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E-volution : IT and the national economy

by Meredyth Lewis

In recent years computer technology has been transforming the world's economy into an increasingly competitive arena. Developing countries have been forced to keep pace with advances in technology to avoid missing out on opportunities for economic and human development.

The Sri Lankan Government has realised this necessity and since 1992 has embarked on a program of rapid export oriented industrialisation aimed to accelerate economic growth. This has been strongly supported by the Prime Minister who explicitly stated the Government's commitment to making IT a key sector of Sri Lanka's economy. Further pro-active steps have been taken with the sponsorship for the first time of an international exhibition and conference in Colombo which highlighted the vital importance of IT and telecommunications. Similarly, the launch of the Distance Education for Public Servants Project (DEPS) and the recent development of the IT park in Malabe, implemented by the Urban Development Authority in collaboration with the Board of Investment further attests to Sri Lanka's drive to claim its place in global IT industry.

This initiative can also be seen in events planned for the future such as the International Information and Communication Technology week, 4th-12th October 2002, which is to be conducted with the aptly named theme of "Envisaging an e-nation". The Government hopes that by giving such high priority to the development of the IT industry more companies will be able to achieve international renown alike to the successful global recognition gained by local companies such as "Millennium Information Technologies" (MIT).

Development of the IT industry has also taken high priority in the Government's agenda with the hope of curbing the ever increasing numbers of unemployed graduates. At the moment there is an abundance of educated youth in Sri Lanka totalling approximately 25,000 under-employed graduates, lacking industry oriented training and communication skills placing them at a significant disadvantage when seeking employment.

Development of the IT industry has also taken high priority in the Government's agenda with the hope of curbing the ever increasing numbers of unemployed graduates. At the moment there is an abundance of educated youth in Sri Lanka totalling approximately 25,000 under-employed graduates, lacking industry oriented training and communication skills placing them at a significant disadvantage when seeking employment. Further more there is a pool of 10,000 graduates at any one time who could undergo a rapid conversion to the IT field. However, the software industry is desperate for capable graduate engineers and programmers. Subsequently, the Government hopes to retrain graduates through short term conversion schemes such as the ICT's pioneering Graduate Training Programme started in 1998. As a result of partaking in such an intensive course many individuals have increased their probability of gaining employment both in economic sectors of the country and abroad. Recent figures released by ICT show that after completion of the course graduate earnings can be 2 or 3 times higher. Further the opening of the Malabe IT park will encourage this graduate re-training having the capacity to train 2000 IT graduates per annum while also generating 10000 new jobs.

IT takes a pivotal role in all sectors of the national economy especially in its commercial and industrial base. Increasingly, foreign software development firms have been creating partnerships with local firms to develop software for the international market. Other firms have also been visiting Sri Lanka to assess local resources and the country's suitability for establishing software development companies. These companies are drawn to Sri Lanka for many reasons including the flair, initiative and high literacy rate among the population. Similarly the competitive wages and the preference of Sri Lankans to stay in the country also act as incentives towards bringing foreign business to the country. The successful development of both the Malabe IT park and the training programs run by the Institute of Computer Technology (ICT) have depended on the collaboration of public and private sector institutions.

Private sector investment in the Malabe project totalled Rs. 8,800 million which is 8 times the amount invested by the public sector even though the government placed the project on the high priority list in its allocation of funds for infrastructure development and land acquisition.

Speaking to the *Daily News*, Director of the ICT Prof. V. K. Samaranayake stressed the benefits that can derive from such partnerships not only between the public and private sectors but also partnerships on international levels. Some of the ICT's regional programmes receive sponsorship from the Japanese International Co-operation Agency and in this way knowledge and experience can be shared which in the long term can help to strengthen Asia's economy benefitting all parties involved.

Similarly, in 1993, the governments of Sri Lanka and Japan made an agreement to launch a national training course in Structured Systems Analysis and Design Methodologies (SSADM) for participants from South, South East Asia and Pacific countries. Resulting from the success of this venture which gained a special award for international cooperation, other schemes have also been implemented, including the Commonwealth Secretariat under the Colombo Plan which now sponsors participants from Mongolia, Philippines and Iran. Sponsorship programs of this nature give Sri Lanka the opportunity to conduct training programmes for individuals from other developing nations with the assistance and cooperation of a developed country.

With such successful schemes and partnerships in operation and others planned for the near future Sri Lanka may not need to "envision an e-nation" for too long. According to ITU calculations the expansion rate of internet users in Sri Lanka alone stands at a rate of 86% with the expansion rate of internet hosts at 78% in comparison to India's 53%. If foreign investments can be secured, local and international partnerships nurtured and government backing sustained, an e-nation may become a virtual reality.