

The International Network for Quality Assurance Agencies in Higher Education (INQAAHE) Conference

Session: Ensuring and Promoting Trust in a Globalized Context

27th March 2019 at the BMICH - Jasmine

Speech delivered by Dr Indrajit Coomaraswamy
Governor, Central Bank of Sri Lanka

Two Parts

- Promoting trust in a globalized world
- Promoting trust in quality assurance in education in a globalized context.

Globalization: Historical Perspectives

- The previous major phase of globalization was in the 19th and early 20th century
- Colonialism was the framework within which there was large-scale trade and capital flows as well as the movement of people through slavery and indentured labour.
- That phase of globalization ended when the rise of Germans and Japan raised tensions which would not be managed peacefully.
- The Efforts to create multilateral institutions to address these elevated tensions, such as the short-lived and ill-fated League of Nations, ended in failure.
- The upshot were beggar-thy-neighbour protectionist economic policies and two World Wars which together were enormously destructive.

- The lessons learnt led to the post-World War II dispensation which saw the rise of multilateralism and the establishment of global institutions, such as the UN system, the Bretton Woods institutions (IMF & World Bank) and the GATT which subsequently became the WTO.
- The beginning of the latest phase of globalisation is usually said to be marked by the fall of the Berlin Wall (1989).
- Three key characteristics of this phase of globalisation were trade liberalisation (UR in mid 1990^s); integration of international capital markets with cross-border flows amounting to trillions; and the information and technology revolution which has now become the 4th industrial revolution.
- In the early 1990^s, the consensus was that we lived in a unipolar world with the US as the hegemonic power. Prof Francis Fukuyama wrote his widely acclaimed book on the end of History.
- However, the dynamics of this new phase of globalisation set in motion trends that have led to a regionalism gaining greater salience and the evolution of a more multi-polar world which has been the rise of China notably but also the BRICS (G Seven – Jim O’Neills)
- What are these dynamics [Prof Lord Desai’s : thesis]?
- Lord Desai’s worlds have been prophetic. Millions of people have been lifted out of poverty in the developing world, particularly in Asia.

- Yet, globalization has not been able to gain the trust of a large swaths of people in billion the advanced countries and the developing world.
- A significant causal factor has been the sharp rise in inequality.
- Even in Asia, which has benefited most from the opportunities created by globalisation, the ADB Outlook, its flagship publication, warned a few years ago that rising inequality was the biggest threat to the 21st not becoming the Asian century.
- In the advanced countries, there has been the rise of protectionism and nationalist/xenophobic movements in a number of countries.
- Real wages in the US & Europe have stagnated for almost four decades due to the offshoring of jobs to emerging markets but even ore due to technological advance. Empirical evidence demonstrates that more jobs have been lost in the US due to technological change rather than to China and Mexico.
- The current reality is that the deep-seated economic, social and political challenges that have emerged as a result of globalization require an imaginative approach that fosters equality and inclusiveness as well as stakeholder participation.
- Prof Raghuram Rajan, in a new book, offers a fresh and insightful approach.
- He starts with the premise that today's populist upheavals are due to the fact that the economy no longer serves the public good – interests of most of its participants.
- The book is Titleist: “The Third Pillar: How Markets and the State League Communities Behind”

- In his boom, Prof Rajan argues that neither the State nor corporates have been able to offer answers to assist people to deal with the exponential increase in the pace of change in today's world.
- This has meant that people have had to face the threats and manage the disruptions on their basis.
- Rajan argues that corporates have used their employees' vulnerability to enrich shareholders and managers. The States have not been agile and flexible enough in their response to new realities.
- Trend growth has also declined in many parts of the world, Governments have had difficulty in addressing this situation adding to the political and social tensions.
- Rajan prescribes an "inclusive localism" to rebuild communities that can furnish people with self-designed status and meaning.
- His approach is all about building trust to meet the daunting challenges of today's world.

(1) Let me now turn to the theme at hand which is about building trust in quality assurance in higher education.

What is Higher Education?

- Of the 17 Sustainable Development Goals (SDGs), the SDG4¹ is dedicated to education. Higher education is covered in the target 4.3 of SDG4, which states "By 2030, ensure equal access for all women

¹The Sustainable Development Goal 4 proposes 'to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all by 2030'.

and men to affordable and quality technical, vocational and tertiary education, including university.”

- (2) AT the outset, it is important to recognise and appreciate the work of the UGC, in Sri Lanka, particularly its Quality Assurance Council, in this area.
- (3) The education, training and skills development system has the task of producing good citizens who are employable in a world where the pace of change is accelerating exponentials.

The History of Higher Education

- The long history of institutions of higher learning demonstrates that human cultures have always yearned for structured scholarly learning and scientific knowledge.
- In ancient India, monasteries such as Nalanda and Taxila, not only provided education on religious matters, but were also centres for higher learning in mathematics, medicine, politics and various forms of art. Institutions of a similar nature were also found, in ancient the Chinese, Greek, and Persian cultures.
- These institutions were followed by universities that began emerging after the European enlightenment in the tradition of Bologna, Oxford, Cambridge and Padua.
- The common underlying factor behind these success stories is that the quality of service delivery was not allowed to be compromised. In most instances, these institutions themselves maintained high quality standards, while in some other instances quality standards were enforced, either directly or

indirectly, by alumni, student groups, public authorities as well as the labour market. These are lessons that resonate today as well.

Higher Education in Improving Economic Development

- In the knowledge-driven economy of the twenty-first century, many governments consider higher education as the most important policy area.
- Research indicates that a 1% increase in the share of the workforce with a university degree raises long-run productivity by between 0.2% and 0.5%. It has also been found that around 20% of UK economic growth between 1982 and 2005 came as a direct result of increased graduate skills accumulation.
- Recent research at the London School of Economics demonstrates that doubling the number of university places per capita is associated with over 4% higher future GDP per capita.
- The role of higher education is not limited to fostering growth and development and providing opportunities for individuals, but it also extends to the promotion of cultural diversity, values and trade.

Rising Demand for Higher Education

- The increased demand for human resources and the expansion of primary and secondary education has led to an increased need for higher education. Moreover, higher education is no longer just a transitional period between leaving secondary school and entering the labour market in today's world which places a high premium on lifelong learning. Workers need to update

their knowledge and skills in the light of changing employment conditions and opportunities at different points in their lives.

- Today higher education has entered an unprecedented period of ‘globalisation’. Countries like USA, UK and Australia are opening branch campuses abroad and at the same time are attracting ever-growing numbers of international students to their home campuses. At same time, nations around the world are allocating vast sums of money into creating and building their own higher education sectors despite challenges related to fiscal space.
- The information technology revolution has also supported rapid access to knowledge and has stimulated the creation of new knowledge. Moreover, technological advances have made higher education available to a wider range of students.
- The enrolment rates for higher education in the world increased considerably during the span of five decades: from 10.1 per cent in 1970 to 37.8 per cent in 2017.

Student Mobility in Higher Education

- With the rising demand for higher education, student mobility has also grown, increasing the importance of the role played by quality assurance mechanisms in providing information for both international students and for institutions that provide education services.

Quality Assurance in Higher Education

- Quality in higher education can be looked through a number of facets such as
 - value for money (Cost effectiveness)
 - fit for purpose (Satisfying needs)
 - transformation (Continuous improvement)
 - excellence (Achieving the highest of standards)

- The need for quality assurance in higher education is necessary for accountability, improvement and information from the perspectives of:
 - (1) **Students:** Need accurate information about educational quality to help them choose between different universities and courses of studies
 - (2) **Academics and university administrators:** Need information to help them monitor and improve their courses and programmes while providing an instrument for strategic management of their higher education institutions.
 - (3) **Academic Institutions:** Need information about quality to help them benchmark and market their performance amidst increased business orientation of academic institutions with a rising premium attached to competitiveness both domestically and globally.
 - (4) **Governments and other bodies:** Need information to assist with funding, policy development and accountability.

The Recent Developments and the Way Forward in Sri Lanka

- Against the backdrop of Sri Lanka's expectations to reap benefits from a global knowledge based economy, the higher education sector has to play a major role in strengthening the required human capital of the country. Wages are too high to leverage low-skill economic opportunities.
- However, only 19 per cent of the eligible students enter a state university. This implies that access to higher education remains uneven in Sri Lanka.
- Given the combination of constrained fiscal circumstances and rising expectations, it has become important to adopt a pragmatic approach to public, private and mixed provision of higher education. Alongside this, there is a need to strengthen the regulation, monitoring and quality assurance mechanisms to encompass all higher education institutions, including private ones.
- Several emerging market countries, including Malaysia, have actively sought to attract inward investment into the higher education sector by branding themselves as education hubs. However, universities in Sri Lanka remain relatively slow in generating inward investment and research income from global companies. There is a case for greater flexibility in the design of courses with a greater emphasis on innovation. This is now happening. It can be accelerated.
- There is also a large variation in graduate outcomes across both providers and among subjects. This is another area where quality assurance can play an important role.
- Further, reforms in the university curriculum should also be undertaken to ensure student engagement and success, as well as promote lifelong learning in order to generate better employment and life outcomes.

- In conclusion, let me acknowledge that a number of initiatives have been taken by the University Grants Commission (UGC) to ensure quality standards in local universities. The Accelerating Higher Education Expansion and Development (AHEAD) project was launched during 2018. The activities of the Quality Assurance Council of the UGC have to be commended and supported. Further, a Quality Assurance and Accreditation Commission is being established. It would regulate all higher education institutions in the country.

Conclusion:

- We need to harness opportunities generated by globalisation for the benefit of all people in a world which is based on a strong commitment to a value-based multilateralism. We also need an education, training and skills development system which prepares all citizens to live and prosper in such a world. This will not be possible without a strong commitment to robust quality assurance frameworks.

