

# HIGHER EDUCATION NEEDS TO CHANGE TO MEET THE DEMANDS OF A FAST-CHANGING WORLD

Higher education is instrumental in fostering long-term growth and boosting shared prosperity in both low- and middle-income countries.

## WHY IT MATTERS

People with a quality post-secondary education are more employable, earn higher wages, and cope better with economic shocks. Higher education benefits both individuals and society. Economic returns for college graduates are the highest in the entire educational system—an average 17 percent increase in earnings per year of schooling as compared with 10 percent for primary school. The social benefits are also substantial. A highly skilled workforce comprised of workers who have a solid post-secondary education is a prerequisite for a country's ability to innovate and for its healthy long-term growth. As the global youth population swells, demand for access to higher education increases and expectations of what higher education can provide rise. We cannot predict what jobs will be available in the future, but we know that higher education must embrace change to meet future needs.

## OUR APPROACH

The World Bank supports higher education reforms and innovation through concrete steps to achieve improvements. Our work focuses on enabling equitable access to higher education, improving quality and relevance of programs to increase employability of graduates, supporting financing that promotes efficient and effective use of public resources, fostering the integration of a system of universities and technical and vocational institutions, supporting public-private partnerships, improving linkages between higher education institutions and employers, and promoting the preparation of students as future professionals and citizens. We partner with governments and work with universities, technical colleges, and training institutions to create programs that are tailored to fit the needs of local economies.



Governments face budget constraints that make it hard to cope with increased demand for higher education, while the cost keeps higher education out of reach for many of the world's poorest and most marginalized youth.

## OUR PRIORITIES:

### **1 Strengthening market relevance and linkages with the development process**

Teaching and research activities at public and private higher education institutions need to be aligned with labor market imperatives. The World Bank supports countries to develop public-private partnerships and collaborate by, for example, establishing curriculum advisory and review boards with stakeholders from the private sector, developing incentives to set up and strengthen industry-university links, and providing learning opportunities that link educational institutions with firms.

### **2 Supporting Science, Technology, Engineering, and Mathematics (STEM) education**

As economies transform, they need a selective and gradual emphasis on building engineering and managerial human capital with close links to the private sector. The World Bank is supporting higher education institutions in research and development activities in STEM fields.

### **3 Rethinking financing to improve equity and efficiency**

Despite significant growth in student enrollment, higher education still is out of reach for many poor and socially disadvantaged students. Higher education must compete for public funding with other equally important priorities. The World Bank supports policies to expand access through new financing approaches.

### **4 Developing an integrated higher education system**

A diversified and flexible higher education system is a complex but inevitable challenge. Educational systems (and societies) must stop seeing technical streams as a less prestigious option. It is necessary to create and strengthen a range of post-secondary institutions such as community colleges, polytechnic institutions, and technical training institutions, all of which must be part of a single ecosystem together with universities.

### **5 Focusing on results and boosting transparency**

As the higher education sector has become more sophisticated and diverse, there is an increased need for greater openness and transparency. The World Bank is supporting countries to collect and make available detailed data on the performance of academic programs—including graduation and job outcomes.

### **6 Leveling the playing field**

Successfully managing the expansion of higher education is likely to require a range of high-quality public and private educational institutions, giving students more options and generating healthy competition. The World Bank supports a constructive role for governments in regulating the sector to ensure quality, accessibility, and relevance.

