Chapter 5 - Conclusions and Recommendations

Each indicator that had been analyzed in chapter 4 was given a detailed conclusive explanation at the end of respective section. This chapter will give the overall conclusions of evaluation of the readiness of Sri Lanka to be a member of global knowledge society by compressing all the detailed discussion that had been done during the data analysis.

5.1 Overall conclusions and Recommendations

Based on comprehensive data analysis done on pre-requisites and outcomes, study draws the conclusive remarks on each Pre-requisite indicator and outcome indicator by giving evaluation of knowledge creation, dissemination and utilization in Sri Lanka. Then concise conclusions are drawn based on the overall picture of the pooled indicators of the indicator framework. Table 46 shows the indicator, primary measurement of the indicator, remarks from different perspectives and finally the concise conclusions on knowledge society pre-requisites and outcomes in Sri Lanka. Based on table 46, study draws following final conclusions on readiness of the Sri Lanka to be a global knowledge society.

In South-East Asian region Rep. of Korea is the best knowledge society while Singapore, Malaysia, and also India are showing great potential to be competitive global knowledge societies. These countries not only focus on ICT but also improving the enrolments in education, especially at tertiary level and R&D. Rather than having emerging enthusiasm on mobile technology and modern CDMA technology, Sri Lanka still does not show any specific urgency, adaptation or greater enthusiasm to be a knowledge society in terms of knowledge creation, dissemination and utilization.

There are high correlations between some pre-requisites such as education and outcomes such as social welfare and health indicators in Sri Lanka. In comparison with the relatively acceptable correlation with economic performances in the South-East Asian region, Sri Lanka has not reached the predicted or anticipated level as a knowledge society in South-East Asia. Major hindrance for this is in Sri Lanka core requirements to be a knowledge society is still not integrated properly. Education has basically improved the social welfare and health of the country but still the ICT, education, social and economical affairs are not interlinked at policy level. Still the ICT utilization in e-commerce and e-government sectors are very moderate and tertiary educated labor force are not being identified as a factor of production. Innovations are not at a satisfactory level especially business organizations are committed to international level R&D and hence the graduates those who are specialized with

research are unable to perform to their fuller capacity. Most of the educated young labor force participants are unemployed mainly due this reason and hence are becoming a social problem that should not be the case in knowledge society. There are some suggested policy reforms that improve IT education in school level and hence the ICT skills of younger generation would be better. If the government can go a step further to identify education as an economic activity rather than a social activity that would give much higher return on investment on education at national level. If the ICTA implements the e-government reforms according to their initial plan and if business community promote online businesses as their normal business operations would make the ICT knowledge as compulsory requirement for citizens. By doing these reforms Sri Lanka can improve economically valuable education, ICT literacy, Internet and E-mail usage and finally it will open the gates for culture that rely on knowledge creation and dissemination. This should not be an isolated effort of government. Education specialists, ICT infrastructure providers, business community and by and large all the citizens must actively participate to the policy decisions and government need to effectively coordinate the entire process because we are far behind the South-East Asian knowledge society schedule.

Table 46: Concluding remarks on Main Indicator variables of the Study

Indicator Name	Conclusions were primarily based on	Remarks on individual indicator	Conclusions
	Pre-requisites		
	Media		
Telephone subscribers	**Overall status**- Jipp curve analysis	Below the expectations	Mobile technology is the promising modern ICT media. Internet and e-mail is far away from being popular knowledge dissemination medium
	Trend – changes over the period	Expanding with mobile tech.	
Internet and E-mail Users	**Overall status**- Jipp curve analysis	Far below the expectations	
	Trend – changes over the period	Relatively low improvement	
Television Receivers	**Overall status**- Jipp curve analysis	Satisfactory	Are still the most popular communication mediums in Sri Lanka. Hence have significant role to play in knowledge dissemination
	Trend – changes over the period	Improving	
Radio receivers	**Overall status**- Jipp curve analysis	Satisfactory	
	Trend – changes over the period	Improving	
Daily news paper circulation	**Overall status** - Jipp curve analysis	Below the expectations	Popularity and usage of print media as knowledge disseminating medium is diminishing its importance.
	Trend- No. of news papers in circulation	Low improvement	
Books & Magazines	**Overall status**- no. books published	Far below the expectations	
	Trend – changes over the period	Decreasing	
	Education- Overall		
Human Resources	**Capacity**- Changes of Stu./Tea. Ratio	Slightly improved	General education HR is at satisfactory level.
	Quality- Qualifications of teachers	Satisfactory	
	Distribution- Provincial distribution	Satisfactory	
ICT education	**Usage** – No. of computers in schools	Far below the expectation	Not very promising. Lack of ICT facilities and divide between rural and urban schools is not very healthy
	Trend- policy analysis	Satisfactory	
Finance on education	**From GDP**- Cross country comparison	Relatively satisfactory	Due to lack of economic wealth expenses is not improving. Per capita cost of general education tends to have negative correlation with the enrolments.
	On tertiary educ. - Expenses on tertiary educ.	Not satisfactory	

	Improvement: Capital expenditure from GDP	Insignificant	
	Cost - Per capita cost of education	Increasing	
Enrolment ratio	**Primary-** Gross enrolment ratio, cross country	Satisfactory	School education is being good but specialized high level knowledge is lacking. Highly satisfactory to learn basic day to day life activities and health matters
	Secondary- Gross enrolment ratio, cross country	Satisfactory	
	Tertiary- Gross enrolment ratio, cross country	Not satisfactory	
Literacy rate	**Adult-** Adult literacy rate, cross country com.	Satisfactory	
	Youth- Youth literacy rate, cross country com.	Satisfactory	
Education – Tertiary			
Institutional development- Universities	**Physical** – No. of departments	Increasing	Trend is satisfactory with vast array of new knowledge areas and enrolment opportunities. But overall facilities are not satisfactory and technical colleges are not creating enough opportunities
	Human Resources- No. of employees, teachers	Increasing	
	Enrolment- No. of students, new admissions	Increasing	
Technical colleges	**Physical** – No. of technical colleges	Stagnating	
	Human Resources- No. of employees, teachers	Teachers are decreasing	
	Enrolment- No. of students, new admissions	Slightly decreasing	
Graduate output- First Degree	**Graduates-** changes of no. of graduates	Increasing	Science and Mathematics are not much popular but high level business knowledge is readily available. Importance of Post graduate qualifications is improving in science as well
	Academic steam- changes over the period	Non science dominant	
Post graduate	**Graduates-** changes over the period	Increasing	
	Academic stream- changes over the period	Non science dominant with improving science	
Tertiary Education by disciplines	**Enrolment in Science -** changes in enrolment	Below the expectations	Science oriented skills are not generating enough due to lack of demand.
	Enrolment in Arts & Com.- changes in enrolment	Far above the expectations	
	Opportunity in science- enroll/eligible stu.	Relatively high	
	Opportunity in other- enroll/eligible stu.	Relatively low	
Employment			
By occupation	**Status -** % employments	Primary level manual work dominance	Still dominated by primary level work rather

			than knowledge work. But it is improving
	Trend- Changes over the period	Improving knowledge incentive work	
By economic activities	**Status-** % from labor force	Majority in agriculture	Employment also moving away from agriculture to services
	Trend- Changes over the period	Shifting away from agriculture	
By age group	**Status-** % from labor force	Relatively young	High young labor force participants do not have much opportunities to perform
	Trend- unemployment rate	Unemp. is high among young participants	
By ownership	**Status-** % employment in each sector	Private sector dominating	Most of the economic activities are conducted by private sector. Hence the majority is employed in private sector
	Trend- Trend line analysis	Private sector is continuously expanding	
By education	**Primary-** % of employed	High	Educated people do face difficulties in finding job opportunities due to the elementary nature of the labor market
	Secondly- % of employed	Lower	
	Tertiary - % of employed	Lowest	
Foreign employment	**Importance-** changes over period	Increasing	Do not attempt to get use the opportunities to exploit the higher skill job opportunities in foreign markets.
	Nature of work- % by manpower level	Mainly unskilled and housemaids	
	Exploitation - % vacancies and departures	Not satisfactory	
Social welfare			
Human development Index	**Status-** Cross country comparison	Satisfactory	Do have healthy human development as a emerging knowledge society
	Relationship- correlation between indexes	Highly correlated	
Digital divide with in the country	**Status:** Radio and television usage by province	Relatively lower	Conventional media are very popular all over the country but modern ICT media are not equally distributed all around the country
	Telephone and PC usage by province	Relatively high	
Politics			
Government effort to improve ICT & knowledge	Observations	Encouraging	Government understand the importance of ICT and education in this era but they do not identify the importance of knowledge creation through R&D.
Expenditure on R&D	Observations	Not very encouraging	

Outcomes

Innovation			
Patent applications	**Trend:** International Applications Local applications **Nature:** Categories of applications **Sources:** sources of applications	Increasing in the world, developing countries & also in Asia but Sri Lanka very low. .Not encouraging More Science and technological in Southeast Asia, in Sri Lanka unable to find. Mostly commercial companies in Asia & then private inventors.	Innovations are not at satisfactory level according to the regional standard. Companies are not involved in R&D very much. And hence the low demand for graduate cane be some what justified.
E-Applications			
E-Commerce usage	**Trend:** Survey on E-commerce **Status:** Survey on E-Commerce in Sri Lanka **Nature of online business in Sri Lanka:** empirical study on websites	Online business in diminishing in the world Encouraging effort are there with SMEs Mainly informational but not satisfy the customer requirements	Online presence of Sri Lankan public companies is not customer oriented and they do not utilize website to give customer satisfaction. But with SMEs efforts are encouraging with positive future prospects.
E-Government	**Status:** Survey on e-government in Sri Lanka **Trend:** ICTA e-strategies	Not very encouraging Sounds great on the paper	Very elementary level of utilization and planed e-strategy would give positive economic results, if they utilized efficiently.
Economic Impact			
GDP and ICT	**Relationship:** Correlation coefficients **Utilization in Sri Lanka:** nature of the E-Application	High positive relationship is there Not very satisfactory	There is high potential influence from ICT and education to the economic performance of South-East Asia. But in Sri Lanka both are not satisfactorily utilized in economic activities
GDP and Education	**Relationship:** Correlation coefficients **Utilization in Sri Lanka:** employment by education	Positive Underutilized the educated youth	
Social Impact			
Correlation between health, infrastructure and education	**Relationship:** Correlation coefficients **Status of Sri Lanka:** Indicator values	High negative relationship Satisfactory	Education plays a key role of the social wellbeing of South-east Asia and also in Sri Lanka.
Correlation between prisoners and education	**Relationship:** Percentage from education level	Lower with higher educational qualification	

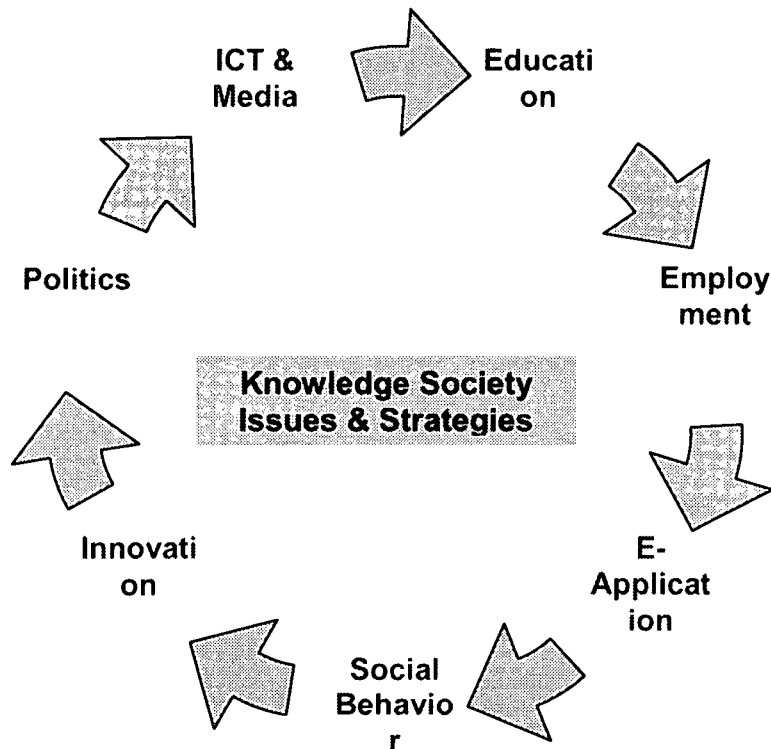## 5.2 Specific Issues and strategic recommendations

Figure 30: Key Strategic Issues in Sri Lanka to be KS

According to the macro level evaluation of the study, it has identified seven key strategic issues those require long-term strategies to be in competitive in global knowledge society. ICT and Media, Education, Employment, E-Application, Social behavior, Innovations and finally politics are the key factors of determining the readiness of Sri Lanka to be a Knowledge Society in next decade.

Radio and television are still the most popular ways of sharing knowledge and information in Sri Lanka. Due to the low internet users and diminishing interest on printed media, most advanced knowledge and new knowledge that is available on internet and printed media should be re-disseminated through two relatively conventional mass media, television and radio after adapting and translating to common language. Community radio would be the best option. Due to emerging popularity of mobile technology with GPRS and optional Blue-tooth Internet penetration, internet usage over mobile phones can also be improved in near future by reducing cost of mobile Internet penetration as a motivator. In order to utilize high literacy rate of the country to improve availability of information and knowledge among citizens 'printed media' should be encouraged as a formal disseminating

medium. Encouragement should be done not only to improve the readability of the existing knowledge but also to publish newly created knowledge.

General education has been good in Sri Lanka with the free government education and it allows Sri Lanka to fly high in literacy rate and HDI ratings among other members of the South Asia and it has already implemented reforms that would increase the innovative skills and ICT skills of the students in great extent but the tertiary level education is the problem especially due to low enrolment opportunities. Despite the fact that free education system is giving the invaluable benefits for poor people to get the education facilities freely up to university level, but freedom of learning according to their desires is being threatened at the university level education. More than 90% youth are ending their education without having higher education and students who are selected do not get the opportunity to decide their own education stream. Hence calculated risk should be taken by inviting private investors to invest in higher education industry to give "right education to right person to innovate new economically valuable knowledge". Meanwhile technical colleges are not improving enough to absorb the heavy school leaver rate those who do not qualify for the universities and hence should be re-organized to disseminate and create economically valuable knowledge among younger generation of the country.

Sri Lankan university education is still dominated by Arts and commerce study streams and the importance of high level science and mathematics that had been highlighted in knowledge societies during the literature review is not prevailing in Sri Lanka. To utilize the existing high literacy rate to gain improved economic performances scientific findings and enrolment in science and mathematics fields should be encouraged.

Employment point of view most of the jobs available in Sri Lanka are basically primary level unskilled jobs and hence do have high unemployment rate among young and educated people. With the changes that had been taken place in economic activities over the examining period, importance of knowledge intensive jobs were increasing This is a good sign of converting Sri Lanka to a knowledge society but it is still at very elementary level. To learn the best practices and advanced knowledge of developed and economically wealthy countries, government should encourage unemployed educated youth to exploit the readily available opportunities in foreign countries as professional and skill labors as most of the Indians do. It will give the required benefits for the country in the long run; it will basically generate much higher foreign earnings and when Sri Lanka is trying to implement similar

type of technologies and industries the experience of those foreign employed Sri Lankans' will automatically come into play.

Sri Lanka seems to be facing high unemployment rate among educated young labor force participants mainly due to lack of co-ordination between education and human resource planning. Especially the upper secondary and tertiary educational institutes those are offering knowledge to the students are not well known the human resource requirements of the country. This issue clearly highlights the importance of national human resource plan in Sri Lanka for at least five to ten years ahead. Education in both at secondary and tertiary levels should be organized, changed and implemented according to the future human resource requirements of the country, otherwise existing burden of unemployed educated youth would be a never ending hindrance for the country that required short-term remedies for ever.

Social welfare is high in Sri Lanka over the last two decades. Hence the basic health and education are by and large equitably shared and also at least conventional mass media are shared among all the citizens to gain the knowledge outcomes. Digital divide that is being there in ICT, should be bridged by investing and by encouraging private sector to invest on ICT in remote provinces. As far as we are living in a global knowledge society ICT would be a necessary evil in economic affairs. Hence government and business community should be radical and positive towards ICT. Business sector should encourage people to get use to ICT by implementing ICT for their day to day business processes. According to the global trend, customers are preferred gathering specific information rather than online purchasing. Hence high bandwidth, security and legal requirement would not be primary issues that would resist information dissemination using internet based ICT. By making online business and e-government applications as benchmark requirements of business operations ICT can be converted to a day to day necessity that can not be omitted. If so majority of citizens would consider ICT skill as a basic level skill in day today life as ATMs. With in ten years time majority of bank customers are able to use ATM because it became a common feature of banking. But when it comes to e-commerce and e-government still business community and government are very conservative and in an improving ICT environment they do not give real kick to ICT usage to take off as a common language just like in Rep of Korea.

Government of Sri Lanka has identified the importance of ICT, ICT education and modern ways of learning in this era and give financial and policy support to improve ICT and ICT education. Continuous implementation and encouragement for these policies from all the parties who rule the country is a must and should cultivate the attitude of "knowledge society

is driven purely by creation and utilization of economically valuable knowledge, and nothing else". Giving ICT education that is integrated with scientific and mathematical thinking and applications would be a best strategic option to gain future benefits rather than teaching only word processing.

Innovation is the key factor of deciding developed and under developed countries in the future. As far as Sri Lanka is lack with economically valuable knowledge products country will economically stagnated and will be unable to get the economical value of the higher educated youth's maximum contribution. Hence business companies who are able to spend money on R&D at national level should be encouraged and specially individual innovators those who innovate import-substitute product should be encouraged and their innovations should be promoted at national level by using import tariffs to restrict imports, giving individual customers a VAT reduction and giving cooperate customers capital allowances on their cooperate tax. This would save the foreign currency reserve, would utilize specialized knowledge in economic activities, it would generate new job opportunities and there would be opportunities for exporting product to other countries as well.

Finally as far as Sri Lanka encourage private sector to involve in economic affairs, they should be considered as integral members of national policy development. Educational policies, ICT policies, Legal requirements all should be decided in a open forum that every key player in public as well as private sector and also the community members who actively participate. This would help to generate interlink every community in knowledge society that has been not there for yet in Sri Lankan policy development practice.

By applying above mentioned recommended strategies, Sri Lanka can strengthen the pre-requisite backbone and utilization for being a competitive global knowledge society.

5.3 Suggestions for future researches

Benchmarked Indicator framework that has been developed by this study can be periodically evaluated to identify whether Sri Lanka is satisfying the criterion in the future. By evaluating each indicator once in two or three years, future researches would be able to identify the strengths, weaknesses, opportunities and threats of Sri Lanka to be at global knowledge society. It would give opportunities for policy makers to develop and re-evaluate timely based development strategies for the country.

By using benchmark indicator model developed in this study is a universally applicable, but this model best suited for developing countries, those are not concentration on

Knowledge society yet. By appling minor modifications according to the availability of statistics, researchers can evaluate any other region's or country's readiness to be a global knowledge society. Modification would be mostly additions of indicators rather than omitting because almost all indicators that have been used in this study are readily available in most countries.

Due to the limitations arise from lack of previous literature support and statistics in this part of the world, there can be other indicators that should be included as benchmarked indicators to get better evaluation of Knowledge Societies. If future researchers can find satisfactory statistics they are free to insert such indicators to the benchmark list. For an example expenditure on R&D from the GDP is important but central bank of Sri Lanka currently does not calculate that ratio and hence not include in the benchmark indicator list. When these statistics are available that ratio can also be included as a benchmark indicator.

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Appendix

The Economist Intelligence Unit has published an annual e-readiness ranking of the world's largest economies since 2000. Currently 65 countries are assessed on their ability to promote and support digital business and information and communications technology (ICT) services. A country's e-readiness is essentially a measure of its e-business environment, a collection of factors that indicate how amenable a market is to Internet-based opportunities. The e-readiness rankings are a weighted collection of nearly 100 quantitative and qualitative criteria, organized into six distinct categories measuring the various components of a country's social, political, economic and of course technological development. The underlying principal behind the rankings is that digital business is at its heart business, and that for digital transactions to be widely adopted and efficient, they have to thrive in a holistically supportive environment. E-readiness is not simply a matter of the number of computer servers, websites and mobile phones in the country (although these naturally form a core component of the rankings), but also such things as its citizens' ability to utilize technology skillfully, the transparency of its business and legal systems, and the extent to which governments encourage the use of digital technologies. Following table shows the E-readiness ranking of Asia-Pacific region in 2005.

Economist Intelligence Unit e-readiness rankings, 2005
Asia-Pacific

2005 rank in region	2004 rank in region	Country	Overall ranking (of 65)	e-readiness score (of 10)
1	2	Hong Kong	6	8.32
2	3	Australia	10	8.22
3	1	Singapore	11	8.18
4	5	New Zealand	16	7.82
5	4	South Korea	18	7.66
6	7	Japan	21	7.42
7	6	Taiwan	22	7.13
8	8	Malaysia	35	5.43
9	9	Thailand	44	4.56
10	10	India	49	4.17
11	11	Philippines	51	4.03
12	12	China	54	3.85
13	12	Sri Lanka	56	3.80
14	14	Indonesia	60	3.07
15	15	Vietnam	61	3.06
16	16	Pakistan	64	2.93

Source: Economist Intelligence Unit, 2005

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