increased dropouts.<sup>11</sup>

2. **Sector overview.** The National Policy Framework of the Government of Sri Lanka (footnote 5) makes the development of human resources a national priority, stressing the need for comprehensive education reforms, and emphasizing innovation and technology. The General Education Sector Development Plan, 2020–2025<sup>12</sup> sets out the reforms required to achieve these national goals.

3. **Access and equity.** Sri Lanka has achieved near-universal access to primary and lower secondary education.<sup>13</sup> The net enrollment rates in 2018 were 99.1% in primary, 98.5% in lower

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<sup>1</sup> World Bank. [World Bank Analytical Classifications](#); and [GNI Per Capita Atlas Method](#) (accessed 10 September 2020).

<sup>2</sup> Asian Development Bank (ADB). 2020. [GDP Growth, Asian Development Outlook Supplement 2020–June 2020](#).

<sup>3</sup> ADB. 2020. [Asian Development Outlook Update: Wellness in Worrying Times](#). Manila.

<sup>4</sup> COVID-19 could push a further 2.8% of the population (or about 600,000 people) below the poverty line of \$3.20/day in 2020 (ADB estimates). In 2016, 10.1% were below the \$3.20 poverty line ([World Bank estimates](#)).

<sup>5</sup> Government of Sri Lanka. 2019. [National Policy Framework: Vistas of Prosperity and Splendour](#). Colombo.

<sup>6</sup> In a ranking of economic complexity, Sri Lanka's rank slipped from 69th out of 133 countries in 2008 to 78th in 2018. Harvard University. [Atlas of Economic Complexity](#) (accessed 30 August 2020).

<sup>7</sup> The government has so far contained the outbreak, with 4,242 confirmed cases (cumulative) and 13 deaths as of 7 October 2020. World Health Organization. [COVID-19 Dashboard](#) (accessed 7 October 2020).

<sup>8</sup> United Nations Educational, Scientific and Cultural Organization (UNESCO). 2020. [COVID-19 Educational Disruption and Response](#). Paris.

<sup>9</sup> Government of Sri Lanka, Ministry of Education (MOE). 2020. [Contingency Emergency Response Plan for the School Education Sector in Sri Lanka to Minimize COVID-19 Pandemic Disruptions](#). Colombo.

<sup>10</sup> In 2019, 44% of urban, 29% of rural, and 13% of estate residents (aged 5–69) were computer literate. About 30% (27.5% of rural, 12.2% of estate residents) are able to use the internet. Government of Sri Lanka, Department of Census and Statistics. 2020. [Bulletin of Computer Literacy Statistics of Sri Lanka - 2019 Annual](#). Colombo.

<sup>11</sup> Globally, COVID-19 is expected to cause a loss of 0.6 learning-adjusted years of schooling, increase by 25% the share of secondary children below the minimum proficiency level, and heighten the risk of school dropout. J. Azevedo et al. 2020. [Future Development—Learning Losses Due to Covid-19 Could Add Up to \\$10 Trillion](#). *Brookings Institution*. 30 July.

<sup>12</sup> Government of Sri Lanka, MOE. 2020. [Sri Lanka: General Education Sector Development Plan, 2020–2025](#). Colombo.

<sup>13</sup> The school system has three levels: primary (grades 1–5), lower secondary (grades 6–9), and upper secondary (grades 10–13).

secondary, and 81.4% in upper secondary education. Gender parity was achieved in primary and lower secondary schools, but at the upper secondary level, 107 girls are enrolled for every 100 boys.<sup>14</sup> The primary and lower secondary net enrollment rates are evenly spread across economic groups.

4. **Internal efficiency.**<sup>15</sup> The bottleneck starts in upper secondary education, especially in the General Certificate of Education Ordinary Level ('O' Level) and the General Certificate of Education Advanced Level ('A' Level) examinations for entering tertiary education. The importance of these exams for entering tertiary education and high failure rates result in many students dropping out or having to repeat the examinations. Cohort analyses from 2013 to 2018<sup>16</sup> show that between grades 11 and 12, 40% of students (48% boys, 32% girls) either drop out or fail the 'O' Level examinations.

5. **Labor market needs.** Sri Lanka's competitiveness will depend on the ability to build a diversified, young, and agile workforce equipped to take advantage of rapid technological developments.<sup>17</sup> Yet, the country faces a shortage of skilled labor in industry and services, and a shortage of employable young people. The unemployment rates among youth (21.4%) and women (7.1%) are higher than the national average of 4.4%. The percentage of youth not in employment, education, or training is 22% (29% for females, 14% for males).<sup>18</sup> The current labor market has three demands. First, jobs increasingly require graduates with a science and technology foundation, and graduates in commerce and management, especially in the service sector.<sup>19</sup> A survey found that the employment rate exceeds 90% for graduates of engineering, information and communication technology, and medicine; it is 71% for science graduates and 66% for management graduates, but only 32% for arts graduates.<sup>20</sup> In 2018, arts graduates accounted for 59% of unemployed graduates (footnote 18). Second, the demand for better skilled workers outpaces the demand for those with lower skills. Between 2015 and 2018, the number of workers employed in skilled jobs, such as managers and professionals, rose by 29%, while the number employed in less skilled jobs rose by 3.9% (footnote 20). Third, industry, services, and trade need workers with critical cognitive and computer skills, as well as English and non-cognitive, 21st century skills (teamwork, communication, problem solving, creative thinking). To meet these demands and ensure a human resources base receptive to the continuous learning of new skills and technologies, a sound foundation in relevant subjects and 21st century skills is needed.

6. Meeting labor market demand will require significantly increased school enrollment and completion rates in fields of study with higher employment potential—notably science, technology, mathematics, and commerce. The education system will have to overcome three major challenges

<sup>14</sup> [UNESCO Institute for Statistics](#) (accessed 4 August 2020).

<sup>15</sup> UNESCO defines repetition rate, survival rate, coefficient of efficiency, years-input per graduate, percentage of repeaters, promotion rate by grade, and dropout rates as indicators to measure the internal efficiency of education systems. UNESCO. [Glossary](#).

<sup>16</sup> ADB. 2019. *Sector Assessments*. Manila.

<sup>17</sup> Sri Lanka will have future jobs in geriatric and medical industries, and sustainable products and services in agriculture, renewable energy, and tourism. International Labour Organization (ILO). 2019. [Future of Work in Sri Lanka: Shaping Technology Transitions for a Brighter Future](#). Colombo and Malé.

<sup>18</sup> According to the ILO (ILOSTAT database), rates for youth not in employment, education, or training in 2017–2018 were 31% in South Asia and 17% in Association of Southeast Asian Nations middle-income economies. Government of Sri Lanka, Department of Census and Statistics. 2019. [Sri Lanka Labour Force Survey Annual Report 2018](#). Colombo.

<sup>19</sup> Services accounted for 47% of Sri Lanka's overall employment in 2018.

<sup>20</sup> Government of Sri Lanka, Ministry of Higher Education and Highways. 2013. *Graduate Employment Census*. Colombo; and ADB and ILO. 2017. [Sri Lanka: Fostering Workforce Skills Through Education—Employment Diagnostic Study](#). Manila and Geneva.

to meet these and other national goals: (i) poor learning outcomes among secondary-school-aged children; (ii) low completion rates among secondary students, especially in science and more employable streams; and (iii) capacity and institutional gaps.

7. **Quality, relevance, and learning outcomes.** Secondary education learning outcomes are poor.<sup>21</sup> In 2019, 26% of students did not pass the grade 11 'O' Level examination, while 38% did not pass the 'A' Level exams. For certain subjects such as 'A' Level mathematics, the failure rate was 63%, compared with 27% in geography and world history.<sup>22</sup> The causes are interlinked:

- (i) **Curriculum.** The curriculum is content-heavy, theoretical, and lacks an inquiry-based approach and practical applications, especially in science, technology, engineering, and mathematics (STEM). This leads to a skills mismatch with labor market needs.
- (ii) **Assessments.** The assessment system, with its high-stakes examinations, favors theoretical skills. It is not sufficiently calibrated (through benchmarking studies). Thus, it is difficult to know how students in Sri Lanka perform in comparison with students in other countries, and whether the problem is poor learning or consistently difficult exams.
- (iii) **Inadequate educational quality.** The quality of teaching and educational leadership, particularly in grades 10–13, is inadequate and also leads to poor learning outcomes. Teachers with sufficient subject knowledge (particularly in STEM subjects) are in short supply, and some teach subjects they are not qualified to teach. Teachers' professional development tends to focus on content knowledge to improve exam pass rates. Hence, teachers often "teach to the test," instead of fostering inquiry-based learning.

8. **Low completion rates among secondary students.** The completion rate in secondary education, especially in science streams, is low for multiple reasons.

- (i) **Limited access to science streams.** Only 28% of all schools offer classes for students beyond grade 11 (with 'A' Level streams), of which only 36%—the so-called "1AB schools"—offer all four STEM streams. Thus, 1AB schools represent just 10% of all schools. Other types of schools offer only arts and commerce streams.
- (ii) **Imbalance in deployment of teachers.** The shortage of qualified STEM teachers overall and a deployment practice that is skewed toward urban schools makes it difficult for non-urban students to access STEM streams. As a result, government efforts to increase STEM access in provincial and rural areas by providing additional classrooms and laboratories<sup>23</sup> have not led to the intended results. Secondary school enrollment in rural areas remains skewed toward arts subjects.<sup>24</sup>
- (iii) **Lower scores for science stream.** Lower scores in science discourage students. The pass rate in bioscience (54%) and physical science (52%) was clearly lower than in the arts (66%) stream (footnote 21).
- (iv) **Limited places in some tertiary courses.** Limited access to tertiary STEM

<sup>21</sup> A national version of Trends in International Mathematics and Science Study for Grade 8 in mathematics in 2014 and 2016 showed low scores in both years—mean score was 23%. Government of Sri Lanka, MOE, National Education Research and Evaluation Centre. 2017. [Patterns and Trends in Achievement. TIMSS. National Assessment of Students Completing Grade 8 in Year 2016 in Sri Lanka](#). Colombo.

<sup>22</sup> Government of Sri Lanka, MOE, Department of Examinations. 2019. [Statistics and School Performance Indices](#). Colombo (accessed 13 June 2020).

<sup>23</sup> 1,000 Schools Program and the introduction of the technology stream.

<sup>24</sup> Government of Sri Lanka, MOE. 2018. [School Census Report 2017](#). Colombo

courses pushes secondary students into the arts stream to boost their chances of entering university. In 2018, arts, law, management, and commerce accounted for 52% of total undergraduate enrollments, while science, engineering, architecture, and computer science accounted for 34%.<sup>25</sup>

9. **COVID-19 impact.** The COVID-19 pandemic highlights the need to build system resilience by (i) integrating blended learning<sup>26</sup> approaches and resources, (ii) building teacher capacity in digital skills and virtual teaching, and (iii) supporting remedial lessons for students left behind.

10. **Capacity and institutional gaps.** Roles and responsibilities need to be clarified between the National Institute of Education, the Department of Examinations, the various units of MOE, and the provincial education authorities. The current monitoring and evaluation system is fragmented, and there is a need to improve evidence-based policy and planning.<sup>27</sup>

11. **Gender.** Girls outperform boys at all levels. In 2019 for example, 28% more girls sat for the 'A' Level exams than did boys, while the pass rate for girls was 20 percentage points higher than that for boys (footnote 21). Girls tend to enroll in different streams. Of all females enrolled in 'A' Levels in 2018, 52% were in the arts stream, 22% in science, 19% in commerce, and 6% in technology; male enrollment was 32% in arts, 25% in science, 23% in commerce, and 18% in technology.<sup>28</sup> The tendency of female students to prefer the arts stream diminishes their future employability (para. 5).

## B. Sector Strategy

12. To rectify the situation, the General Education Sector Development Program 2020–2025 focuses on four thrust areas: (i) quality of education improved, especially in science, technology, and mathematics; (ii) equity in education strengthened—equitable learning opportunities for all children; (iii) stewardship and service delivery of general education strengthened; and (iv) evidence-based education policymaking and planning enhanced (footnote 5).

## C. Asian Development Bank Sector Experience and Assistance

13. The reforms supported by the Asian Development Bank (ADB) under the previous results based lending program laid the foundation for the country's aspirational shift to a knowledge economy.<sup>29</sup> These included (i) the introduction of the technology stream to diversify pathways, benefiting more than 65,000 senior secondary students in 2018; (ii) the 1,000 Schools Program, which supported infrastructure, facilities, and equipment to expand access to science and mathematics education to more than 58,000 senior secondary students in provincial and rural areas; and (iii) strengthening of educational leadership.

14. The proposed program will base on the lessons of the previous ADB program to support three areas: (i) deep systemic reforms in science, technology, mathematics, and commerce

<sup>25</sup> University Grants Commission. Sri Lanka. 2018. [Sri Lanka University Statistics 2018](#). Colombo.

<sup>26</sup> Blended learning refers to a combination of online learning, educational television and radio programs, remote learning, and classroom-based face-to-face approaches.

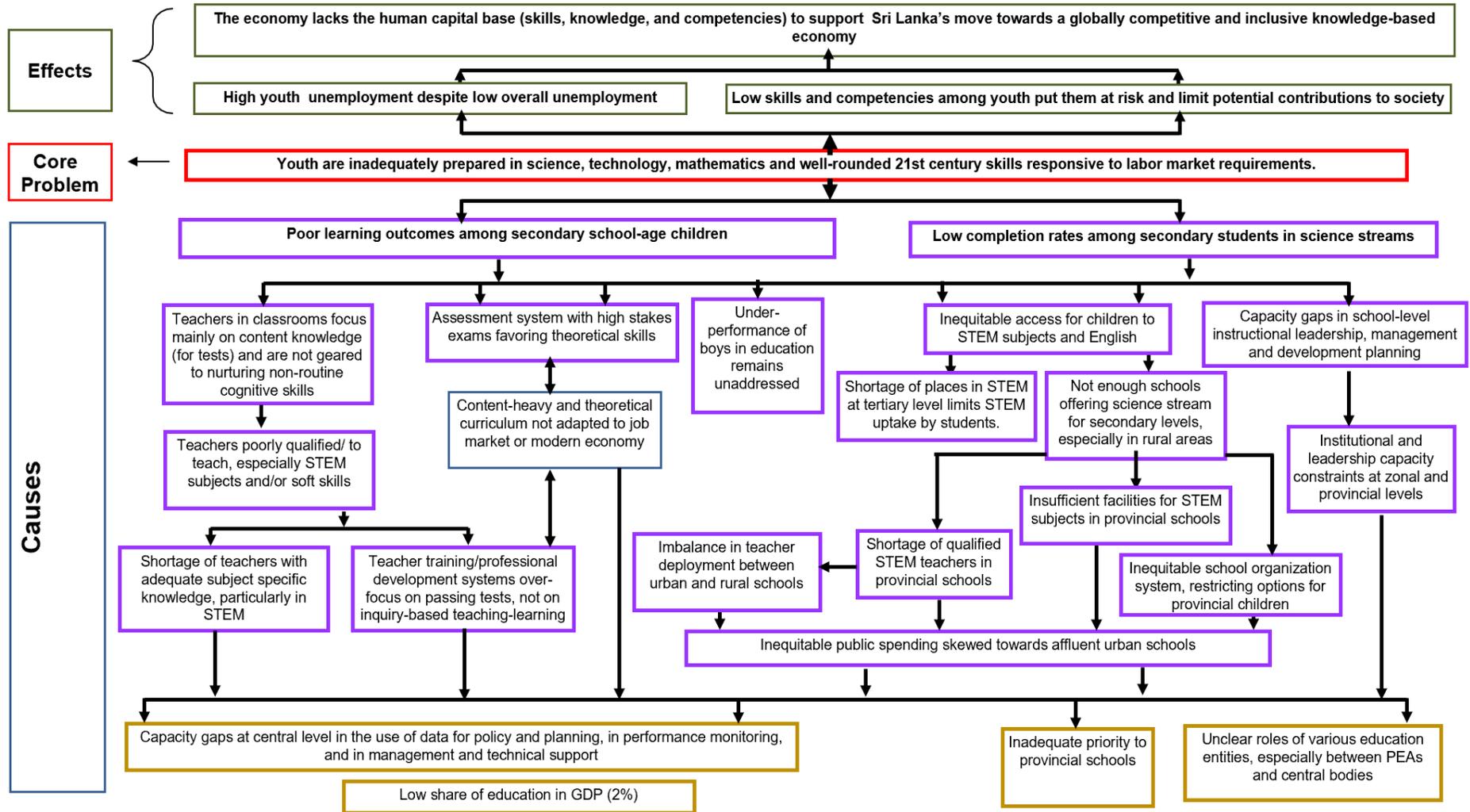
<sup>27</sup> Information management systems in the National Institute of Education and the Department of Examinations are not fully coordinated with MOE; this is compounded by insufficient coordination and integration between different MOE units. Program Monitoring and Evaluation Assessment (accessible from the list of linked documents in Appendix 2 of the report and recommendation of the President).

<sup>28</sup> ADB. 2020. [Completion Report: Sri Lanka—Education Sector Development Program](#). Manila.

<sup>29</sup> Supported under previous results-based lending: ADB. 2013. [Sri Lanka: Education Sector Development Program](#). Manila.

streams to instill 21st century skills aligned with labor market needs that will impact the whole education system; (ii) development of blended learning and instructional materials, multi modal methods of education delivery, remedial education and teacher training in remote education delivery to help respond to COVID-19 impacts and build education system resilience to future emergencies; and (iii) address urban and rural inequity through teacher re-deployment and school centered actions to reduce disparities in access and learning in STEM streams in rural schools.

### PROBLEM TREE FOR EDUCATION



GDP = gross domestic product; PEA = provincial education authority; STEM = science, technology, engineering, and mathematics.  
 Source: Asian Development Bank and Ministry of Education, Sri Lanka.