The growth of foreign qualification suppliers in Sri Lanka: de facto decentralisation?

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Based mainly on a study of newspaper adverts for qualifications and tuition courses in Sri Lanka over a period from 1965 to 2000, this paper describes a decentralisation of control over the supply of qualifications. It is argued that this has occurred not through a deliberate policy mechanism to decentralise qualifications, but rather by default, through the more general liberalisation of the economy since 1978. Interviews and documentary analysis indicate that at the beginning of the period under study, education and qualifications in Sri Lanka were largely under the control of the state. However, by the end of the period of study, control over the provision of various qualifications rests with diverse bodies – foreign and domestic, public and private. This constitutes a de facto decentralisation in education and qualification provisions in Sri Lanka, notwithstanding the absence of education policy-making to this effect.

Introduction

The newspaper advertisement in Figure 1 appeared in the Daily News (Sri Lanka) on July 16, 2003. In 2003 there is nothing exceptional about the appearance of this and many similar adverts in the Sri Lankan English-language press. However, 30 years ago in Sri Lanka the appearance of this advert would have been unthinkable!

What has occurred in the intervening years to make it possible for Sri Lankan students to dream the American dream, follow an American curriculum and learn in a simulated American study environment with American faculty – without physically leaving the shores of the island?

This paper describes change in the types of qualification-oriented courses available within the shores of Sri Lanka over the period 1965–2000 and in the loci of control of the qualifications linked with these courses. These loci include an increasing range of providers – local and foreign, private and public – of all types of qualification related to the jobs and the economy. These changes are then explored

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in relation to shifts in economic and education policy since independence. The analysis suggests that the changes have arisen by default, in the absence of education policy and as an indirect result of economic policies of liberalisation introduced since 1978.
For Rondinelli et al. (1989), privatisation is the fourth organisational form of decentralisation (following deconcentration, delegation and devolution). This form refers to a planned redistribution of government powers and responsibilities to private hands. In practice, privatisation is increasingly occurring as a result of de facto decentralisation, due to government inability to exercise its financial and administrative responsibilities (Bray & Mukundun, 2003). This paper explores the experience of a form of de facto decentralisation occurring as a result of the weakening of control of the Sri Lankan state over general academic and vocational/professional qualifications and the concomitant participation of an increasing range of local and foreign suppliers.

The evidence cited in this paper is drawn from a newspaper survey, documentary evidence and interviews. A survey of the marketplace for courses and qualifications was carried out at nine points in time over the period 1965–2000 in order to detect trends. The three newspapers selected were the Sunday Observer (English, last Sunday in June), Silumina (Sinhala, last Sunday in June) and Veerakesari (Tamil, last Saturday in June). These were judged to be the most sought-after newspapers by young people in their search for educational and employment opportunities. These adverts were identified and coded by a team of three research assistants at the University of Colombo. The analysis of policy changes that facilitated the observed shifts was undertaken through documentary analysis and interviews with policy-makers.

**Shifts in the marketplace for courses and qualifications, 1965–2000**

Table 1 shows the numbers and percentages of courses/qualifications advertised over the period 1965–2000, noted at nine time points, each covering one day, in the three newspapers.

The majority of adverts in most years are for the General Certificate of Education (GCE) Ordinary (O) and Advanced (A) levels of secondary education (corresponding to 11 and 13 years of general education respectively) and degrees awarded by universities. In the case of O and A level qualifications, most adverts are for tuition that supplements the courses offered by the state school system. Over the period it is clear that the total number of adverts placed in the press on the sampled dates has increased. The increase between 1965 and 2000 has been 10-fold. Where the percentages have increased, for example in higher education, the increase in absolute numbers has been from just 4 in 1965 to 66 in 2000. Where percentages have decreased, for example in GCE A level, the numbers have also – from 47 in 1975 to 27 in 2000.

In 1965 the majority of all courses on offer were those leading to the GCE Ordinary level examinations (36.6%). By 1975–1985 the majority of all courses on offer were those leading to the GCE Advanced level examinations (34.6%, 34.5% and 29.6% respectively). By 1990 this pre-eminent position had been taken over by higher education courses and degrees, a position even more apparent by 1995. Taken together these trends signal the qualification escalation that has long been
apparent in the Sri Lankan education system and employment market (Deraniyagala et al., 1976). Qualification escalation refers to the gradual shift in supply of and demand for ever higher levels of qualification.

General higher education’s pre-eminent position in 1995 is eclipsed in 2000 by courses and qualifications in the information and communications technology (ICT) sector on the one hand (24.6%), and courses in clothing technology on the other (23.1%). Management and accountancy courses account for a further 10.1% of courses. Note that in our coding system degrees in ICT were classified as higher degrees and non-degree ICT courses were classified as ICT. Since many of the degrees in the 1990s were degrees in ICT this underlines further the numerical importance of these courses and qualifications.

Table 2 focuses on the adverts in the English press and indicates whether the courses led to qualifications that were under domestic or foreign control. In some cases it was not possible to discern the qualification to which a course led, whether a

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<tbody>
<tr>
<td>General higher education</td>
<td>9.8%</td>
<td>8.8%</td>
<td>13.2%</td>
<td>13.9%</td>
<td>11.1%</td>
<td>16.4%</td>
<td>36.1%</td>
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<tr>
<td>General secondary education ‘Advanced level’</td>
<td>29.3%</td>
<td>25.0%</td>
<td>34.6%</td>
<td>33.6%</td>
<td>29.6%</td>
<td>15.7%</td>
<td>10.8%</td>
</tr>
<tr>
<td>General secondary ‘Ordinary level’</td>
<td>36.6%</td>
<td>17.5%</td>
<td>15.4%</td>
<td>8.0%</td>
<td>12.3%</td>
<td>7.1%</td>
<td>8.2%</td>
</tr>
<tr>
<td>Information and communications technology</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0.7%</td>
<td>2.5%</td>
<td>10.7%</td>
<td>12.0%</td>
</tr>
<tr>
<td>Management and accountancy</td>
<td>4.9%</td>
<td>2.5%</td>
<td>2.9%</td>
<td>2.2%</td>
<td>1.2%</td>
<td>4.3%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Languages</td>
<td>9.8%</td>
<td>30.0%</td>
<td>18.4%</td>
<td>22.6%</td>
<td>21.0%</td>
<td>9.3%</td>
<td>10.8%</td>
</tr>
<tr>
<td>Technical</td>
<td>2.4%</td>
<td>0%</td>
<td>5.1%</td>
<td>8.0%</td>
<td>8.6%</td>
<td>8.6%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Clerical</td>
<td>0%</td>
<td>8.8%</td>
<td>6.6%</td>
<td>4.4%</td>
<td>2.5%</td>
<td>4.3%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Artisan</td>
<td>2.4%</td>
<td>0%</td>
<td>0%</td>
<td>4.4%</td>
<td>1.2%</td>
<td>8.6%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Sales</td>
<td>2.4%</td>
<td>6.3%</td>
<td>1.5%</td>
<td>2.2%</td>
<td>4.9%</td>
<td>6.4%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Self development/other</td>
<td>2.4%</td>
<td>6.3%</td>
<td>1.5%</td>
<td>2.2%</td>
<td>4.9%</td>
<td>6.4%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Total</td>
<td>41 (100%)</td>
<td>80 (100%)</td>
<td>136 (100%)</td>
<td>137 (100%)</td>
<td>81 (100%)</td>
<td>140 (100%)</td>
<td>158 (100%)</td>
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Note: Authors have added bold for emphasis.

Table 2. Qualification-awarding bodies, domestic and foreign, in the English press, numbers and percentages

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<tbody>
<tr>
<td>Domestic</td>
<td>12 (80%)</td>
<td>27 (71%)</td>
<td>23 (74%)</td>
<td>33 (65%)</td>
<td>81 (53%)</td>
<td></td>
</tr>
<tr>
<td>Foreign</td>
<td>3 (20%)</td>
<td>11 (29%)</td>
<td>8 (26%)</td>
<td>18 (35%)</td>
<td>72 (47%)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>15 (100%)</td>
<td>38 (100%)</td>
<td>31 (100%)</td>
<td>51 (100%)</td>
<td>153 (100%)</td>
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</tbody>
</table>
course led to a qualification, or whether the qualification award was controlled by a domestic or foreign agency. These cases were excluded from the analysis.

Table 2 suggests that throughout the period 1965–2000 the number of qualifications, whether domestic or foreign, has increased. Table 2 also suggests that the majority of qualifications advertised in the press have remained under domestic control. However, it is also clear that the proportion of qualifications whose award is under foreign control has been increasing steadily across the period, from 20% of the adverts in 1965 to 47% in 2000. It is also clear that the number of adverts for courses leading to qualifications under foreign control increased dramatically in 2000. Both numbers and proportions of domestic and foreign suppliers show a convergence over the period.

Further qualitative analysis of the adverts yielded four categories of qualification supplier, best described as government, semi-government, professional body and private. Figure 2 provides examples of different types of domestic and foreign qualification supplier in 1975 and 2000.

Further inspection of the adverts indicated that in 1975 none of the foreign qualification bodies were degree-awarding universities; and no adverts appeared for the entry exams for the universities of Cambridge and London. The majority of foreign qualifications supplied at this time were provided by professional and technical bodies. And on the day of the sampled advertisements every 'foreign' qualification supplier was based in England.

These indicative findings are confirmed by research conducted in the mid-1970s (Deraniyagala et al., 1978). Data provided by the Government Department of Examinations suggested that in 1976 nearly 5,000 Sri Lankan candidates sat professional and technical examinations controlled by foreign professional associations and technical education bodies. All bodies were UK-based. Examination candidates took courses in Sri Lanka. The examinations were administered by the Sri Lankan Government Department of Examinations. Bodies included the City and Guilds London Institute, the Association of Certified Accountants, Chartered Secretaries and Accountants, the Institute of Cost and Management Accountants (at 3,500 entries by far the most popular foreign professional qualification), the Institute of Actuaries, the London Chamber of Commerce, the Institute of Marketing, the Institute of Company and Commercial Accountants and the Institute of Statisticians.

By 2000 many qualifications, especially degrees awarded by foreign universities, were on offer in the qualifications marketplace. No longer did ‘foreign’ equate with English/British. The adverts in Figure 2 cite universities in Ireland and India. Adverts from days other than those sampled indicate a range of American, Russian and Australian universities. At the school level the UK-based Edexcel O and A level school qualifications are frequently advertised and often appear alongside adverts for the Sri Lankan state O and A levels, placed by the same tuition supplier. Many students will sit both sets of exams, following different syllabi as required. By 2000 the Government Department of Examinations no longer controlled the administration of most of the British professional association examinations which it had administered in the 1970s.
1975

**Domestic**

*Government*: O and A level (General Secondary School) awarded by the Sri Lankan Department of Examinations

*Private*: Computer programming certificate awarded by ‘the Polytechnic’, Sri Lanka

**Foreign**

*Professional body*: Certificate of Gemmology awarded by the Gemmological Association of Great Britain

*Foreign government regulated*: Telecoms Engineer certificate awarded by the City and Guilds, UK

2000

**Domestic**

*Government*: O level (General Secondary School) awarded by the Sri Lankan Department of Examinations

*Semi-government*: The Open University of Sri Lanka degrees

*Government*: Clothing Industry Training Institute awarded by the Ministry of Industrial Development, Sri Lanka

*Private*: The Phoenix College of Clothing Technology Certificate, Sri Lanka

*Private*: London Business School diploma, Sri Lanka (n.b. the title should not be confused with the London Business School in London, UK)

**Foreign**

*Foreign government regulated*: Degree from the University of Sunderland, UK

*Foreign government regulated*: Degree from the National University of Ireland, Ireland

*Foreign government regulated*: Degree from the Miana Institute of Management Studies (recognised by the Government of Karnataka and affiliated to Bangalore University, India)

*Professional body*: Chartered Institute of Management Accountants (headquarters in UK)

*Private*: A level school (General Secondary School) qualifications supplied by Edexcel, UK

*Private*: Degree awarded by International Correspondence Schools (world’s recognised leader in distance training for more than 100 years)

Figure 2. Examples of domestic and foreign suppliers of qualifications, 1975 and 2000
The recent growth in foreign provision needs to be seen in relation to a much earlier period – the British colonial period. The universities of Cambridge and London were active in the provision of school-level qualifications between 1880 and the 1940s. The University College of Ceylon was established as a college of the University of London in 1921. The City and Guilds Institute of London and the London Chamber of Commerce were active suppliers of technical and commercial qualifications, respectively, from the early 20th century (Jayasuriya, 1979). While many of these bodies either ceased or reduced qualifications supply in the first 30 years after independence some re-emerged as suppliers in the last quarter of the 20th century, albeit in new forms.

Policy change in education?

Since independence in 1948 no policy measures have been introduced to shift control of education and qualifications away from the public sector. After the introduction of the Provincial Councils Act of 1987 control of general education provision has shifted considerably from the national to provincial levels of state control. However, the award of qualifications and design of courses have remained firmly under national control. Indeed the history of primary and secondary education throughout the 20th century may be seen as a steady move to greater rather than less state involvement in course provision, qualification awards and finance. This policy stance has been maintained to the present, although the National Education Commission has recently recommended the amendment or repeal of Section 25 of the Assisted Schools and Training Colleges (supplementary provision) Act no 8 of 1961 to permit the establishment of schools in the non state sector (NEC, 2003).

In the university sector too there has been no policy change. Although there is no explicit legal barrier to the establishment of private universities there has been considerable public resistance. Attempts to establish a private institution awarding degrees in medicine in the mid 1980’s led to protests so violent that the government was forced to integrate the courses into one of the state universities. While many have argued that private universities should be permitted in order to meet growing social demand opponents argue that private universities will charge high fees, meet the needs of the rich and lead to a polarization of poorly endowed state universities and well equipped private universities (Hettige, 2005).

In practice the tertiary sector as a whole has expanded considerably, and in two ways that have not attracted public resistance. First, many institutions have formed partnerships with foreign suppliers of courses and qualifications. Second, many local institutions offer tertiary level courses, especially in technical and professional subjects, and award diplomas or certificates. Total tertiary enrolment is estimated to have expanded 60% between 1997 and 2002 and accounts for 11% of the relevant age group. Three per cent are enrolled in public universities, 2% in advanced technical education institutions (assumed to be 50% public and 50% private) with the majority (6%) enrolled in a variety of private sector tertiary institutions offering
professional courses and a range of degrees from foreign universities (World Bank, forthcoming). Private provision has expanded *de facto* in spite of policies to promote it.

Like most countries Sri Lanka has not signed up to the education and qualifications schedule of the World Trade Organisation’s (WTO) General Agreement on Trade in Services (GATS). Nor are there signs that she intends to in the near future.

So, if there has been little or no change in Sri Lankan government policy on education and qualifications, what other types of policy measure may have indirectly facilitated change in the practice of qualifications supply? In the next section of the paper it will be argued that a planned liberalisation of the economy has facilitated the unplanned decentralisation of education and qualifications.

**Economic Policy and Liberalisation**

Changes in economic policy have played a large part in the practice of qualifications supply. Lakshman (1997) provides an excellent overview of shifts in economic policy in Sri Lanka since independence. At independence Sri Lanka had a classic export economy based on plantation agriculture. The economy was characterised by a dual economic structure with rather separate ‘modern’ and ‘traditional’ sectors. The modern sector comprised plantations, transport and communications, external trade and public administration; the traditional sector comprised peasant agriculture, small-scale fishing, cottage industry and various informal sector service activities.

The first democratically elected political party, the UNP, maintained policies to support this export economy. The economic regime was liberal, free trade and market-oriented and the private sector was seen to be the engine of growth.

The economic regime changed after 1956 when the newly elected socialist-oriented coalition, the MEP, assigned the state a central role in the economy and embarked on a 20-year regime of import substitution in industry (ISI). This regime was characterised by ‘high tariff levels, import and exchange controls, price controls, industrial licensing, over-arching presence of state enterprises, and central planning’ (Lakshman, 1997, p. 7). During the 20-year period, the UNP was returned to power between 1965 and 1970 and attempted to re-liberalise imports, introduce some currency devaluation and modernise agriculture through technology. But these attempts were short-lived. The United Left Front, voted back to power between 1970 and 1977, re-launched and strengthened the regime of ISI.

The UNP was returned to power in 1977 at a point in world history when the global integration of structures of production, trade and finance was advancing. Sri Lanka ‘eventually decided, in 1977, to be a part of that process’ (Lakshman, 1997, p. 8). The UNP introduced a programme of liberalisation and deregulation. Trade-related measures included the elimination of quantitative restrictions on imports, the termination of the public monopoly on certain imports, the removal of licensing requirements for imports and exports, a reduction of tariffs and a revision of export duties. Foreign exchange controls were relaxed and price controls removed. The Sri
Lankan rupee was devalued, exchange rates were unified (previously there had been a dual rate) and a floating currency system introduced. Free trade zones, with tax breaks for inward foreign investment and offshore banking facilities, were established.

**Economic Liberalisation and the Trade in Qualifications**

Though few measures to liberalise the education and qualification sectors have been introduced directly, several of the economic policy measures have indirectly facilitated the growth of private sector education and training institutions at the margins of the public provision. The relaxation of foreign exchange controls made it possible for Sri Lankans to pay course fees to foreign providers in foreign exchange.

Policies for foreign direct investment made it possible for Sri Lankans and foreigners to collaborate in the establishment of companies. Recall the introduction to this paper, where you read that the American National College is a member of Ceylinco Consolidated, a private sector firm registered in Sri Lanka.

Many new so-called ‘international schools’ sprang up in the post-economic-liberalisation period. While some of these schools taught only or mainly Sri Lankan students and were not therefore international schools in the conventional use of that term, they taught through the international language of English and students sat the English-medium examinations of suppliers like Edexcel, and the more globally based International Baccalaureate. Significantly these schools were registered as companies or bodies with a range of ministries other than the Ministry of Education or with company registration registers. None registered as a private school with the Ministry of Education, nor did the ministry take any action to require or encourage such registration. Alongside the students in the international schools were and are many others in Sinhala and Tamilmedium state schools whose schools entered them for the Sri Lankan state O and A level qualifications and whose parents simultaneously entered them for the ‘London’ O and A levels (administered via the British Council).

Relaxations in the rules regarding foreigners working in Sri Lanka attracted foreign teachers working on short- and long-term contracts. Foreign suppliers soon perceived the advantage of creating pathways from courses and qualifications in Sri Lanka to their institutions in the region (e.g., Singapore, Malaysia, India) and further afield (especially the UK, US, Canada and Australia).

Private Sri Lankan agents, connecting student consumers with foreign suppliers, navigated their way through a myriad of pathways to foreign provision and flourished.

In the technical and ICT fields, many Sri Lankan private sector institutions sprang up to provide courses leading to private or Sri Lankan state certificates and diplomas. So many Sri Lankan private sector institutions sprang up that in 2003 the Ministry of Tertiary Education and Training required all Sri Lankan (but not foreign) training and qualification providers to register with and seek accreditation from it. It then advertised the names of all registered or registered and accredited institutions in the press. This was an attempt at quality assurance of domestic
courses by the state. So far the ministry has not attempted to require foreign providers to register.

**Liberalisation and employment**

But if the economic liberalisation measures have had an impact on the foreign ‘business’ of qualifications, even more fundamental has been their impact on the economy, the structure of employment opportunities and the allied demand from employers and potential employees for qualifications.

Since the introduction of the economic liberalisation measures, the economy has grown, very rapidly in the first five years after liberalisation (at 5–6%), and more modestly thereafter. This growth has occurred despite a civil war that ravaged parts of the country, the people and the economy throughout. Economic growth has been accompanied by four shifts in employment, each of which may have fuelled the demand for qualifications.

First, unemployment rates have declined from 19.7% in 1975 to 7.7% by 2000 (Central Bank, 2000). Second, the sectoral composition of employment has changed. Between 1973 and 1996–1997 the employed population working in agriculture, a sector where qualifications have, historically, been little in demand, declined from 54.5% to 37.7%. In the same period the employed population working in manufacturing, where qualifications are used for recruitment purposes, grew from 9.3% to 16.8%; and in wholesale and retail trade from 7.0% to 13.3% (Central Bank, 1999). Third, many more women are now formally employed. The labour force participation rate of women increased from 20.2% in 1973 to 34% by 2000; the respective male figures grew from 48.5% to 67.3% (Central Bank, 2000). Finally, although the proportion of the employed population in public sector employment remained very high in the immediate post-economic-liberalisation period it reduced in later years. The proportion of private sector employees has increased from 33.7% to 43.2% in the 10-year period from 1990–2000. In the same period the proportion of public sector employees declined from 21.5% to 13.6% (Central Bank, 2000). The private sector is more likely than the public to demand job-specific qualifications and to recognise and give preference to foreign qualifications.

**Conclusion**

This paper began with the single observation of an American private sector college offering Sri Lankan students the possibility of pursuing the American dream from within the shores of Sri Lanka. It went on to explore trends in the volume and types of qualifications on offer in the marketplace and confirmed the growth of foreign-supplied qualifications alongside the domestic. The paper provides an example of *de facto* decentralisation, occurring as a result of a weakening of control of the Sri Lankan state over general academic and vocational qualifications and the concomitant participation of an increasing range of local and foreign suppliers.
Survey analysis confirmed the growing importance of foreign suppliers alongside a growth in domestic supply. Qualitative inspection of the content of advertisements indicated that both foreign and domestic suppliers could be classified as state and non-state. Analysis of shifts in the types of qualifications supply suggested, paradoxically, that the growth of foreign supply had occurred in the absence of specific policies designed to promote it. It was suggested that the planned liberalisation of the economy had effected an unplanned liberalisation of qualifications through two main chains of influence. The first was through trade and currency measures that attracted foreign investors of various kinds in all sectors of activity, including foreign qualifications suppliers. The second was through the impact of the measures on the volume and composition of the employment sector. Changes observed in the qualifications sector have occurred in the absence of national or international agreements on qualifications supply.

**Note**

1. The research assistants were Upul Indika, Nihal Chandrasiri and Wathsala Devi, supervised by Siri Hettige and Nishara Fernando.

**References**


