



## **EXPANSION OF UNIVERSITY EDUCATION, GRADUATE UNEMPLOYMENT AND THE KNOWLEDGE HUB IN SRI LANKA\***

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### **ABSTRACT**

The main objective of this paper is to examine the nexus between the existing university education system and graduate unemployment, and to explore the responses of successive governments to address this issue. It also examines the viability and potential of the knowledge hub as a solution to graduate unemployment. Towards this end, it argues that the solution to graduate employment lies in implementing structural changes that are concurrent to changes that are taking place at the international level in higher education. It illustrates, with the use of relevant sources, the pressing issue of graduate un- and under-employment, and identifies the mismatch between skills and requirements as a major factor contributing to intensify the crisis. It observes that strategies such as training unemployed graduates to enable them to acquire the competencies needed for the modern work place, developing systems to link them to the world of work, re-structuring the university system such that it is more concerned with quality and relevance rather than the width of knowledge imparted, and introducing job-oriented programmes could partially address this issue. It also identifies the proposal to establish a knowledge hub in Sri Lanka as constituting a long term and sustainable strategy not only to mitigate the effects of graduate un- and under-employment, but also to facilitate a lucrative source of revenue for the country.

**Keywords:** University Education, Graduate Unemployment, Knowledge Hub, Sri Lanka

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## INTRODUCTION

Sri Lanka is in a unique position of accelerating development in the south while dealing with post conflict recovery in the Northern and Eastern Provinces which entails reconstruction and rehabilitation of infrastructure, resettlement of those who have been subject to multiple displacements and demilitarization, and their subsequent democratization and rehabilitation. The ability to deal with a two pronged development strategy is mainly derived from the strength of the social development and the demographic structure of the country which is conducive for social, economic and political development. The main characteristic of the demographic structure is that the child population shows a declining trend while the bulk of the population is in the labour force which is an economic impetus. The period 2001-2016 has been termed as the period with a demographic bonus so vital for economic growth. The conflict that lasted for over 27 years and ended in 2009 eroded some of the gains in social development in the Northern and Eastern Provinces and the country as a whole, although social indicators such as high literacy rates and declining infant and maternal mortality rates continued to be sustained at the national level. Since the conflict was confined to a part of the country, the capacity of the state apparatus was not significantly depleted contributing to our ability to sustain economic growth as well as political development and democratic processes.

As a country, today Sri Lanka is at the threshold of a new era where it has to charter its national development, but the conflict has had its toll. The conflict affected Northern Province is at the early stages of recovery while the Eastern Province that saw an end to armed hostilities earlier in 2007 is in a transition to consolidating the gains of peace. The overview is that Sri Lanka is positioned

for growth and development but it also has to deal with not only extensive damage to infrastructure which can be rectified faster than the extensive damage to social development. The status of the country's social indices related to health, education and demographics in post conflict Sri Lanka can be accurately assessed only after the forthcoming census as well as other national studies. In university education, there is the dilemma of rectifying the omissions, neglect and destruction of physical and social infrastructure due to a protracted conflict. The loss of lives and freedom, erosion of cultural and social norms, militarization of young people, and the resultant trauma and mistrust continue to beset Sri Lankan society. This paper focuses on the educational sector of Sri Lanka in light of these changes and transitions in order to suggest possible means of countering graduate unemployment as a means to achieving economic stability and growth in the country.

## OBJECTIVES

The main objective of this paper is to examine the nexus between the existing university education system and graduate unemployment, and to explore the responses of successive governments to address this issue. More specifically, it examines the viability and potential of the knowledge hub as a solution to graduate unemployment.

Towards this end, the paper is divided into five major sections. The first part examines the origin, development and present status of university education in Sri Lanka. The second part deals with the profile of graduate unemployment, while the third part examines the causes of graduate unemployment. The fourth part examines graduate employability, and the responses of the government to graduate unemployment. The fifth part analyzes the advantages, opportunities and challenges of the knowledge hub, while

the final part of the paper presents some observations and suggestions.

## **ORIGIN AND DEVELOPMENT**

At the outset, it is necessary to examine the history of university education in Sri Lanka briefly to understand how the country has arrived at the present status. University education in the ancient western model started in the medieval period in European countries such as Spain, Paris, and England. The University of Bologna, Paris, Oxford and Cambridge are some of the oldest universities in the world. However, the university in the modern sense started towards the latter part of the 19th century in Europe. The present university education in non-western countries is a reflection of these universities in their education design and methods, due mainly to European colonialism which spread these models across the world.

The origin and development of university education in Sri Lanka goes back to the latter part of British rule. The establishment of the University College in 1921 marked the beginning of university education in the country. It prepared students to sit for the external degree of the University of London. The University of Ceylon was established in 1942<sup>1</sup> through an amalgamation of the University College Expansion of University Education, Graduate Unemployment and the Knowledge Hub in Sri Lanka and the Medical College in Colombo. It was also the first native university authorized to offer degrees. The university followed the model of Oxford and Cambridge popularly known as the ox-bridge model (Warnapala 2011). From the inception up to recent times university education was dominated by state universities.

As a result, there are 14 universities with three campuses, one Open University, as well as 9 undergraduate and 7 postgraduate institutes under the purview of the University Grants Commission (UGC) of Sri Lanka, which is

that arm of the government that manages matters pertaining to higher education. Almost 80,000 internal students and 200,000 external students are studying at these universities. Furthermore, there are 8 degree awarding institutes approved by the UGC. In addition, there are two Buddhist universities which come under the Ministry of Higher Education, one university under the Ministry of Defense and one under the Ministry of Youth Affairs and Skill Development.

Since the recent past, the monopoly of state university education has been challenged by the new providers of higher education referred to as cross border institutes. There are about 50,000 students enrolled in 60 to 70 cross border institutes established with the approval of the Board of Investment (BOI) in the country. Apart from those studying in cross border institutes, nearly 8,000 to 10,000 students leave the country for higher education annually. Both trends are a direct result of globalization and internationalization of higher education in the world. The World Bank publication titled "Towers of Learning" estimates that the Gross Enrolment Ratio of Sri Lanka is 21%, the highest in South Asia (2009).

## **PROFILE OF GRADUATE UNEMPLOYMENT**

Unemployment is a perennial social problem in Sri Lanka which became a more pronounced socio-economic issue since independence in 1948. The main characteristics of unemployment are the concentration of youth among the unemployed and under-employed categories, higher levels of rural and female unemployment, and the high level of literacy and education among the unemployed youth. Graduate unemployment has been one of the more vital sub-issues unfolding in this context since the mid 1960s. It has evolved with more pronounced political overtones as a socio-economic problem in itself, as witnessed by two left-wing insurrections in

the South and protracted ethnic insurrection-cum terrorism in the North.

The origin and development of graduate unemployment is directly linked to the expansion of university education in Sri Lanka. From the inception of university education in 1942 until the mid 1960s, graduates were assured of employment opportunities in the private and public sectors. Graduates from universities were directly absorbed into dominant positions, not only for professions such as medicine, engineering and law, but also for the administrative services, police and security services, modern business establishments, university academia, secondary school teaching and other sectors (Lakshman 1998).

However, job opportunities for graduates, particularly of the Social Sciences and Liberal Arts began to dwindle since the late 1960s. No accurate data are available in relation to the

trends in graduate unemployment in Sri Lanka. In the absence of such accurate information, it is necessary to arrive at reasonable figures using available sources. By 1969 there were nearly 14,000 university graduates who were unemployed (Wilson 1979). The Dudley Seers Report of the International Labour Office (1971) notes that rural based graduates who had pursued studies in the Social Sciences and the Humanities were frustrated by the lack of employment opportunities. Of the Arts graduates nearly two-thirds were unemployed in the early 1970s (Seers 1971).

By 1987, 26% of Arts graduates had registered in the Graduate Placement Service. According to the Sri Lanka Labour Gazette in 1989, there were 5,500 graduates unemployed. It has been reported that there were about 10,000 unemployed graduates by 1994. Table 1 gives the graduate unemployment numbers in the country over a period of four years.

**Table 1: Potential countries to promote the NCP as a religious destination**

Year	Science	Arts/ Law	Total
1993	2,136	3,159	5,295
1994	2,351	3,182	5,533
1995	2,129	2,077	4,206
1996	2,649	3,564	6,233

**Source: UGC Statistical Year Books from 1993-96**

It is generally assumed that there were 25,000 unemployed graduates in 1998. It is evident that more arts graduates were unemployed than graduates from other disciplines, and this trend continues.

Gender disaggregated information indicates that female graduates have higher unemployment rates than their male counterparts. In 1971, out of 3,898 unemployed graduates 2,338 were females, which indicates that 60 per cent of the unemployed graduates were females. In 1989/91 out of 4,798 unemployed graduates

3,069 were female, while in 1985/86 out of 5,420 unemployed graduates 3,417 were female (Korale 1992). This shows a gradual feminization of graduate unemployment.

In analyzing the perceptions and attitudes of male and female graduates, some significant variations were noted. In terms of job preference, unemployed female university graduates prefer school teaching than government administrative jobs or private sector managerial jobs. Male university graduates prefer government administrative jobs than teaching or private

sector managerial jobs. However, males and females prefer to work in the public sector than in the private or NGO sector. Moreover, more female graduates are reluctant to work in the private sector than their male counterparts. Graduates on the whole are reluctant to set up self-employment schemes and believe that the government should provide them with jobs (Aturupane 1996). The preference of female graduates for the teaching profession could be based on the fact that it is a profession with 5 to 6 hours of work coupled with three months of schools holidays which permits women to balance their productive and reproductive roles.

Underemployment is a significant aspect of graduate unemployment which often remains unrecognized and is seldom analyzed as an issue. Unlike unemployment, underemployment eludes definition and assessment. It can be described generally as a situation in which a person is forced to accept employment below his or her educational level. It predominantly affects Social Science graduates. Definite statistics on underemployment are not available, but it is identified on the basis of low earnings. Around 14,000 graduates were employed in the work force from 1970 to 1977 during the tenure of the United Front Government, but 80 per cent of them received salaries between Rs. 200-300 per month, which placed them below the poverty line. Graduates who were employed under schemes on the eve of the General Election in 1994 received a monthly salary of Rs. 2,500.

It was the salary received by a worker in a garment factory (Jayasekera 1977). Due to limitations in job opportunities in the public as well as the private sector, and widespread underemployment, the real value of university education has declined.

Unemployment and underemployment do not constitute the sole problem. The means of securing employment is another aspect of

the problem of graduate unemployment in the country. There are three main avenues used to obtain employment. The first is applying for jobs in response to advertisements. The second is securing the assistance of family members and/or friends and sometimes even politicians. During the colonial period, there was a trend of recruiting employees for white collar employment on the basis of one's family and personal contacts. This system of obtaining employment enabled students belonging to families with influence to secure stable jobs, while students in the rural sector who invariably belonged to peasant families were at a grave disadvantage. Currently, the most prevalent trend is to use assistance of the government in power either voluntarily or through pressure of agitation.

### **CAUSES OF GRADUATE UNEMPLOYMENT**

To a certain extent, we should also recognize that employment opportunities for graduates are highly dependent on the economic growth of the country. The slow rate of economic growth and the related problem of providing increased economic opportunities for the growing numbers entering the labour market led to a high level of unemployment among graduates especially from the Social Sciences and Humanities disciplines. Apart from national economic issues, there are a number of causes which have been identified as contributory factors to the origin and development of graduate unemployment. Of these, a sudden expansion of universities and their student population, the nature of the courses, and quality of the graduates are noteworthy (Lakshman 1998). Since these factors are related to the expansion of higher education in Sri Lanka, it is necessary to examine the context of the development of university education.

The University College that was established in 1921 was expanded to become the University of Ceylon in 1942. The university



had only four faculties, and a limited number of students offering for the degrees of BA, BSc and MBBS. However, university entrance of students was limited compared to the enrolment of students in primary and secondary education up to the early 1960s. There were 904 students in 1942, 1294 in 1947/48, and 2471 in 1956/7 (Pathmanathan 2000). The language of instruction was English and hence students were drawn from the English speaking urban middle class. It was fashioned essentially on the Ox-Bridge model, and the curriculum, the teaching learning process and examinations of the university followed the pattern of British Universities. It was exactly the model of elite education.

However, university education underwent many changes especially with the granting of universal franchise in 1931, introduction of free education in 1945, the political changes in 1956 and the introduction of university education in Sinhala and Tamil Languages in 1959. It marked the beginning of the inclusion of students from a wide range of socio-economic backgrounds in the education institutes of the country. Consequently, the number of universities increased from one in 1942 to three in 1960. Two of these new universities namely Vidyodaya (Sri

Jayewardenepura) and Vidyalkaraya (Kelaniya) were Buddhist pirivenas (monastic institutions) which were elevated to the status of universities.<sup>2</sup> To accommodate an increasing demand for university education, ad hoc measures were taken by the government such as elevating three affiliated colleges as Universities, namely Rajarata, Wayamba and Sabaragmuwa. By 1970, the number of universities increased to five and by 1978 there were seven universities in the country.

The rest were established after 1994. The number of students entering higher education thus increased from 1,612 in 1948 to 5,000 in 1959. Later, it further increased from about 14,000 in 1970 to 17,449 in 1978. By 1988/89 there were 29,781 students internally in university education. At present, 80,000 students are in universities. Annually about 13,000 internal graduates pass out from universities and more than 50 per cent of them are from the Arts and Management streams. The output of external graduates is around 6,500 and the Open University too has an output of about 500 per year. Almost 200,000 students are registered with the eleven universities in the country. Table 2 shows the number of students and courses offered.

**Table 2: Number of Students as Registered as External Candidates**

University	Course of study	New Registration	Total enrolled
Peradeniya	B.A.	8,546	26,328
Colombo	LL.B.		146
Jayawardenapura	B.A.	8,826	
	B.Sc. (M)	8,727	
	B.Sc. (EM)	232	
-	B.Com.	310	
		<b>18,095</b>	<b>97,304</b>
Kelaniya	B.A.	13,959	
	B.Com.	165	

University	Course of study	New Registration	Total enrolled
	B.Sc.	101	
	B.A. (M)	801	
		<b>15,026</b>	<b>58,434</b>
Moratuwa		29	89
Iaffna		478	15,507
Eastern		782	2,559
South Eastern		569	3,141
Sabaragamuwa		132	289
Wayamba		36	66
The School of Computing		1,237	2,289
University of Colombo			
Total		44,990	206,152

**Source: UGC Statistical Division Report 2011**

Not only did the number of students and institutions dealing with higher education expand, but also the socio-economic composition of the student population and the quality of education have changed over the years. The most significant feature of this rapid growth is the changing socio-economic composition of the student population in the period from 1959 to date. There are a few systematic studies on the socio-economic background of the student population, a seminal one of which was by Murray A. Strauss in 1950. According to him, early students mainly belonged to an urban middle class social background. Moreover, they had no anxiety about their own future because, after graduation, they were assured of employment in the higher echelons of government or the private sector. This trend began to change in the mid 1960s. Since then a substantial proportion of students have tended to come from the lower middle class, the working class and the peasant class. The concentration of students from such social backgrounds is strongest in the faculties of Arts, Social Sciences, Humanities and Commerce and Management. Besides,

a majority of the university students are by ethnicity Sinhala, by religion Buddhist and are from the rural sector. This trend further developed as a result of the "standardization", and "district quota system" introduced in 1973 (De Silva 1979).

According to the University Grants Commission (UGC) Statistical Hand Book of 1988/89, the occupational background of most of the parents of the students admitted in the academic year belonged to the low-income category. Nearly 40 per cent of the parents of the students earned a monthly income of less than Rs. 1,000. As given in Table 3, an analysis of the university entrants by parents occupation for the academic years 1950 and 1977 shows the changing socio-economic background of the student population.

According to this analysis, there is a decline in the number of students whose parents have a professional or managerial background while there is an increase in the number of students whose parents are small farmers or rural workers. This is in spite of the fact that the increasing number of universities

and the number of students admitted, the curriculum, the teaching learning process, and the relevance and quality of education remained unchanged. A sample survey based on the student population at the University of Peradeniya indicated that 62 per cent of students are disappointed of the highly theoretical lectures, lack of practical exposure to the industry, lack of industrial training, poor teaching techniques, lack of application of education technology in teaching, and poor relations with the private sector.

The expansion of the student population, the introduction of Suwabasha education

at university level and the changing socio-economic composition of the student population changed the education system from an elitist to a mass system. An elitist system emulates the western model of education with a strong western philosophical bias. The students who are exposed to the elitist system of education are expected to be assimilated to the elite circles and are therefore guided to conform. Students in the mass system are more prone to political activities, and are less likely to align with the political elite. Thus, the transition of university education from an elitist to a mass resulted in a high level of political dynamism among the student population.

**Table 3: University Entrance by Parents Occupations**

Occupation	1950		1977	
	Male (%)	Female (%)	Male (%)	Female (%)
Professional / Management	56.60	69.70	08.90	11.30
Teaching	12.60	07.20	09.80	10.50
Clerical	20.30	20.30	15.30	16.60
Farmers / Rural Workers	06.30	01.40	31.50	27.90
Urban Workers	04.20	01.40	16.20	15.00
Unemployed	---	---	08.30	08.50
Unspecified	---	---	10.00	10.20
Total	100.00	100.00	100.00	100.00

**Source: Samaranayake 1992, p.16**

Universities in Sri Lanka depend solely on the state for funds. However, budgetary allocations for higher education over the years have failed to meet the demands resulted by expansion in the system, leading to a concomitant reduction in facilities. The lack of qualitative improvement in university education has been a major manifestation of the lack of financial resources made available for tertiary education. From 1959 to 1966/67, the total real expenditure on university education rose by only 27 per cent while

the student enrolment had increased by as much as 278 per cent or tenfold (Indraratne 1992 a). One can conclude, therefore, that university education has been provided for a significantly larger number of students with very little increase in the total resources diverted to it, thereby reducing its quality to a great extent (Indraratne 1992 b).

Furthermore, the problem of graduate unemployment has increased also due to limitations in the expansion of the state sector caused mainly by economic liberalization,



structural changes and privatization of corporations and other public ventures. Graduates who have studied Commerce and Management subjects are more open to the prospect of working in the private sector than Social Science graduates. Social Science graduates are unable to secure employment in the private sector mainly due to the mismatch between their skills and the needs of the private sector which has expanded during the past decades.

One of the main criticisms aimed at university education, as succinctly presented in the Central Bank Report of Sri Lanka for 2009, is that higher education is of low quality and low standards, and that 32 per cent of students admitted to national universities study Social Sciences and Humanities, and a substantial proportion of these graduates find it difficult to obtain productive employment. The same report concludes that “the country has a supply driven education system with little relevance to labour market conditions and to entrepreneurial culture” (p. 90-91). However, graduate unemployment is not purely a university problem but universities have a responsibility to extend all their support to solve the problem.

### **GRADUATE EMPLOYABILITY**

Currently at the global level, universities are very much concerned with graduate employability as a means of overcoming the problem of graduate employment. As an acceptable definition of employability, it could be stated that employability is a set of achievements, understanding and personal attributes that make an individual more likely to gain employment and be successful in their chosen occupations, which benefit themselves, the workforce, the community and the economy. Employability thus defined has wider interpretations and connotations especially for a developing country like Sri Lanka grappling with issues of political violence, poverty and rehabilitation arising

from man-made and natural disasters.

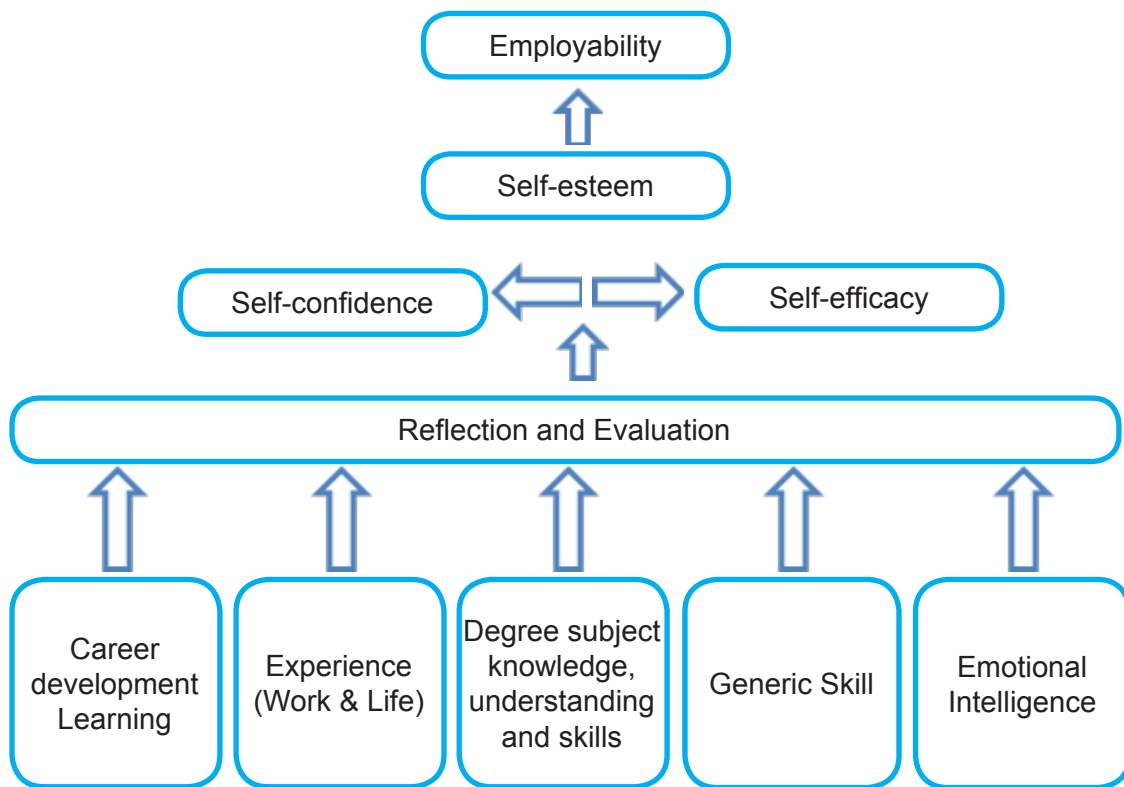
A survey conducted by the Chamber of Commerce in Sri Lanka in 1999 has mentioned that the following attributes are expected by private sector employers from graduates in addition to their academic qualifications: Effective communication skills along with English, ability of maintaining interpersonal relationships, ability of leading a team and target achieving within a short time, ability of prioritization of work; initiation of work and intention of its development, open, proactive and pragmatic mind; computer literacy, ability of logical and rational thinking, general knowledge and personal hygiene, office and social etiquette. A similar study conducted by the Council for Industry and Higher Education in the United Kingdom (UK) in 2008 found that employers rate communication skills, team work, integrity and intellectual ability over literacy and numeracy. The diagram on Graduate Employability shows in important factors of employability.

It is suggested that students are provided with opportunities to access and develop everything on the lower tier of the model such as career development learning, experience (work and life), degree subject knowledge, understanding and skills, generic skills and emotional intelligence, and essentially opportunities to reflect and evaluate these experiences, which will result in the development of higher levels of self-efficacy, self-confidence and self-esteem- the crucial prerequisites of graduate employability.

The above ‘mentioned study and survey confirm that employers prefer social skills and personality type over degree qualifications to meet the demands of a market driven and knowledge based economy.

In developing the strategic plan for the UGC for the years 2008-2012, an exercise in which I was involved, we analyzed these issues in some depth. A surprising discovery was that

**Figure 1: Important Factors for Graduate Employability**



**Source: Pool & Sewll n.d**

none of the donors, policy makers or planners had conducted a comprehensive study of the needs of employers such as the study done in the UK. The universities in the UK are also striving to address issues of employability as evidenced in their websites such as the University of Hull and Wolverhampton. This is a gap that Sri Lanka needs to fill to fully understand the employability of Sri Lankan graduates and the mismatch between the requirements of the employers and the education provided by the higher education system.

'The Ministry of Higher Education and the UGC have expanded IT facilities in local universities, introduced a system of lateral entry, revised the curricular and introduced new courses in collaboration with the private and public sector, and made available the facility of career counseling in universities. However, more in-depth analysis is needed on the current skills of our students, the

needs of employers both in the private and public sector, and the recruitment patterns and policies of employers for us to fully understand the issue of employability.

However, it is my contention that we need to consider some critical factors of the Sri Lankan higher education system that are sometimes derived from the country context as well. One of them is that the universities cannot impart critical skills such as problem solving, analytical thinking and interpersonal skills required for employability within the three or four years that students spend at the university. Students need to acquire these skills through a good Early Childhood Care and Development (ECCD) programme that is regulated, has quality standards of reference and a sound system of assessment. The formal education system needs to be complemented with a well-constructed curriculum that is implemented effectively across the country. The component titled

preparing for the “world of work” was introduced recently to secondary education but its implementation remained varied and poor. Therefore, the education system from ECCD to secondary education needs to be aligned with the basic objectives of increasing the skills of children. The universities can assign higher priority to imparting language and IT skills so that meaningful changes can be made in the higher education system concomitantly.

The second factor derives from Sri Lanka’s country context. What is the reality in local universities?

Any form of change is resisted with political overtones. Policy makers and administrators are challenged every step of the way when attempting to bring about changes in the system. This subculture is manifest in the high degree of politicization in the universities which are currently the base for insurrectionary politics as exemplified by the violence in universities in the form of either political factionalism or “ragging”. This subculture of violence resists any form of change and the silent majority is penalized by a violent few.

Expansion of University Education, Graduate Unemployment and the Knowledge Hub in Sri Lanka.

The third factor is that employers in the private sector and employer groups keep saying that universities need to do more to improve graduate employability. But employers too need to contribute their share by working more closely with the universities, the UGC and the Ministry of Higher Education to develop a system of identifying the skills young graduates need, in order to prepare them for the world of work. Currently, a few universities are trying to address the issue of graduate employability strategically. However, these universities need both financial and human resources

to diversify and increase employability. We also need to train our academic staff, invite professionals from the private sector to teach at our universities, and expand opportunities for graduate students to acquire skills.

## **GOVERNMENT’S RESPONSE**

In this context, it is necessary to examine the measures taken by the government to solve or contain the problem of graduate unemployment in the country. Since 1970, governments have introduced a special employment programme for graduates. The government has recruited graduates as teachers, development officers and trainees in the graduate scheme in order to ease the problem of unemployment.

The government from 1970-77 found it necessary to address this problem and as a result introduced a system of appointing a political authority for each district. The political authority was a Member of Parliament belonging to the political party in office. The system further stipulated that a person seeking a job had to obtain a letter of recommendation from the political authority. This represented a form of patron-client relationship and proved to be a barrier hampering those supporting any opposition political party from securing employment. The UNP government which

came to power since 1977 introduced the system of a “job bank”. This system also created ways and means of maintaining corrupt practices such as bribery. Lack of personal contacts, political or bureaucratic patronage, and corrupt practices in securing employment have posed additional barriers to graduates seeking employment.

However, the state has found it increasingly difficult to absorb graduates into the shrinking ranks of the public sector. Successive governments have been compelled to seek the assistance of the private sector to solve the

problem of unemployment among graduates. Since the early 1990s, the government has set up a scheme for graduate trainees within the private sector. The Programme offers 2-3 years of training in private companies at a monthly allowance of Rs. 1,500. There is no guarantee of placement at the end of the training. However, nearly 9,000 applications have been processed for this programme (Kelly and Gunasekera 1990). Prior to the General Election of August 1994, the government initiated a trainee scheme for unemployed graduates, which absorbed a majority of the unemployed graduates at that time.

In 1997, the government inaugurated a new scheme called 'Tharuna Aruna' with the private sector to address the same issue. The main objective of the programme was to develop the knowledge, skills and attitudes of unemployed graduates in order to enable them to secure employment in the private sector. Under this scheme, placements have been offered to 1,130 graduate trainees in 345 companies during the period 1997-1998. In 2004 about 42,000 graduates were absorbed as teachers and office workers. However, a majority of them do not have any promotion scheme or career path and are still underutilized.

The Ministry of Higher Education has embarked on several programmes and initiatives to mitigate the problems of unemployed graduates. Among these initiatives are the introduction of skills modules to increase communication skills, leadership and team building to the students' pre-orientation programme, basic entrepreneurship modules, industrial training programmes, and collaborative programmes with relevant professional bodies.

Various measures have been initiated by the UGC and universities to enhance graduate employability over the last few years. Career Guidance Units are established in each

and every university under the supervision of the Standing Committee of the UGC. While increasing the number of university admissions into Science oriented faculties, the intake to Arts courses in Universities has remained relatively static at around 5000 students. Steps have been taken to improve the quality of the degree programme on the basis of international bench marks. During the last few years, the Ministry of Higher Education together with the UGC worked on Improving Relevance and Quality of Undergraduate Education (IRQUE), a project designed with the assistance of a loan given by the World Bank to improve the quality of university education. Furthermore, the medium of instruction has shifted from Sinhala and Tamil to English. Universities have started to do tracer studies before convocations are held each year. The tracer study on graduate employability has shown significant improvement on the marketability of graduates in some universities.

A recent survey on Graduates of the University of Colombo has revealed that more than 55 per cent of Science and Management graduates have found employment within 3 months after graduation while 12 per cent and 16 per cent of Arts and Education graduates respectively have found employment within the same span of time. A similar study done by the University of Moratuwa too has revealed that more than 95 percent of the graduates of the University of Moratuwa that are qualified in the fields of Engineering and Architecture have found employment within 6 months of their graduation. The author was privy to this knowledge as a result of serving as the Chairman of the UGC from 2006-2013.

The prevailing idea is that it is the duty of the government to find a solution to the problem of graduate unemployment. Although the government has emphasized the expansion of the private sector as a solution to graduate unemployment, the graduates themselves are

not willing to join the private sector as it is a competitive field where job security depends on performance. The private sector on the other hand prefers proficiency in English, personality and social standing which most graduates who come from rural backgrounds are yet to acquire.

Although the Sri Lankan education system produces a limited amount of human resources for Science and Technology, the industrial sector is not capable of absorbing all of the graduates from the disciplines of Science and Technology. Many such graduates leave the country for foreign employment while some are employed in non-technical disciplines indicating the lack of a concomitant expansion in industry to absorb the Science and Technology graduates. The private sector and the state sector need to reconfigure their recruitment, induction, training, mentoring and coaching systems. I have found that sometimes local graduates have the latent skills and capacity to compete in the labour market but the employers themselves lack the creativity, innovativeness, and capacity to develop a system of recruitment, capacity building and coaching and mentoring for young graduates.

The solution can be found on a short-term as well as long term basis. The short term strategies are for the government to invest in training unemployed graduates to enable them to acquire the competencies needed for the modern work place, and develop systems to link them to the world of work. The long term solution lies with all of the stake holders of higher education: the government, private sector employers, universities and university students. The university educational system has to be re-oriented to meet the challenges of graduate unemployment. The existing teaching and learning process relies heavily on rote learning. Traditionally, students are passive listeners, and they rarely challenge each other or their professors in classes.

Teaching focuses on the mastery of content, not on the development of the capacity for independent and critical thinking. Knowledge, skills and talent will be crucial factors for growth in the future, while innovation and willingness to change will be a driving force. The university system needs to be re-structured, concerned with quality and relevance, and introduce job-oriented programmes. Therefore, the Ministry of Higher Education and the UGC plan to address issues through long term plans of change. Making Sri Lanka a knowledge hub in South Asia is one such option that is being explored.

## **KNOWLEDGE HUB**

A Knowledge Hub is broadly defined as a designated region intended to attract foreign investment, retain local students, build a regional reputation by providing access to high-quality education and training for both international and domestic students, and create a knowledge-based economy. A knowledge hub is concerned with the process of building up a country's capacity to better integrate it with the world's increasing knowledge based economy, while simultaneously exploring policy options that have the potential to enhance economic growth. An education hub can include different combinations of domestic/international institutions, branch campuses, and foreign partnerships within the region. The main functions of hubs are to generate, apply, transfer, and disseminate knowledge.

The concept of a knowledge hub for Sri Lanka was proposed by previous President Mahinda Rajapaksa through his policy document during the presidential election in 2009. It is stated that Sri Lanka will "develop youth who can see the world over the horizon. We have the opportunity to make this country a knowledge hub within the South Asia region. I will develop and implement an operational



plan to make this country a local and international training centre for knowledge” (Rajapakse 2010).

The Ministry of Higher Education is grappling with the empirical implications of translating this promise into reality. The Ministry has invited foreign universities to set up campuses to provide a more diversified higher Education programme to increase access for local students and to attract students from overseas to study in Sri Lanka. Just as in Singapore, Sri Lanka’s strategy is to piggy-back on internationally renowned universities so that the process is cost-effective and mutually beneficial. Furthermore, it is planned that 10 branch campuses of ‘world class’ universities in the island. The Knowledge Hub Agenda has given greater prominence especially to the fields of Science and Technology, Information and Communication Technology, Skills Development, and Research and Development in Applied Sciences.

Malaysia is the first country in Asia that has strategically established itself as a knowledge hub admitting 100,000 overseas students, although university education in Malaysia was introduced far later than Sri Lanka. It has a clear strategy to consolidate its position as an international hub for post graduate studies. Another successful hub is Hong Kong, although its catchment area is more Southeast Asia than South Asia. Other countries such as India, Singapore, Viet Nam and Thailand are aspiring to establish a knowledge hub in their respective regions. India attracts a 100,000 students annually while Hong Kong attracts 5,823. China receives 162,895 students annually and Singapore does 72,000 (Zhang n.d.). Sri Lanka projected a target of attracting 10,000 foreign students by 2014 with an expected increase to 100,000 by 2020 (Ministry of Education n.d.).

## ADVANTAGES

Sri Lanka enjoys several advantages to develop into an education hub. First of all, the ever increasing demand for higher education in the country is an impetus for growth and advancement. Annually, well over 250,000 students sit for the Advanced Level Examination and half of them are qualified for university education. However, only 22,000 are able to enter state sponsored universities in the country. Of those qualified, 9,000 enroll in vocational training through 12 Advanced Technological Institutes, 20,000 enroll at the Open University, 8,000, access overseas education, and 20,000 register as external candidates while 9,000 study for a foreign degree via cross border institutes (Ibid). Nearly, 60,000 students are looking for alternative higher education locally as of present (UGC 2013, unpublished).

Secondly, an Education Hub is necessary for the long-term viability of a country’s economy and to generate employment. Sri Lanka is moving fast from an agro-economy to a service economy and possibly also to a knowledge-based economy. To establish as a knowledge based economy, Sri Lanka has to prepare for intense competition from countries like Malaysia, Singapore, Thailand and Hong Kong. These countries have not only developed their higher education system but have focused on good ECCD programmes as well as primary and secondary education so that they create a local pool of high quality academics. They have diversified their courses, modernized the curriculum and updated the teaching learning process. The physical infrastructure, the legal framework and the social infrastructure are all well developed and they have invested in an efficient and effective bureaucracy and service sector. Therefore, Sri Lanka should be able to groom and attract talent locally, regionally and internationally and the whole country has to gear up for a paradigm shift

including the political ideology.

Thirdly, Sri Lanka needs to develop high level skills to address the issue of her skewed demographic and labour force. Currently, Sri Lanka has an unusually large pool of labour force. At present, 83 per cent of the labour force has educational attainment at GCE (O/L) or below, of which 19.3 per cent has had primary education or below. This problem is compounded by the aging of the island's population. Currently, for every elderly person aged 65 or over there are almost ten (10) people in the prime working age (15-64), but this trend is expected to reverse after 2020. Consequently, it is imperative for Sri Lanka to continue to elevate the overall skills of the general population to compensate for the declining numbers of the productive group. In order to develop the high end of the skills set, it is necessary to create an Education Hub in the country.

Fourthly, by making Sri Lanka as an Education Hub, the country can facilitate a process of integration with the region as well as the international level which is key to an economically successful future. The presence of regional and international students in national universities or branch campuses can encourage an enhancement of the quality of teaching and research faculty. It is a recognized fact that the importance of university based scientific research drives economic growth. It would also increase the exposure of local students and enhance their knowledge on international affairs.

Last but not least, is the unique advantage of university autonomy and academic freedom which is not available in many countries aspiring to establish education hubs. The Magna Carta Observatory has defined university autonomy as follows: "The University is an autonomous institution at the heart of societies differently organized because of its' geographical and historical heritage; it produces, examines, appraises

and hands down culture by means of research and teaching. To meet the needs of the world around it, its research and teaching must be morally and intellectually independent of all political and economic power". Academic freedom is associated with the concept of university autonomy. The Dar Es Salam Declaration defines academic freedom as the right of the members of the academic community individually or collectively, to fulfill their functions of teaching, researching, writing, learning and disseminating information and providing services without fear or interference from the state or any other public authority. Academic freedom is important especially for scholars who are used to the kind of open academic environment found in universities in western countries.

## **OPPORTUNITIES AND CHALLENGES**

Interest in Higher Education in Sri Lanka among international universities is growing rapidly. More than 60 locally established cross border institutes in the island are linked to universities and higher education institutes in Australia, the United Kingdom (UK), and the United States of America (USA). They offer certificate, Diploma and Degree programmes in the country. They are offering subjects ranging from Business Management, Information Technology, Bio-medical Sciences, Design and Engineering.

The end of the armed conflict has opened new doors for attracting foreign universities to establish collaborations with local institutions or establish branch campuses in Sri Lanka. However, we need the social, academic and physical infrastructure to attract foreign universities and professional organizations to extend their services from Sri Lanka and set Sri Lanka on the path of becoming a knowledge hub.

We also need to change the narrow perspectives of some of the local academics

and students to facilitate such a process as they have to be prepared to compete with such institutions and produce graduates who are on par or exceed those from the cross border or branch campuses. This would also ensure a highly competent labour force that has excelled in its relevant capabilities.

## **OBSERVATIONS AND SUGGESTIONS**

There is great potential for utilizing the higher education system in Sri Lanka towards converting the country into a regional knowledge hub. Foreign universities are already offering courses/programmes in technology, and vocational education and post graduate education. However, the existing University Act of 1978 does not have provisions to establish private universities either local or international. Therefore, a separate Higher Education Act for national and international universities and branch Campuses as in Malaysia and Bangladesh has been prepared and is about to be placed before Parliament.

The need to change the role of the State, the Ministry of Higher Education and the UGC as the main provider of Higher Education to a regulator and protector of higher education is imperative. Therefore, an Accreditation and Quality Assurance Board has to be established to monitor quality in both state and non-state sector providers of university education. A bill towards this end is being prepared .

The government has taken steps to raise the standards of six universities in Sri Lanka up to international level. These selected universities are Peradeniya, Colombo, Moratuwa, Sri Jayawardenapura, Kelaniya, and Ruhuna. A survey conducted in October 2010 showed that the University of Colombo was ranked 2185, the University of Moratuwa 2198, and the University of Peradeniya 3005 in the Webometrics Global ranking (webmetrics n.d.). It is a fact that many universities are not wealthy enough to pay for this evaluation

based on which the global ranking is made. However, Sri Lanka needs to make every effort to get into the exclusive club of world class universities in the world in order to be an education hub in the region.

Towards this end, state universities must be responsive to changes of higher education that flow from changes taking place in the global and regional spheres. Currently, they are concerned with academic and intellectual development but they have to also change the teaching and learning process as well as governance and management, all of which call for a very high level of efficiency and effectiveness.

Employment opportunities for graduates are highly dependent on the economic growth of the country. The concept of a Knowledge Hub in Sri Lanka is viable in the post conflict macroeconomic environment. It could be an incentive to stimulate a rapid expansion of state and non-state university education in the country. It would also complement the other proposed hubs of energy, trade, air and naval. However, we have to recognize that the concept of the knowledge hub is highly dependent on the overall development of the country and good governance. If not, it will be confined to a mere rhetoric put to political exhaustion and thereby lacking legitimacy.

## **NOTES**

1. The Ceylon University College prepared students for the external degrees of the University of London.
2. The Vidyodaya Piriuenana, founded in 1873 and Vidyalandaraya, founded in 1873, were products of the Buddhist renaissance during the last quarter of the 19<sup>th</sup> Century.

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