

Regional Disparities of Human Capital Formation in Sri Lanka

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Education, being one main way of human capital formation, plays a crucial role in socio-economic development. Similar to other resources, formation of human capital in all regions of a country is essential for a balanced regional development. This paper deals with how the human capital formation through formal education occurs in Sri Lanka aiming to identify the regional differences. The methodology, being quantitative, includes an analysis of descriptive statistics and a ranking of provinces using a composite index on human capital formation constructed for the same purpose. In constructing the index, weights were obtained through the ‘principle component analysis’ using the ‘Statistical Package for Social Scientists’. The analysis and the construction of index was based on six main standard indicators namely ‘Literacy rate’, ‘Participation in formal education’, ‘Attainment of education’, ‘Passing rates at main examinations’, ‘Percentage of students qualify for university admission’ and ‘the Admission proportions by major stream of study’. The study completely depended on the secondary data on the formal education, which were obtained from institutional and non-institutional sources, relevant to the nine provinces in Sri Lanka. The results suggest that there exists a significant disparity in human capital formation among the nine provinces of the country. The Western Province takes the first rank while the Eastern Province gets the last. North-Western and the Southern Provinces are also outstanding while the positions of Uva and Central provinces are not satisfactory. In addition, the study finds that there are gender-related disparities also in the formation of human capital at the regional level. Finally, it can be recommended that the government should take these regional disparities into account when the resource allocations are made for education and related services.

Key words: *Education, Human capital, Regional disparity*