

9. HUMAN RESOURCES DEVELOPMENT

In terms of key indicators of Human Resources Development, Sri Lanka stands close to the standards of developed nations with a literacy rate of 90 per cent and 73 years of life expectancy. As the World Bank has recently indicated, in many dimensions, Sri Lanka has already achieved the Millennium Development Goals, notably in universal net primary enrolment, gender equality, as well as infant and maternal mortality. In terms of Human Development Index (HDI), Sri Lanka ranks at 96th place among 177 countries despite the low per capita income of US \$ 947. However, further investments are needed particularly in respect of qualitative improvements in both health and education sectors.

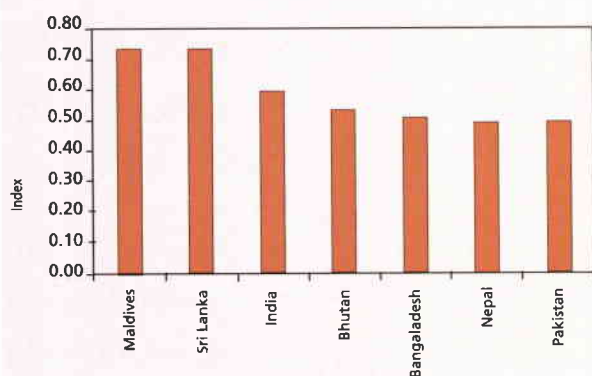
Health

- ❑ The implementation of health sector reforms is in progress to address the emerging issues in the health sector. However, broad based restructuring of the health sector is crucial to address persistent structural issues and to redefine the role of the public and private sectors in the provision of healthcare services.
- ❑ With increased participation by the private sector, especially in curative healthcare services, government involvement in the health sector needs to be reviewed giving more attention to policy formulation, coordination, monitoring, regulation, preventive health care services and delivery of health services to vulnerable groups.
- ❑ The health sector achievements are now being threatened by emerging and re-emerging communicable and non-communicable diseases, demographic transition, high malnutrition among children, accidents, suicides, substance abuse, financial constraints and weaknesses in the institutional set up and human resource management.

- ❑ Malnutrition among children and iron deficiency among pregnant and lactating women are still serious problems, and iodine deficiency may be more of a problem than is generally realized. A significant section of the population is still at risk of contracting malaria. Further, urgent steps also need to be taken to control increasing incidence of HIV/AIDS in the country.
- ❑ The incidence of Dengue Fever (DF)/Dengue Hemorrhagic Fever (DHF) increased significantly in 2004. There were about 13,000 DH/DHF positive cases and 73 deaths reported during the first nine months of 2004.
- ❑ Financial constraints have been central to most of the issues in the health sector. Therefore, alternative sources of financing need to be explored to maintain current status of health, as well as for further improvements. Encouraging of private investments in the health sector and promoting health insurance schemes will be helpful in increasing investments in the health sector.

Human Development Index in South Asian Countries - 2002

Chart 9-1



Education

- ❑ Sri Lanka, being a developing country, has achieved relatively high rate of literacy of around 90 per cent. Government sponsored free education from grade 1 to university level, sufficiently high school density (a school per 6.2 sq. km), and other welfare programmes implemented for decades are mainly responsible for this achievement. However, this high level of literacy

has not been translated to satisfactory learning achievements gearing towards sustainable economic development.

- ❑ The qualities and attributes that are most sought after in the present day labour market are productivity, versatility and adaptability, leadership and team work, confidence to face challenges, a positive work ethics and communication skills. These qualities are reported to be lacking in many students who complete current education programmes, indicating the need for broad based further reforms in the education sector.
- ❑ Reducing the regional disparities in resource allocation including allocation of financial, personnel and physical infrastructure, continue to remain as a challenge for the education management. However, several steps have been taken to improve infrastructure facilities in the plantation sector, junior secondary schools in rural areas, and schools in conflict affected areas. Development of a few select schools on a district basis is also being implemented.
- ❑ Several priority areas such as consolidation of on going educational reforms, promotion of values, ethics and civic consciousness, development of schools in rural areas, nutritional intervention in primary classes, development of IT and English language teaching were identified for development in 2004.
- ❑ Teacher training and skills development have been recognised as vital factors for effective implementation of education policy.
- ❑ In view of recent productivity growth in developed and emerging economies largely attributable to adoption of Information and Communication Technology (ICT), a need has arose to provide ICT training at the school level.
- ❑ Insufficient opportunities for higher education have created serious economic, social and political problems. In 2003, only about 13 per cent of the students, who qualified to gain admission to a university were able to secure a place in a university.
- ❑ University education in Sri Lanka is entirely controlled and provided by the state. In the absence of sufficient government funds to expand higher education opportunities in the country the emergence of the private sector as a provider of higher education opportunities will be inevitable. However, lack of clear accreditation procedure, regulatory framework and a monitoring system obstruct private sector investments in the higher education sector.
- ❑ However, even without an acceptable institutional framework and legal provisions private sector participation is gradually increasing in general education (through international schools) as well as in tertiary education (through degree awarding educational institutions affiliated to foreign universities).
- ❑ The private sector is mainly engaged in the provision of professional education, particularly in the areas of accountancy, marketing, management and information technology.

- ❑ High Emphasis on general and university education and overlooking the importance of technical and vocational training are partly responsible for mis match in the labour market and consequent unemployment among educated youth.
- ❑ The institutions involved in the Tertiary Education and Vocational Training (TEVT) sector continued to provide job oriented training as well as skills development programmes mainly aimed at school leavers. Vocational education reforms were introduced recently with a view to develop technical capabilities and promote skills that are essential for industrial development and diversification as well as generate self-employment opportunities.

The Samurdhi Programme

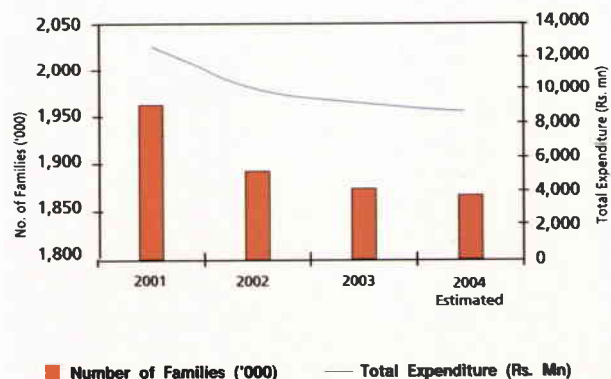
- ❑ The number of beneficiaries under the income supplementary programme of Samurdhi declined by 1 per cent to 1,864,387 families during the first half of 2004. The total cost of the programme during this period has been estimated at Rs. 4,295 million which reflects 0.5 per cent drop over the same period of 2003.
- ❑ A total of 237,797 displaced families in the North and the East benefited under the dry ration scheme, operated at a cost at Rs 659 million during the first half of 2004.
- ❑ The regulations set forth in the Welfare Benefit Act passed in 2003 are yet to be implemented.

Improvements in targeting would largely depend on the implementation of this Act.

- ❑ The total cost of the Samurdhi relief programme in 2004 has been estimated at around Rs. 8,589 million.
- ❑ Total number of Samurdhi Banking Societies (SBSs) increased to 1,035 at end June 2004. SBSs had granted loans amounting to Rs. 1,660 million to its members during the first half of 2004. The compulsory savings fund expanded by 15 per cent (Rs 648 million) during the first six months of 2004.

The Samurdhi Welfare Programme

Chart 9.2



Out look for 2005

- ❑ Life expectancy in Sri Lanka is 73 years compared to the regional average of 61 years. With increasing life expectancy and aging population the incidence of non-communicable diseases such as heart diseases, cardiovascular diseases and diabetes among adults has observed increasing. Therefore, early action needs to be taken to address this issue.

- ❑ Appropriate measures need to be introduced to control DF/DHF on a sustainable manner as frequent out break of the disease has created enormous stress among communities.
- ❑ In recognition of the link between health status and poverty, the Samurdhi, programme has also focused its attention to improving nutrition status of poor communities.
- ❑ A health sector master plan is being developed setting broad framework for future development of the health sector in the country.
- ❑ The National Commission on Macroeconomics and Health (NCMH) has been set up in 2002 with a view to examining and exploring avenues to generate additional finances for the health system.
- ❑ Given the present level of economic development, many cannot afford foreign university education, thus, barring them from acquiring skills needed to meet growing demand for human capital. Hence, fostering competitive accredited universities with the private sector participation could generate human capital needed for Sri Lanka's own development, and could also be an important tradable service. Sri Lanka spends about US dollars 15– 20 million per year for higher education in foreign universities.
- ❑ Improving quality and relevance of training through enhancing the competence of teachers, curriculum development and upgrading existing infrastructure in training institutions, remain as major challenges and issues in the tertiary education and vocational training sector.