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Paper: Equity

Subsidies and the general education system in Sri Lanka: In furtherance to equity

Education and its close nexus with economic development and growth need not be reiterated. Especially in developing and emerging economies like Sri Lanka, promoting and enhancing standards of education has become critical simply because it is only through knowledge that anticipated levels of human development can be achieved. In fact there is ample evidence to prove how economies have become successful through the efficient utilization of knowledge. The provision of subsidies plays a key role in this regard, since it paves the way for many children (especially with less means and/or financially handicapped) to become part and parcel of the Sri Lankan education system.

Education economists and scholars have identified a positive relationship between growth and the provision of subsidies in schools. In a country like Sri Lanka where more than 70 percent of the population is deemed as rural, one cannot simply conclude that all are able to pay for their education. In this light, strong state support is needed to avoid instances of inequity. Therefore, keeping in line with this principle of equity, Sri Lankan governments (both past and present) have done justice in providing free education and other services to the masses of school goers.

Therefore, this paper aims to analyze and understand the importance of education subsidies in Sri Lanka's school education system as it is an area not dealt with in detail in the recent past. In doing so, special focus would be made on the costing factor and how subsidies are used to maintain the principle of equity in society. Subsidies had been taken for granted by many not realizing their value and yields. Hence, it would be quite worthwhile to study how subsidies have become *sine qua non* to ensure equity and develop the economy in the long run.