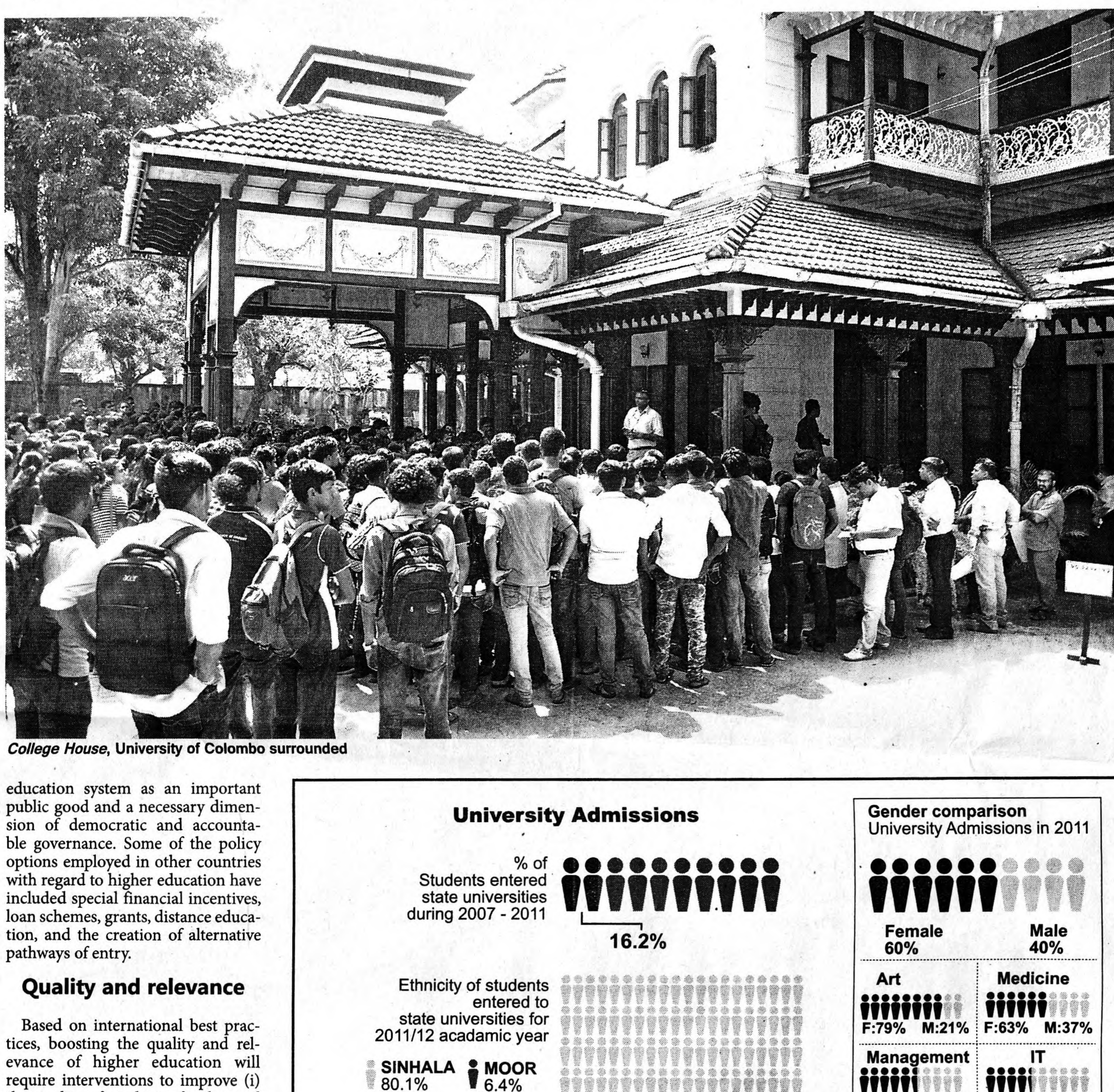
ADB recommends :-

Autonomy for 'varsities, fees for courses

Charging fees for academic programs with a high market demand and giving universities more autonomy, are among the proposals recommended by the Asian Development Bank in a study on modernizing the higher education system. Key recommendations include, implementation of a national quality assurance system, effective financing schemes, encouraging public–private partnerships, and international benchmarking and mutual recognition for global competitiveness.

The global experience in income generation at higher education institutions clearly shows the dynamism and ingenuity of university leaders. Many universities in developing countries find they are able to generate 10% to 15% of their budget from such activities, versus an average of 7% in Sri Lanka. The government can promote such initiatives by providing positive incentives, such as, matching funds, tax incentives, and competitive funds (e.g., those awarded based on the institution's income-generating activities and gross savings). The tax incentives are especially important for encouraging donations



College House, University of Colombo surrounded

Equitable access and inclusiveness are key factors in establishing a broad and diversified human resource base, says the Asian Development Bank (ADB). Policy makers need to act fast in order to get the full benefit of the demographic bonus the country is currently experiencing.

Equitable access is one of the priority areas identified by the Bank for strategic interventions that could modernize Sri Lanka's higher education system. "Demographic projections for 15–24-year-old cohorts during 2013–2033 indicate a decline in numbers," says the report on 'Innovative strategies in higher education for accelerated human resource development in South Asia. "This means, Sri Lanka has entered a period of demographic transition."

A 'demographic transition' is the shift from a largely agrarian society characterized by high fertility and mortality rates to a more urbanized industrial society with low fertility and mortality rates.

Policy makers need to act fast to get the full benefit from the demographic bonus that will likely result. The 'demographic dividend' occurs when, at an early stage of a demographic transition, a fall in fertility rates causes the labour force to grow more rapidly than the population dependent on it, meaning fewer young mouths to feed. As a result, more resources are freed up for investment in economic development and family welfare, and per capita income may grow as well.

"For policy makers to respond to this window of opportunity, higher-education reforms will have to strike a balance among costs, sustainability, and equitable access," says the ADB report published in June.

recommends, creative ways to improve access to financing and to manage the higher education sector with the joint participation of public and private providers. Promoting equitable access to higher education for the under-served segments of society will require giving service providers incentives to back the effort, and offering additional academic support to students from lagging regions, such as the Northern, Eastern, and other outlying provinces.

Equitable access

Universities are expected to become centres for economic development, agents of innovation, and incubators of entrepreneurship. The specific targets set by the government for the higher education sector include doubling the student intake from 21,000 in 2010 to 40,000 in 2020.

Given below are some of the recommended new policy initiatives to overhaul the entire system, with a view to making it more responsive to the country's development efforts:

Widespread demand for higher education must be managed in the most positive and sensitive way possible, without sacrificing quality. Although expanded access has been an accomplishment of the higher education system in Sri Lanka between 2013 and 2018, the issue of equity still needs to be addressed. Cost is another factor affecting equitable access. Education providers need a funding formula that allows wider access without sacrificing quality and equity. Policy reforms to promote greater access and equity should arise from consultations with key stakeholders through policy dialogues.

The educational system, built over decades of public investment and committed to providing free and accessible education, has helped Sri Lanka achieve impressive progress as measured by social indicators in education, health, life expectancy, and equal opportunities for women and girls.

Appropriate policy planning and implementation will require the active participation of many other actors: students, parents, teachers, trade unions, the private sector, and all other citizens. There is a collective responsibility for revitalizing the education system as an important public good and a necessary dimension of democratic and accountable governance. Some of the policy options employed in other countries with regard to higher education have included special financial incentives, loan schemes, grants, distance education, and the creation of alternative pathways of entry.

Quality and relevance

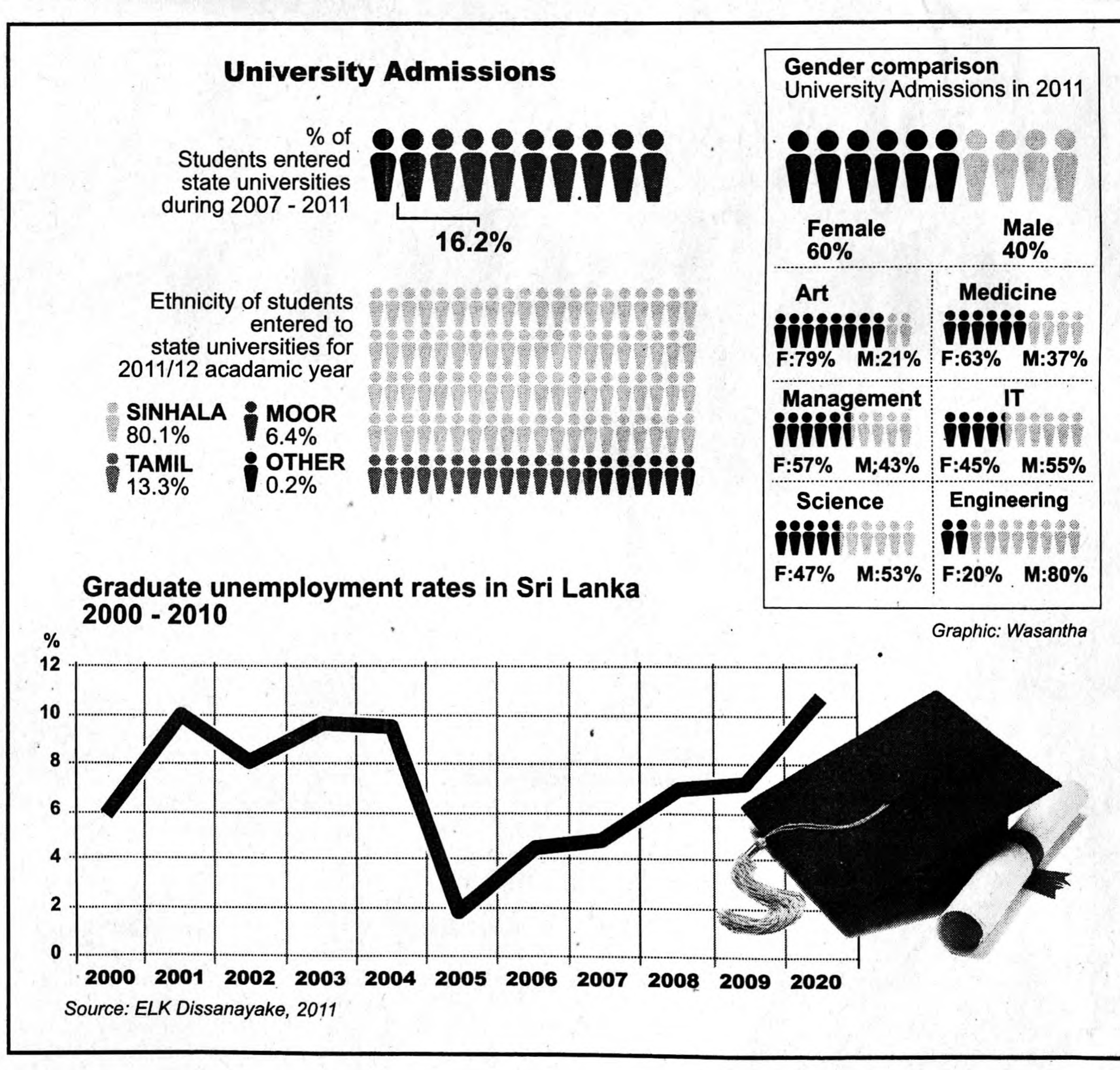
Based on international best practices, boosting the quality and relevance of higher education will require interventions to improve (i) the quality of students, faculty, and staff; (ii) the reliability of assessments and examinations; (iii) the relevance of undergraduate programs, Research and Development (R&D), university–industry linkages, and internship programs; and (iv) the utilization of Information and Communication Technology (ICT) for staff development, access to latest research, and partnerships with foreign universities.

Investments will have to continue with a special focus on the social sciences and related disciplines. The graduates of these faculties still find it difficult to find jobs in the private sector due to serious problems in the quality and relevance of their education. Universities need to provide a talent pool of graduates for private sector enterprises operating in domestic and foreign markets. The era of channeling graduates into an inefficient public sector is over, particularly given the current labour market situation. The estimated cost of these interventions is US $55 million.

Graduate programs

Improving the R&D capabilities of the higher education system is an urgent requirement, especially in terms of promoting national competitiveness. State universities account for 34% of R&D, and their work should be integrated with R&D done in industry. Fortunately, there have been positive policy responses since 2010 toward enhancing R&D capabilities at public universities.

Graduate programs need to be strengthened and aligned with recent developments in higher education worldwide. In Sri Lanka, graduate enrolment is equivalent to about 25% of undergraduate enrolment, versus the 35%–65% maintained by world-class universities. Advanced training and research programs at graduate level on the one hand, promote R&D in higher education; and on the other, provide training for employees in the public sector, private sector, and national planning departments. In the long run, graduate programs contribute to the upgrading of industry, and could be a major source of income for state universities. Similarly, external degree programs have the potential to enhance access and promote ICT-oriented delivery modes and cost-sharing practices.



Governance

Governance is a main determinant of world-class status for universities. It involves balance between autonomy and accountability that enables institutional initiative and responsiveness. The global trend has been a gradual shift to greater autonomy in university governance and management. In Sri Lanka, the higher education system has become larger and more complex in terms of systems and procedures.

Thus, no single government agency can centrally manage the various administrative and performance monitoring functions of the system. Since the University Grants Commission's (UGC) tight regulatory controls and rigid management practices inhibit effective reform or innovation, the higher education system in Sri Lanka is far behind, in reforming governance structures and management practices.

The change-resistant governance structures need to be replaced with structures characterized by more autonomy and better 'autonomy indicators.' In this context, the main responsibility of policy makers is to create a regulatory environment that encourages, rather than stifles, innovation at public universities and private institutions, in order to expand access to good-quality higher education.

This refers to the development of the professional management skills of the academic staff and administrative support staff at higher education institutions.

The findings of this study point to a compelling need for an aggressive academic staff development program that will (i) upgrade the large numbers of faculty members who have only bachelor's-level qualifications, (ii) ensure sufficient numbers of teachers for an expanding system of public and private institutions, and (iii) ensure that there are enough faculties to teach courses in the priority disciplines.

Financing

Project interventions in management capacity building for the academic staff should include planning, performance monitoring, communication skills, career guidance, negotiation skills, faculty and student welfare, performance monitoring and evaluation, and management information systems.

Investment in higher education has been artificially restricted, and innovative funding measures need to be implemented to stimulate R&D and capacity building. An entrepreneurial orientation should be introduced into the higher education system, along with cost-sharing measures and incentives.

There should also be a performance-based funding formula, as opposed to the current practice of incremental allocations of public funds based on historical budget figures. These changes would promote more efficient resource mobilization, foster an export orientation in higher education services, and improve the quality of education through increased competition among universities.

In the area of cost sharing, one potential source would be student fees, which would need to be introduced jointly with student scholarship and/or loan assistance programs at both public and private institutions.

A 10% enrolment increase on a fee-levying basis for selected academic programs with a high market demand may increase the income generated by public universities by over 50%. Similarly, the incremental cost of a loan scheme for members of disadvantaged groups enrolling in fee-levying academic programs would be less than 1% of the total cost of the higher education sector.

The political viability of cost-sharing measures should also be taken into account, with due attention paid to costs and consequences of inaction on this matter. The delay in implementing this option has already resulted in significant losses to the national economy by way of limited access, underfunding, inefficiency, and loss of foreign exchange due to the greater numbers of Sri Lankan students going abroad for their studies.

The global experience in income generation at higher education institutions clearly shows the dynamism and ingenuity of university leaders. Many universities in developing countries find they are able to generate 10% to 15% of their budget from such activities, versus an average of 7% in Sri Lanka.

The government can promote such initiatives by providing positive incentives, such as, matching funds, tax incentives, and competitive funds (e.g., those awarded based on the institution's income-generating activities and gross savings). The tax incentives are especially important for encouraging donations.

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