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SNAPSHOT

Driving Development with Tertiary Education Reforms

2015

Overview

Tertiary education refers to all post-secondary education, including but not limited to universities. Although universities are a key part of all tertiary education systems, in recent years a diverse and growing set of public and private tertiary institutions in every country—colleges, technical training institutes, community colleges, nursing schools, research laboratories, centers of excellence, distance learning centers, and many more—form a network of institutions that prepare students for application of knowledge at an advanced level. These networks are critical for economic growth and poverty reduction.

However, despite rapid growth in tertiary education around the world, many challenges remain, including in expanding and promoting equitable access, improving learning achievement, fostering educational quality for relevance, strengthening knowledge generation and technology transfer, and encouraging desired values, behaviors, and attitudes, among others.

Key Issues

Knowledge and advanced skills are critical determinants of a country's economic growth and standard of living as learning outcomes are transformed into goods and services, greater institutional capacity, a more effective public sector, stronger civil society, and better investment climate. Good quality, diversified, relevant, equitable, and efficient tertiary education and research are essential parts of this transformation.

World Bank Group (WBG) research shows that globally, the rates of return for graduates of tertiary education are the highest in the entire educational system—an average 17 percent increase in earnings as compared with 10 percent for primary and 7 percent for secondary education.

Since 1963, the WBG has been working on tertiary education to encourage not only better quality outcomes worldwide, but also to promote more efficient and accountable tertiary education institutions. It prioritizes programs and projects that help strengthen tertiary education by:

- Increasing institutional diversification;
- Improving the quality and relevance of tertiary education;
- Strengthening science and technology research and development capacity;
- Promoting greater equity mechanisms to assist disadvantaged students;
- Establishing sustainable financing systems to encourage responsiveness and flexibility;
- Strengthening management capacities; and
- Enhancing and expanding information and communication technologies (ICT) capacity to reduce the digital divide.

To end extreme poverty and boost shared prosperity, countries have to address the overarching challenges facing tertiary education around the globe today. Key elements of a tertiary education strategy include:

Diversify options. Not all students who seek a tertiary education should, or want to, enroll in a traditional university. In the United States, 45 percent of all undergraduate students attend community colleges; in Germany and Finland, combined practical and theoretical non-degree programs are more valued than traditional university degrees.

Assure good quality institutions. An independent quality assurance mechanism makes it difficult for diploma mills to enter or survive the market. Many countries have developed encouraging but still timid accreditation mechanisms which are bureaucratic, centrally controlled, and mostly input oriented. A regulatory framework that combines national qualification standards with a robust independent accreditation system for all types of providers and academic programs ensures and stimulates quality and creates a culture of institutional effectiveness in tertiary education institutions. New Zealand, Colombia, Ireland and Canada show that this approach is both feasible and useful.

Make institutions and the system as a whole more efficient. The cost of tertiary education is rising globally. In the United States alone, the cost of a college degree has increased twelvefold in 30 years. Even when tertiary education is heavily subsidized and student fees low, such increased cost is a significant share of public budgets and is ultimately absorbed

by taxpayers. Introducing smart and flexible policies such as performance-based financing, as well as managing institutions better and strengthening the governance model can help address these soaring costs and associated challenges. Competitive funds have been effective incentives in Denmark, Finland, Chile, and the United States. The Dominican Republic, Malawi, and Uzbekistan have also adopted similar approaches with encouraging results.

Level the playing field. Allowing a range of high quality post-secondary public and private (not-for-profit and for-profit) providers—including community colleges, polytechnic institutes, and online institutes—to enter the field, and compete for resources will be an efficient way to allow a diversity of options in types of tertiary education degrees pursued, as well as in generating healthy competition between providers.

Make post-compulsory education and training equitable and affordable. While tertiary enrolments have surged globally, clear disparities in access across groups persist. In Mexico, the enrolment rate of the wealthiest is 18 times that of the poorest. In Francophone Sub-Saharan Africa, the richest quintile accounts for 80 percent of tertiary enrolment, while the poorest 40 percent represent only 2 percent. Tertiary level policies that combine financial aid with measures to overcome non-financial obstacles and address the comprehensive equity environment most effectively increase opportunities for disadvantaged students. In the United States, Korea, Vietnam, and China, tertiary education is not free, but mechanisms exist that support equitable access.

Use innovative approaches to make sure that students stay, learn and graduate. Tertiary education is plagued with high drop-out rates and non-completion. In South Africa, 40 percent of students leave in their first year. In Italy, only 64 percent of entrant students complete a degree. This pattern is sometimes caused by outdated and excessive academic workloads and limited opportunities to acquire practical experience of value in the labor market. Many of the in-demand occupations today did not exist 10 or 20 years ago. Consistent testing of acquired competencies, co-op programs, advising support systems, blended online-classroom-work joint programs, and flexible Problem-Based Learning curricula, are some of the tools used successfully in some institutions in different countries.

Results

A sample of recent initiatives supported by WBG lending and knowledge programs in tertiary education includes:

Sub-Saharan Africa: The WBG is financing 19 university-based Centers of Excellence in seven countries in West and Central Africa. Competitively selected centers receive funding for advanced specialized programs in science, technology, engineering and mathematics (STEM)-related disciplines, as well as in agriculture and health. A second phase of the project is being designed for East Africa.

Middle East and North Africa: Using university governance score cards, the WBG, together with the Center for Mediterranean Integration and in collaboration with other international partners is helping tertiary education institutions in seven countries to benchmark their governance, management and quality assurance practices. A dynamic network of more than 100 tertiary education institutions has been established, fostering collective learning, sharing of best practices, and concrete action plans for improvement.

Sri Lanka: The WBG's Higher Education for the XXI Century Project provides direct support to tertiary education institutions to help develop strategic plans to enhance the quality of teaching, research and innovation. One of the 58 funded initiatives includes the Science and Technology Cell established at the University of Colombo, which serves as an innovative channel for connection between companies and the university in Chemistry, Mathematics, Nuclear Sciences, Physics, Plant Sciences, Statistics and Zoology.

Latvia: A WBG team worked with the Government of Latvia and different stakeholders in the tertiary education system to design a new funding structure and mechanisms to support tertiary education provision. As a result of the project, new laws have been enacted and government entities in charge of tertiary education have been realigned.

Partners

The WBG works in coordination with several academic institutions and multinational organizations across the world including the United Nations Educational, Scientific and Cultural Organization (UNESCO), the Organization for Economic Cooperation and Development (OECD), the British Council, the Islamic Educational, Scientific and Cultural Organization (ISESCO), the International Association of Universities (IAU), and others, to develop research initiatives and other mutually beneficial endeavors. In addition, OECD, the Association for the Development of Education in Africa (ADEA), and UNESCO collect and share complementary data on international tertiary education.