The Economist Intelligence Unit

Higher education in South Asia

Trends in Afghanistan, Bangladesh, India, Nepal, Pakistan and Sri Lanka

A custom research report for British Council by the Economist Intelligence Unit

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Executive summary

Rising demand in South Asia for higher education is currently not being met, despite its growing importance on the economic development agenda. Bangladesh, India, Nepal, Pakistan, and Sri Lanka[1] together account for around 25% of the world's population.[2] The region is also one of the most youthful, presenting a distinct window of opportunity for the higher education sector. As South Asian countries forge a path towards growth of their industry and services sectors, the role of the higher education sector in facilitating a skilled, knowledgeable workforce has become critical—to the point of competitive advantage for many countries seeking investment.

As capacity grows, it will also be incumbent upon governments to ensure some measures of equity in access. To some extent, this can be addressed through well-designed legislation, targeting under-privileged groups, rural populations and women. But the success of implementation is too often a function of resources. In environments where resources are constrained, low impact means of delivering higher education may be worth considering. Remote solutions incorporating online learning as a means of overcoming issues of physical access could be a solution that works well in some South Asian countries—particularly in light of high mobile penetration rates across the region.

The involvement of private sector players has the potential to drive capacity, boost financing and improve quality of higher education provision in South Asia, though more robust regulation is required. Following in the footsteps of its East-Asian counterparts, rocketing demand for higher education has facilitated the growth of private provision as a strategy to absorb pressure on public sector places, shifting the costs of tuition away from the state, onto students and their families.[3] Even in countries where private sector activity has been minimal there is growing recognition of the need to consider new financing models that require higher education institutes to at least partially finance their own activities, drawing on non-public sector sources of funding.

South Asian universities rank poorly on international rankings, and need to work to "depoliticise" the sector, while raising standards of provision and quality assurance mechanisms. Concerns around quality of service provision are pervasive in both the private and public sectors. Quality assurance, and a dearth of effective accreditation and quality assurance mechanisms, remain shortcomings.

Poor employability of graduates leaving higher education in South Asia is worrying across the board. The development of manpower is a growing concern for countries in the region, though the nature of the challenge is fundamentally different for each of them. In all cases, complex socio-economic drivers point to the need to strengthen the higher education sector and its output of skilled graduates.

The disconnect between the needs of the market and the courses offered by higher education institutions has contributed to high levels of graduate unemployment and underemployment. There may be some traction in co-opting industry as a stakeholder in the learning process. An example from within the region is of IT services giant Infosys, who has undertaken to work directly with

[1] For the purposes of this report, South Asia comprises of Afghanistan, Bangladesh, India, Nepal, Pakistan and Sri Lanka.

[2] Economist Intelligence Unit CountryData.

[3] Asian Development Bank. (November 2011), "Higher Education Across Asia: An overview of challenges and issues".

lower ranked universities, training professors from India's second- and third-tier universities on the company's own corporate campus in a bid to boost the employability of new graduates in the labour pool.[3]

There is potential for foreign providers to play a role, though bureaucratic hurdles have hampered progress to date. From an inbound perspective, in light of the successful partnerships and models deployed in other parts of the continent, the enthusiasm of foreign providers has been tempered by bureaucratic hurdles and long delays in gaining approval to operate—if at all. Recent years have seen progress towards liberalisation of regulations governing foreign institutions in South Asia, though stakeholders from both sides are exercising some restraint in driving forward the opportunity.

Female representation in leadership remains low by any benchmark. For some countries, this is due to cultural barriers, and for others, a natural outgrowth of the continued male overrepresentation in faculty departments in universities. There is enormous scope for intervention in this area at the policy level. There are opportunities too to better incentivise women, and also to invest in more targeted human capital development to foster the next generation of female leadership.

Weak governance and low salaries are an issue in retaining and attracting the sector's top talent. There are examples of politicisation of the sector across every country studied, raising questions of the extent to which this is hindering the development of higher education in the region in terms of quality, and the development of an independent, meritocratic culture of learning and research.

There is a new generation of returnees and and homegrown talent to bolster the ranks of leadership. A generation of young leaders with 'fresh PhDs' – acquired through national scholarship programmes, and students who have returned with degrees from abroad and exposure to higher education in countries where the sector is more developed is emerging.

Implementation of higher education policy suffers from bureaucratic inertia and competing interests. The reality is that higher education is just one area of priority in South Asian markets, competing with a very crowded policy agenda on a number of other hot button issues. In addition, given the nature of education as a "public good", it comes as no surprise to see that attempts to reform or liberalise the sector are met with resistance in some quarters. Much of the work now lies with higher education stakeholders in articulating the economic argument for more funding to flow into the sector, and for greater urgency on institutional reform.

[4] "Infosys trains uni professors to bridge India's education gap". ZDNet, 31 May 2013.

Chapter 1: Overview

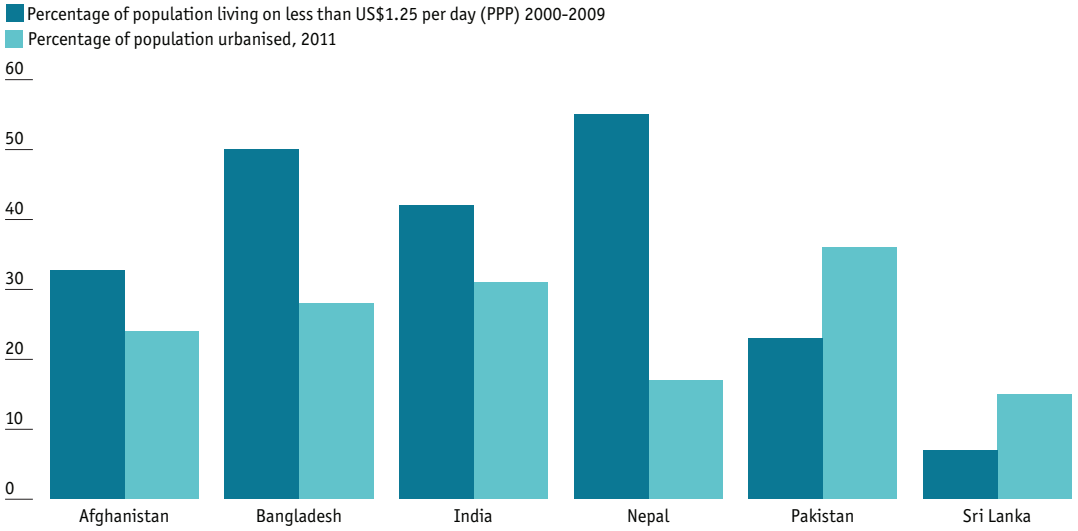
Socioeconomic profile of South Asia

Home to over 1.6bn people in 2011, South Asia is among the most heavily-populated regions in the world, with Afghanistan, Bangladesh, India, Nepal, Pakistan, and Sri Lanka[5] together accounting for around 25% of the world's population.[6] With 614m people – approximately 37% of the population – under the age of 18 in 2011,[7] the region is also one of most youthful, presenting a distinct window of opportunity for the higher education sector.

Fast and furious

South Asia is on the verge of cashing in on its demographic dividend, with an anticipated boost to the labour force in coming years as the region's youthful population matures. Yet its ability to reap the economic benefits brought about by a surge in its working-age population remains hampered by several factors. It remains one of the poorest regions in the world, with 31% of the population currently under the international poverty line of US$1.25 per day, according to the World Bank.[8]

Socio-economic features of South Asian countries



Source: World Bank.

Countries in the region are largely agricultural economies; 70% of the population live in rural areas, relying on agriculture for their livelihoods.[9] And despite encouraging GDP growth and rising income levels in recent years, the ability of these countries to forge a path to industrialisation and to maximise the potential of the large labour pool is constrained by vulnerability to natural disasters, as well as a recent history of political instability and insecurity.

[5] For the purposes of this report, South Asia comprises of Afghanistan, Bangladesh, India, Nepal, Pakistan and Sri Lanka.

[6] Economist Intelligence Unit CountryData.

[7] UNICEF Country Statistics.

[8] The World Bank database.

[9] The World Bank. (2009), "Why is South Asia Vulnerable to Climate Change?".

Different but the same

Despite their differences, countries in the region share a number of similar challenges. All are subject to some degree of political instability. Some are in the midst of, or emerging from, a period of protracted conflict. Many have been vulnerable to natural disaster, and all fall into the bracket of developing or least-developed countries. Each market faces a number of barriers to development in the areas of health, infrastructure, labour markets—and education.

Education output indicators in South Asia lag behind global averages. According to the World Bank, South Asia's adult literacy rate in 2010 was around 62%, more than 20% below the global rate. The Millennium Development Goals (MDGs) have placed much of the attention in recent years on primary and secondary education, pushing higher education lower down the list on the development agenda, both in terms of funding and technical assistance. According to Dr Mohammed Mohabbat Khan, member of Bangladesh's University Grants Commission, "there is so much interest from donors into primary and secondary education. The tragedy of this is that most of the well-to-do parents send their children overseas for higher education."

Moving on up?

As South Asian countries forge a path towards growth of their industry and services sectors, the role of the higher education sector in facilitating a skilled, knowledgeable workforce has become critical—to the point of competitive advantage for many countries seeking investment. Rising incomes and a growing middle class across South Asia is driving the demand for tertiary education, one that is currently not being met by existing capacity. These factors are pointing the spotlight on higher education in South Asia – presenting a window to assess the current status of the sector in terms of institutional structure, policy development and investment—and identify opportunities to drive progress.

GDP contribution by sector, %, 2012

	Agriculture	Industry	Services
Afghanistan	20.0	25.6	54.4
Bangladesh	17.3	28.6	54.1
India	17.0	18.0	65.0
Nepal	38.1	15.3	46.6
Pakistan	20.1	25.5	54.4
Sri Lanka	12.0	30.1	57.9

Note: Data for Afghanistan and India from 2011

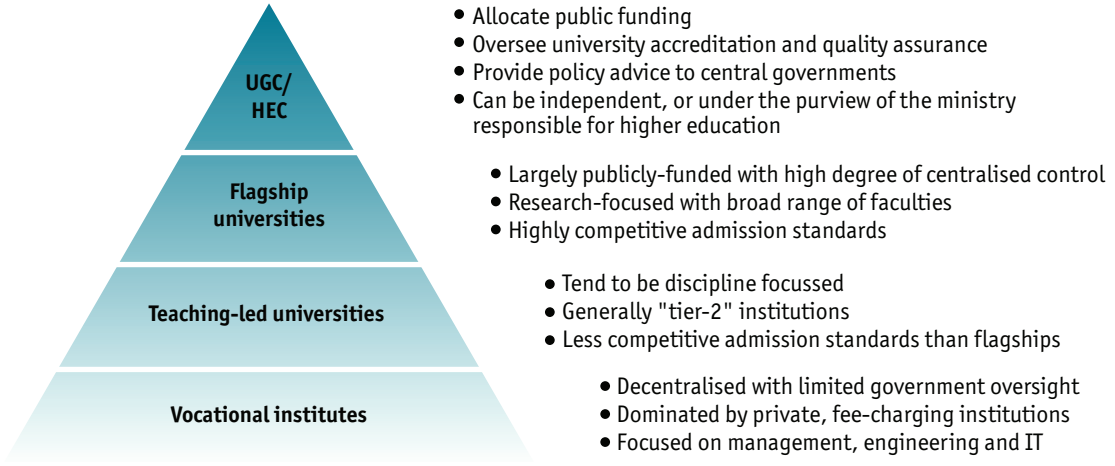
Source: CIA World Factbook.

Higher education system structure

Institutional framework

As a general rule, the higher education sector is structured in a similar fashion across South Asian countries, with flagship universities sitting at the top of the hierarchy covering a broad range of subjects, with a heavy emphasis on research, and these are typically the biggest recipients of government funding. On the next tier sit the teaching-oriented institutions, frequently specialising in applied subjects and focussing on locally-relevant research. Beneath these sit the lower-quality, vocationally-orientated institutions. These are often privately funded, and in many cases established to absorb demand from those seeking tertiary education who cannot get into a more highly-regarded institution.

Key institutions in the higher education sector



Source: Economist Intelligence Unit research.

The institutional framework upon which higher education has been built in many South Asian countries is centred around a leading organisation (typically a University Grants Commission (UGC) or Higher Education Commission (HEC)) that often takes on a multifaceted role as ombudsman, regulator, policy adviser and licensee. It either operates as an independent entity or reports into the relevant ministry, though its role differs by country. "Be it public or private universities, the HEC must play the key role to select vice chancellors, look into finances and encourage universities to become self-reliant as much as possible, providing a proper education and not misusing funds," says Professor Khan, of the UGC in Bangladesh. "The first thing you need is to have is an institutional umbrella in place."

Key institutions and regulations

	Key oversight body	Other relevant institutions	Legislative framework
Afghanistan	Ministry of Higher Education	Ministry of Finance	A new Higher Education Law is currently before parliament, but was rejected by the lower house in May 2013.
Bangladesh	University Grants Commission	Directorate of Secondary and Higher Education	President's Order (P.O.) No. 10 of 1973.
India	University Grants Commission	Department of Higher Education (under the Ministry of Human Resource Development)	Higher Education and Research (HE&R) Bill, 2011. University Grants Commission Act 1956
Nepal	University Grants Commission	Ministry of Education	UGC Act BS 2050 Mangsir 7.
Pakistan	Higher Education Commission	Ministry of Education and Training	Higher Education Commission Ordinance, 2002.
Sri Lanka	University Grants Commission	Ministry of Higher Education	Universities Act No. 16 of 1978.

Source: Economist Intelligence Unit analysis.

While this type of arrangement is efficient as a mechanism for concentrating expertise and resources in countries where both are limited, such structures are also problematic when it comes to sectoral oversight, especially given the all-encompassing role of many of these bodies. Though India and Pakistan have made some concrete steps in this direction, the absence of an independent regulator or commissioner in most countries has resulted in issues around oversight and governance in the region. Politicising appointments in administrative positions (such as vice chancellor) or academic positions (such as professor) in the universities—particularly in the public universities—has the worst possible impact, observes a member of senior management at a Bangladeshi university. On the same token, the elements of competition introduced into private-sector financing will require independent monitoring and decision-making on the disbursement of funds. As noted by Pawan Agarwal, adviser on higher education to the Planning Commission of India: "To ensure that public funds are used efficiently, allocation of money needs to be based on competitive grants and performance contracts."

Legislative framework

Though usually overseen by the central oversight body, be it the UGC or the HEC, universities in South Asia are formally established through legislation—either through the parliament or state-level legislative bodies Universitites can also be "deemed" universities by the HEC or UGC. Where countries

History and regulatory framework for private universities

	Legislative framework	Implications for higher education
Afghanistan	The country will eventually require accreditation in order for private HEIs to operate.	The MOHE is currently working to ensure minimum quality standards are met by private institutions.
Bangladesh	Private universities first emerged with the passage of the Private Universities Act in 1992. The 1992 act was superseded by the Private Universities Act 2010.	The new act sets out a range of requirements relating to funding, staffing, governance, accessibility, size, range of academic disciplines, and environmental, overseen by a new National Accreditation Council. Additionally, the academic activities of private universities must be approved by the UGC of Bangladesh.
India	The first private university emerged in India in the mid-1990s. Every private university in India must be established by a separate State Act, and must be recognised by the UGC in order to operate.[10] It is a requirement that all private institutions be registered as a charitable society, trust or non-profit company.	In 2003, the Establishment and Maintenance of Standards in Private Universities regulations were put in place to maintain standards of teaching, research, examination and extension services in private universities. Devolution of responsibility to the states is resulting in variance in scale and quality.
Nepal	Nepal has no legal framework to establish private universities (as of May 2013).	Kathmandu University, Nepal's sole independent (i.e. non-governmental, not-for-profit) university, was established in 1991 through private initiatives and began its academic programme in 1992.
Pakistan	By the mid-1980s private institutions were allowed to operate in the sector, provided they conform to the government's standards. Charters are generally granted by acts of provincial or central government following recommendations from the HEC.	Each Pakistani province has individual criteria for granting university charters. In 2010 the HEC instituted a new rating system for private HECs in an attempt to improve standards. Those failing to reach the minimum requirement for universities or degree awarding institutions were asked to stop accepting admissions in Fall 2011.
Sri Lanka	Sri Lanka has no legal framework to establish private universities (as of May 2013).	Situation is set to change, with private universities (including 10 foreign universities that have already submitted applications to establish campuses in the country). These will join the 19 private degree-awarding-institutions already operating in Sri Lanka.

Source: Economist Intelligence Unit analysis

[10] University Grants Commission, New Delhi. "UGC (Establishment and Maintenance of Standards in Private Universities) Regulations, 2013".

differ significantly in this area is in the nature of laws around the establishment of private universities. This has shaped the pace and manner in which private-sector activity in higher education has evolved in each of the markets under review.

The emergence of private universities is a relatively recent development in South Asia. Following in the footsteps of its East-Asian counterparts, rocketing demand for higher education places has facilitated the growth of private provision as a strategy to absorb pressure on public sector places, and shift the costs of tuition away from the state, onto students and their families. [11]

Since their inception in the region, private universities have grown to take an important role in the higher education systems of much of South Asia, notably in India, Afghanistan, Bangladesh and Pakistan. Speaking on Bangladesh, Professor Khan of the UGC notes a common trend among South Asian countries. "There is a tremendous growth in the numbers of students interested and willing to go into higher education," he says. "The government is enabling private universities to come into the arena in a big way, while opening more public universities in older districts."

Of the countries studied, only Nepal and Sri Lanka have yet to fully embrace privatisation in higher education, in part driven by resistance from within the sector, and attitudes towards private-sector involvement. Dr Athula Pitigala-Arachchi, chief executive officer of the Asia Pacific Institute of Information Technology, acknowledges a need for Sri Lanka to liberalise the sector to some degree. "The government does not have enough funds to expand the public sector, so the private sector has to play a key role", he says. According to one government adviser, the planned development of Sri Lanka as a higher education hub in South Asia will require the government to take further steps to encourage private investment into this sector. Yet, he notes, there is a lot of resistance, as well as some dissatisfaction emerging from various parties about lack of progress to date.

Financing models

Traditionally, governments in South Asia have played a dominant role in funding higher education, and continue to do so across a number of countries in the region. Afghanistan serves as the most striking example, where funding for public sector higher education is provided exclusively by the government (with the exception of postgraduate courses, where fees are charged). Despite pressure on public-sector budgets in Bangladesh, where the share of higher education as a proportion of the overall education budget budget has declined considerably, the government continues to fund public universities. Students are required to pay just a nominal fee for attendance, with the exception of the National University, where students pay full higher fees reflective of the costs of provision.

In Nepal, the proportion of education funding allocated to higher education declined steadily throughout the 2000s, as the government shifted away from a policy of fully funding higher education to one of cost recovery.[12] Still, constituent campuses of public universities receive government funding, though affiliated offshoot campuses do not. Kathmandu University, for example, funds its operating costs through

Public expenditure per tertiary student as a % of GDP per capita, 2010

Afghanistan	Not available
Bangladesh	19.4
India	69.7
Nepal	39.2
Pakistan	Not available
Sri Lanka	26.4

Note: Data for Afghanistan and Pakistan not available. Data for Bangladesh is for year 2011.
Source: UNESCO

[11] Asian Development Bank. (November 2011), "Higher Education across Asia: An overview of challenges and issues".

[12] Centre for Economic Development and Administration. (January 2007), "Financing the Higher Education in Nepal", Tribhuvan University.

tuition fees, but relies on government funding and donations for capital investments and research grants.

A private affair

Even in countries where private sector activity has been minimal there is growing recognition of the need to consider new financing models that require higher education to at least partially finance their own activities, drawing on non-public sector sources of funding. But while there has been debate and experimentation around new ways of financing higher education, given the dual challenges of poverty and wealth inequality in the region, it is understandable that there is resistance to models that restrict access to the poorest potential students.

Pakistan is perhaps the clearest example of a system that has evolved to wean itself off a dependence on public funding. After a large boost in funding between 2002 and 2008, the HEC's budget was then drastically slashed (including a reported 83% reduction over a one-year period) as universities were told to reduce their dependence on the government and generate funding themselves.[13] To this end, universities are now increasingly funded through their boards of trustees, who generate income through fees and commercial ventures. Still, attempts to raise fees have been met with sometimes violent student protests—though with little impact on enrolment numbers. In Sri Lanka, where higher education has historically been fully state-funded and free, resistance to the concept of privatisation of education has manifested itself in strikes by academics as recently as 2012, resulting in a three month shut-down of state-funded universities.[14]

Of all the countries in the sample, skilled manpower development is perhaps most pressing in the context of India's economy, which remains fuelled by the knowledge workers who staff the country's outsourcing sector. Given the scale and complexity of India's higher education sector and the country's federated political structure, it is unsurprising that its funding model is more nuanced. Recognising the importance of higher education to sustaining India's economic trajectory, the central government's economic strategy, the 11th Five Year Plan (2007-12), included a planned nine-fold increase in public spending on tertiary education.[15]

In India, public universities are managed and primarily funded by a combination of central and state governments. Fee levels vary among public universities, with greater levels of cost recovery in professional and technical courses. However, fees generally remain low and institutions face intense political pressure not to raise fees.[16] Private universities are normally self-financed almost entirely from tuition fees, but often receive support in the form of capital or land grants from governments in the start-up phase. State committees play a role in setting fees, and generally require a minimum percentage of places to be reserved for disadvantaged students at a lower rate, with the remaining places offered at a capped rate.[17]

Aside from the proliferation of private fee-charging universities, the other main source of funding available to South Asian governments – particularly those of the least developed countries – is foreign aid. This comes in several forms, but is generally either provided directly by foreign governments or funnelled through NGOs or quasi-governmental organisations. Initiatives of this nature include USAID's Afghanistan Higher Education Project, the World Bank's Sri Lanka Higher Education for the

[13] Khan, A. A. (October 2010), "Pakistan: Politics, not floods, divert university funds", University World News.

[14] Haviland, C. (August 2012), "Sri Lanka Government Shuts Down Universities", BBC News Asia.

[15] Ernst & Young, FICCI, and the Planning Commission, Government of India. (2012), "Higher Education in India: Twelfth Five Year Plan and Beyond".

[16] Hill, S. and T. Chalaux. (2011), "Improving Access and Quality in the Indian Education System", OECD Publishing.

[17] Ibid.

Twenty First Century Project and their Second Higher Education Project in Nepal. Such funding is often geared towards improving the institutional framework, developing research capabilities, and lifting teaching standards across an entire system of higher education, rather than directly funding student places. However, such funding is subject to volatility as is the case in Nepal, which has received significant funding from the World Bank. The Second Higher Education Project ends in January 2014 and if it is not renewed, Nepal will need to search for alternative funding sources.

Whereas the more developed markets have well-established sources of government funding and fairly robust private sector activity, post-conflict and the poorest countries continue to rely almost exclusively on public sector funding, and in some cases on foreign and multilateral funding to boost institutional capacity. There have been examples of the sector examining innovative models incorporating the private sector to address gaps, though capacity to administer and regulate complex mechanisms can be limited. Pawan Agarwal, higher education adviser to India's Planning Commission suggests an approach that mixes both standard allocation to universities, while also seeking competitive funding for research. "Research funding may be sector-blind (that is public or private) to promote excellence and competition while not overly reducing the autonomy of institutions," he writes. "We should also encourage universities to fund-raise through consultancies, research contracts and donations."

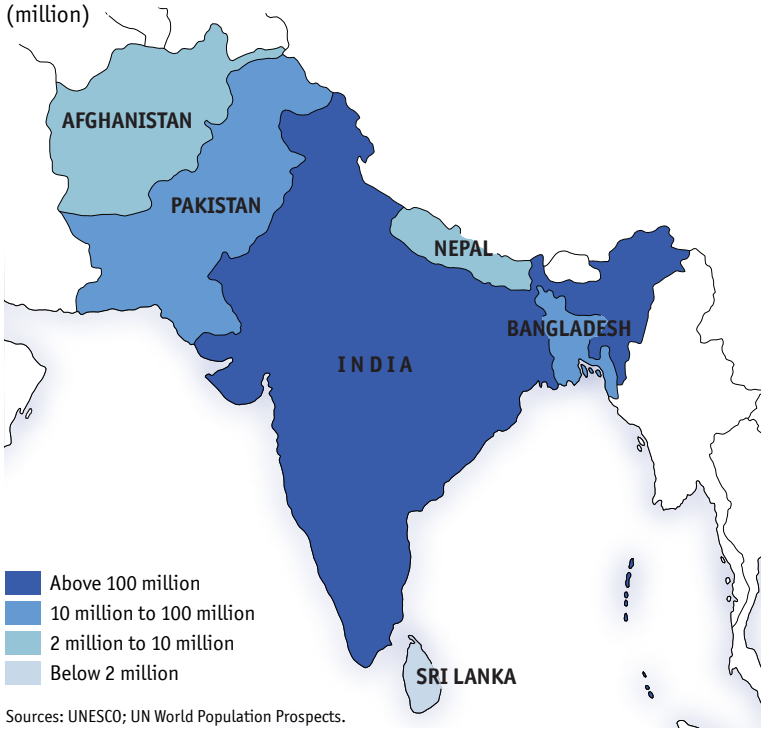
Decisions around development of the most appropriate funding models are heavily dependent on the country context. Nonetheless, the key challenges around monitoring of funding and efficient allocation of resources reverberate across the region. Weak governance suggests that there is a great need to move towards independent oversight. As the experience of Pakistan and other countries indicates, an injection of funding alone is insufficient to drastically improve university performance; effective governance and management of institutions is equally important, and the two must work in tandem.

Chapter 2: State of public and private universities

Participation and access to universities

With a burgeoning population of young adults hungry for education— and governments juggling a myriad of competing claims for funding— the growing demand for higher education is proving a challenge for many South Asian nations. Already struggling to meet the demand emanating from its 318 million 15-24 year olds in 2010, the countries under study will add a further 15m to the pool by 2020, according to projections by the UN. Afghanistan and Nepal in particular are anticipating double digit growth in the next decade – presenting an opportunity to develop a young competitive labour force in each case, but also an enormous challenge for the higher education sector in addressing issues of skills development and employability.

Tertiary school-aged population, 2010
(million)



Sources: UNESCO; UN World Population Prospects.

As higher education moves onto the radar as an important component of manpower development, governments across the spectrum are re-examining their strategy with respect to participation and access. This has certainly been the case in the region's largest economy, India, where the issue has crash-landed onto the policy agenda in the past two decades, according to Dr Pushkar, university lecturer, and writer on higher education. "Certainly, the Ministry of Human Resource Development, the prime minister and others now seem to be talking more about higher education, and they are saying the right things." Dr Mukhtar Ahmed, chief executive officer of the Higher Education Commission in Pakistan echoes this sentiment. "It is a good time in the higher education sector, things are moving fast. The government of Pakistan realises that higher education is important," he notes.

This focus is also evident in some of the region's smaller economies. In Nepal, at a fairly nascent stage of growth with the sector comprising of six fully-established parent universities (albeit with a significant number of offshoots) a policy review is currently underway to determine the appropriate role of higher education in Nepal and what the country hopes to achieve from the higher education sector, observes Mohan Manandhar, chief executive officer of the Niti Foundation, a Nepali non-profit organisation that funds policy research.

The most immediate manifestation of this is in a renewed drive to boost capacity and finds ways of injecting funding into the higher education sector. Only India (with its nine-fold increase in planned higher education expenditure between 2007-12), and Pakistan (with its boost of funding between 2002-07) have shown inclination to devote significant additional public money to the sector in recent years. Crunched public-sector budgets are forcing stakeholders to consider appropriate strategies to boost capacity, and at the same time develop strategies for driving more equitable access.

"There is an economic imbalance," notes Pawan Agarwal, advisor on higher education to the Planning Commission of India. "Wealthier families can educate their children better and these kids then are able to access the higher quality public institutions, which are largely state subsidised. Meanwhile, poorer families find their children unable to access the more competitive public institutions, and having to pay more (which they cannot afford) for private higher education. We need to reflect on the necessary policies to address these issues."

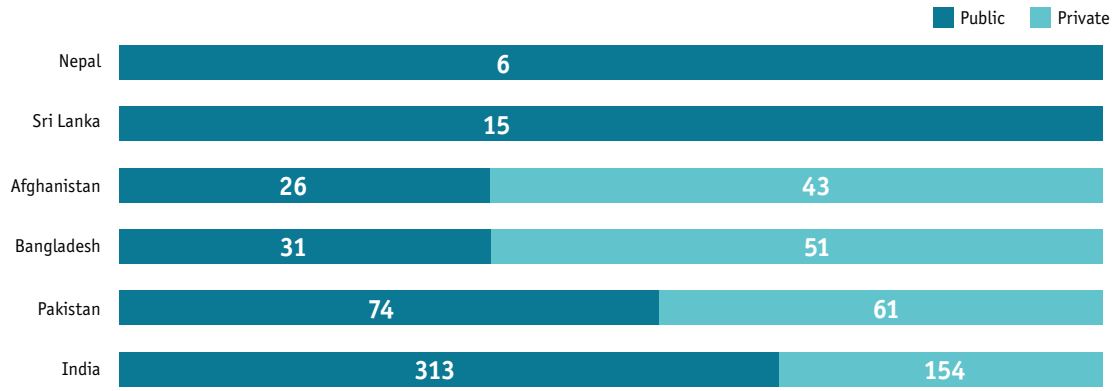
Attempts to address this concern in South Asia have included fee caps, multi-tiered pricing structures with reduced fees for students from disadvantaged backgrounds, and the provision of student loans. According to Mr Manandhar, chief executive officer of the Niti Foundation, affirmative action policies have been instituted in Nepal to increase the participation of excluded minority groups in education across all levels. These have taken the form of tuition waivers and quota systems.

One major barrier to surmount in many of these countries is that of physical access. Despite rapid urbanisation taking place in some of these economies, limited infrastructure and difficult terrain means that rural, remote populations face a huge disadvantage in accessing higher education. At the same time, while average income and household consumption is rising as a general trend across all markets, financial constraints are also a major hurdle for many potential students. Regional drivers, such as continued migration of labour suggest that demand for higher education will continue, despite the various constraints on supply. In Nepal, for instance, the increased demand for higher education is linked to greater numbers of Nepalese who have successfully emigrated abroad for work. Remittances to the country have increased, giving rise to increased household spending on higher education, according to experts interviewed for this report.

Trends in public and private universities

With public funding stretched, the past two decades have seen governments turn to the private sector to boost higher education capacity, though the extent and pace of growth has varied across countries. From being virtually non-existent in the 1980s, private higher education providers have grown to accommodate a significant proportion of students in a number of countries of countries.

Numbers of universities, public and private
(number)



Note. To best effort, universities, rather than colleges or vocational institutions have been accounted for in the data. Inconsistency in definitions across national sources means figures between countries may not be directly comparable.

Source: National higher education agencies.

While Sri Lanka and Nepal have so far largely resisted calls to open up the higher education sector to private forces, countries such as Bangladesh have seen moderate growth in related activity— in 2011 the private sector accounted for 59% of the country's tertiary sector education enrolments (not including campuses affiliated to the National University). No formal private universities have yet been established, though this is likely to change in the very near future, as noted by a Bangladesh academic. "There is a realisation in the government that the private sector must play an important role in higher education as government on its own cannot bear the huge expense that is needed," he says. "Despite all the difficulties and hindrances, some of the private institutions have really done very well and I believe that the future quality of higher education in Bangladesh will be dominantly governed by the private universities."

India's landscape is quite different, due to the more highly developed nature of its higher education system and its federal government structure. India's system employs a combination of public universities, private universities, institutes of national importance, and so-called "deemed" universities (being universities that are granted university status by the Ministry of Higher Education on the advice of the UGC, rather than through legislation). Within the public sector there is an additional division between centrally administered and state universities, the latter being the majority provider and the principal focus for the Indian government going forward.

"Private growth has, however, been uneven", writes Mr Agarwal, adviser on higher education to the government. "It is restricted to a few fields of study and confined to some states and regions. "There are concerns about the quality of private provision and complaints of many private providers indulging in unfair practices." But like other countries in the region, the private sector in India has played a vital role in absorbing excess demand from those unable to secure places in public universities, but with the means of paying for a private education.[18] In the rest of the region, growth has been robust, and many private providers have focussed on professional disciplines with low start-up costs, such as management, IT and business studies.

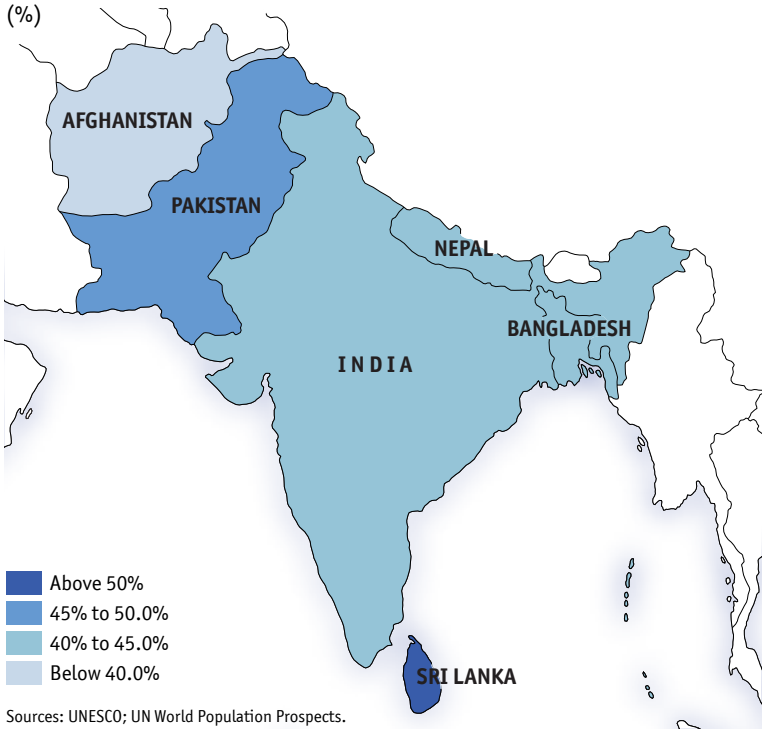
[18] Ibid.

Female participation

Despite some progress in recent years, South Asia women continue to be significantly under-represented. UNESCO reports that in South Asia there are just 74 females enrolled in tertiary education for every 100 males. A number of socio-economic issues have bearing on female participation in higher education, some of which are particularly deep rooted in the South Asian countries under study. According to UNESCO, these may include home-making responsibilities, pressure to marry, and pressure to work earlier can prevent women from accessing higher education.

Some experts highlight that because cultural and religious norms governing gender relations exert a strong and differing influence for men and women, differing curriculum in girls versus boys high schools may prevent females from accessing certain courses of study (especially those requiring high level maths and science). Furthermore, the availability of nearby institutions has a greater impact on females than on males, as travelling long distances can be a security concern for women, especially in territories where women are prevented from travelling unaccompanied.[19] In addition, the issue of women entering higher education is inextricable from that of schooling for girls, given that the "supply" of eligible female students is defined by the completion rate at the secondary level. To this end, recent improvement in trends around female education attainment at the primary and secondary school level would suggest that the outlook is quite positive.

Female students as a percentage of total tertiary enrolment, 2011
(%)



Sources: UNESCO; UN World Population Prospects.

A quiet female revolution?

In spite of these barriers, South Asia as a whole has made promising progress in improving women's access to higher education. There has been a considerable narrowing of the gap between male and female enrolment for instance. In Sri Lanka, the number of females attending certain universities has in fact surpassed the number of males. The University of Peradeniya had a total of 2,620 students admitted in 2009, 1,453 of them were female.[20] Likewise, women reportedly now outnumber men at

[19] Ramachandran, V. (2010), "Gender Issues in Higher Education: Advocacy Brief", UNESCO.

[20] University of Peradeniya website.

some of India's most elite higher education institutions,[21] though the situation is less rosy outside of universities, where men continue to outnumber women enrolling in vocational or technical courses.

As a general rule, women have a stronger presence in the humanities and arts, social sciences, health, and education—in Sri Lanka, female admissions into arts, law and medicine currently outnumber male admissions by a more than 2:1 ratio[22]—though the trend reflects student enrolment on courses globally. This is playing out in the region to the extent that the head of one of India's leading liberal-arts colleges has suggested that 40% of seats should be reserved for men due to their dwindling representation[23], raising some controversy.

Postgraduate provision and participation

With a few exceptions (most notably India's elite, world renowned Indian Institute of Technology (IIT) and Indian Institute of Management (IIM)[24]), the postgraduate education landscape in South Asia is at a very early stage of development. Research-based postgraduate programmes are in particularly short supply, a symptom of the region's reliance on teaching-focused colleges to expand access to well-staffed research-led universities. Still, there has been something of a "quiet revolution" in the quantity of academic research emanating from Pakistan of late with the country registering some 800 research publications in 2002 to 6,200 in 2011 on the Scimago database on research publications, says Professor Javeed Laghari, chairman of the country's HEC.

Research activity has not taken root to this extent in Nepal, where according to Mr Manandhar of the Niti Foundation, "Higher education is very much focused on teaching only." Despite having one of the highest proportions of students pursuing postgraduate studies of any country in the region, only 1% of higher education campuses offer study up to PhD level.[25] More commonly, the postgraduate programmes on offer tend to be practically oriented towards the labour market.

The rising number of NGOs in Nepal is driving demand for specialised courses in women's studies, environmental management and developmental studies as donor agencies pour into the country. Another trend is for students to gravitate towards business courses, owing to the growing number of banks and private campuses that are opening up in the country, with the general perception being business school graduates have a higher potential of securing employment later. In Pakistan, Professor Mukhtar Ahmed, chief executive officer of the HEC speaks of course preferences being at the "mercy of market forces". Favourites there changed quickly between IT, telecoms, business and engineering.

A consequence of limited high-quality postgraduate educational opportunities within South Asia, many students seek postgraduate study abroad. India, for instance, is consistently among the two largest foreign markets (along with China) for higher education in the United States, United Kingdom, and Australia. The United Kingdom played host to over 21,000 Indian postgraduate students in 2011-12;[26] the United States hosted over 59,000, along with 2,041 from Bangladesh, 2,822 from Nepal, 1,900 from Pakistan, and 1,412 from Sri Lanka[27]. In some markets, outward bound students represent a not insignificant proportion of postgraduate students electing to study at home.

[21] Pushkar, P. (July, 2012), "Is Indian Higher Education Experiencing a Quiet Female Revolution?", The Chronicle of Higher Education.

[22] University Grants Commission, Sri Lanka. (2011), "Sri Lanka University Statistics 2011".

[23] Pushkar, P. (July, 2012), "Is Indian Higher Education Experiencing a Quiet Female Revolution?", The Chronicle of Higher Education.

[24] Hill, S. and T. Chalaux. (2011), "Improving Access and Quality in the Indian Education System", OECD Publishing.

[25] Report on Higher Education 2011 Nepal.

[26] Osborn, A. (May 2013), "Postgraduate Students Flood In From More Nations", University World News.

[27] Institute of International Education Open Doors Data. Accessed June 2013. "International Students: Academic Level and Place of Origin".

Capacity and quality of universities

Though there has been substantive growth in higher education capacity in the past few years, on some levels this has been at the expense of quality. Standards in higher education are variable across the markets examined, but South Asia as a whole remains well below the average on various international rankings. The region contains no universities in the top hundred of the Times Higher Education (THE) and just three of the top 400 of the THE rankings (all Indian Institutes of Technology). The situation is similar across the QS 2012-13 World University Rankings, with South Asia contributing just six of the top 500 in the QS rankings (five from India, one from Pakistan). The top institutions tend to be either large public universities offering a broad range of faculties and courses, or well-funded public institutes of technology or management.

Competition for places in these universities is fierce. In the case of the large public institutions, the issue of affordability rears its head. "The result is that parents expend an awful lot of time and energy in trying to get their children into these public institutions, and the perception is that the non-state sector is not as good," says an administrator from a university in Sri Lanka. "Another option, for those that can afford it, is to send children overseas for higher education in European countries and the United States".

Globally ranked universities from South Asia, 2012-13

Indian Institute of Technology Kharagpur	• Times Higher Education World University Rankings; 226-250
Indian Institute of Technology Bombay	• Times Higher Education World University Rankings; 251-275 • QS World Univerity Rankings; 227
Indian Institute of Technology Roorkee	• Times Higher Education World University Rankings; 351-400 • QS World Univerity Rankings; 401-450
Indian Institute of Technology Delhi (IITD)	• QS World Univerity Rankings; 212
Indian Institute of Technology Kanpur (IITK)	• QS World Univerity Rankings; 278
University of Delhi	• QS World Univerity Rankings; 401-450
National University of Sciences and Technology (NUST) Islamabad	• QS World Univerity Rankings; 401-450

Source: Times Higher Education World University Rankings, QS World University Rankings.

Quality of education

Concerns around quality of service provision are pervasive in both the private and public sectors. "A large amount of money is spent", says Mr Agarwal, higher education adviser to the Indian government. "But there are quality concerns in the public system, in terms of how well funds are utilised." In the private sector, issues revolved less around cost-effectiveness and more on regulation, transparency and accountability to students. To this end, Mr Agarwal writes of the need for a very specific policy

A lesson in history: The revival of Nalanda University

Founded in the fifth century, and flourishing as centre of scholarship until its destruction by invaders in 1193, the ancient university at Nalanda predates Oxford, Cambridge and Bologna universities by around 600 years. With its nine-storey library, Nalanda was renowned throughout the eastern world, drawing students from as far afield as Greece, Korea and Japan. Now, a group led by Nobel Prize-winning economist Amartya Sen aims to re-establish Nalanda as a global centre of learning.

Located ten miles from the site of the ancient ruins, the new university will focus on the humanities, economics and management, sustainable development, and Oriental languages. The project has support from a wide range of governments, including India, China, Singapore, South Korea, Japan and Thailand, as well as backing from the East Asia Summit.

Though located in one of India's lesser developed states, the university is seen as a key pillar in the region's development. Attracting students and faculty to rural Bihar may be a challenge. It is hoped that the new iteration needs less than the 200 years it took for the original Nalanda University to rise to prominence – after an 800 year hiatus, students are finally being accepted for the 2014 intake.

Sources: BBC, International Business Times, The Statesman

with regard to private education, a statutory framework for its establishment and development and a transparent, comprehensible set of rules and regulations.

Across the public and private sector, quality assurance, and a dearth of effective accreditation and quality assurance mechanisms remains a shortcoming. Though under the responsibility of the higher education oversight bodies (the UGC or HEC), in practice these bodies may lack the necessary resources or knowhow for effective monitoring of standards. Training is needed, and there has been very little activity on that front, says Dr Athula Pitigala-Arachchi, chief executive officer of the Asia Pacific Institute of Information Technology in Sri Lanka: "In the last decade there has been a drive to improve quality, with some quality assurance activities going on even in cells inside of universities."

Bearing in mind resource constraints, finding viable solutions for credible, independent accreditation bodies is a high priority across the region. "There has to be (at least for the private sector) an independent body to accredit and assure quality," says Dr Pitigala-Arachchi. "And there must be some independent quality assurance for the public sector as well. The current way must change."

Staffing

Retaining talent is an issue for many knowledge sectors, but the problem is more acute in higher education in South Asia when linked to issues of weak governance. "Lack of incentives and limited access to resources seem to be the main challenges to enhancing the quality of faculty members," says a senior Bangladeshi administrator. "As political considerations, instead of academic standing, govern the recruitment and promotion of staff, there is a severe sense of demotivation amongst the faculty members. Many of them consider political affiliation to be a much easier option to get to higher positions rather than doing serious research." The same holds true in Afghanistan, where politics trumps experience in determining top university posts. The higher education system there is also plagued by the transitory nature of leadership—high turnover amongst senior leadership makes it difficult for universities to implement long-term strategies for higher education.[28]

[28] Mirwais Azizi (Dec, M. (December 2008), "Leaders of Higher Education in Afghanistan: leadership beliefs, and challenges for the 21st century", Dissertation, Graduate School of Education and Psychology, Pepperdine University.

Teaching staff in South Asia's universities

	Afghanistan	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Total number of teaching staff in tertiary programmes	3,342	77,373	538,769	9,932	81,732	5,358
Total number of female teaching staff in tertiary programmes	519	13,196	215,508	Not available	30,409	2,285

Note: Data for Afghanistan from 2009, data for India from 2004, data for Nepal from 2007.
Source: UNESCO

Another challenge for faculty members is in the salary levels. Though the situation varies across the countries studied, pay is relatively low in public-sector universities across the sample. "Part of the problem in terms of quality is that pay scales for faculty members are very low", says Dr C. Michael Smith, President of the American University of Afghanistan. "People are forced to work on low salaries. In Kabul, for example, professors are forced to moonlight by teaching at private institutions in order to supplement their salaries." In India, while pay is fairly high compared to regional standards, careers in academia are not sought after in the way that engineering, management, financial services and other "knowledge sector" careers have taken off.

To address this issue, some governments and institutions are exploring ideas around performance-linked incentives. "Faculty also need to be incentivised to maintain and improve their performance through a proper appraisal system", says a Sri Lankan administrator. "At the moment, remuneration for lecturers is not performance-based, and this leads in some cases to poor or "non-performing" faculty members. Another challenge is that lecturers may increasingly be attracted to the non-state sector by the higher face value salaries on offer." [28]

Employability

An unfortunate by-product of the low quality of higher education—both for the economies of the region and the students themselves—is the low employability of graduates who emerge from the universities. Though there are notable exceptions, as a general rule, employers in South Asia are more inclined towards graduates from the large public universities. "There are cases of private universities selling qualifications, which impacts credibility," notes Dr Athula Pitgala-Arachchi, chief executive officer of the Asia Pacific Institute of Information Technology in Sri Lanka.

In second and third tier institutions in particular, there has been criticism of the teaching methodology—students (even at tertiary levels) are not necessarily taught how to conduct independent research, says Mohan Manandhar of the Niti Foundation in Nepal. This therefore affects their analytical abilities and critical thinking skills. Further, the disconnect between the needs of the market and the courses offered by higher education institutions has contributed to high levels of graduate unemployment and underemployment. This has forced countries like Nepal to provide collateral free loans to spur entrepreneurship amongst unemployed educated youths.[29] The preponderance of students enrolled in humanities, management and commerce courses and the under-representation of students in scientific and technical fields has further fuelled the market distortion.[30] A senior Sri Lankan administrator reiterates this point. "In general, a major challenge for the state sector is to ensure graduates are employable, and to embrace an "outcome based" approach to higher education," he says. "Art degrees can be a problem in this regard—often leading to a lack of employment."

[29] Prasad, U. S. (April 2010), "Youth At Work", The Kathmandu Post.

[30] World Bank, Human Development Unit. (January 2009), "The Towers of Learning: Performance, Peril & Promise of Higher Education in Sri Lanka".

Foreign participation

Though policy-makers widely recognise the contribution that foreign providers can offer both to increase capacity and improve quality, each country in the region has a different lens by which they view the participation of foreign players. From an inbound perspective, in light of the successful partnerships and models deployed in other parts of Asia, the enthusiasm of foreign providers has been tempered by bureaucratic hurdles and long delays in gaining approval to operate—if at all. Nonetheless, as the number of South Asian students heading offshore for education indicates, the demand for education from foreign providers is very strong, and South Asia continues to represent an exciting "frontier market" for a plethora of international institutions.

Though there is a smattering of international universities across South Asia, the involvement of universities is predominantly in the form of collaborations with existing institutions, though not always with the established public universities. Such arrangements currently exist in all countries in the region – reportedly 600 foreign institutions cooperate in India in this manner[31]– predominantly with universities in the United Kingdom, United States and Canada.

Recent years have seen progress towards liberalisation of regulations governing foreign institutions in South Asia. India, Bangladesh, and Sri Lanka are either currently considering or have recently passed legislation to enable foreign universities to establish independent campuses. India, in particular, has drawn a lot of interest to its Foreign Universities Bill; despite gaining cabinet approval in 2010 after four years of deliberation, the bill has sat in parliament for over two years due to opposition from various quarters. Stakeholders from both sides are exercising some restraint in driving forward the opportunity. "There have been MOUs signed between many of the foreign Bangladeshi universities for exchange of students, joint degree programs, articulation agreements,"

[31] Albright Stonebridge Group. (October 2012), "A Status Report on the Foreign Educational Institutions Bill, 2010".

Transnational education (TNE) partnerships in South Asia

	Partners	Details of collaboration
Afghanistan	Stanford Law School (US) and the American University of Afghanistan (AUAF).	Stanford and the AUAF have been awarded a US$$7.2m State Department grant to develop a full, five-year integrated Bachelor of Arts and Bachelor of Laws degree program in Afghanistan.
Bangladesh	University of Houston (US) and Bangladesh University of Engineering and Technology (BUET).	The two universities are involved in faculty exchanges, mentoring, and training sessions designed to enhance BUET's energy management education and research capacity.
India	Oxford University (UK) and multiple Indian universities.	The India-Oxford (INDOX) Cancer Research Network, a collaboration between Oxford University and six leading cancer research centres in India, has established itself as India's leading academic oncology network.
Nepal	The University of Wyoming (US), Tribhuvan University and Kathmandu University.	Multiple research collaborations in the Himalayas, with particular focus on conservation and the impact of humans on natural ecosystems.
Pakistan	Newcastle University (UK) and University of Engineering and Technology, Lahore.	Collaboration on the development of water scarcity management strategies in the Upper Indus Basin.
Sri Lanka	University of Surrey (UK) and Sri Lanka Institute of Information Technology (SLIIT).	A partnership has recently been established that will allow undergraduate SLIIT students to continue their MSc studies through a joint programme with the University of Surrey's Department of Computing.

Source: Economist Intelligence Unit analysis.

says a senior administrator from the country. "However, the cost of education in most of the developed foreign countries is much higher than that in Bangladesh and the outcome of the MOUs is not very encouraging at this point. Some of the institutions claim themselves to be the local branch of the foreign universities, but such institutions still do not have legal status (in Bangladesh)."

Chapter 3: Administration and governance

Government policy

The development of manpower is a growing concern for countries in the region, though the nature of the challenge is fundamentally different for each of them. Bangladesh, Sri Lanka, Nepal and Pakistan have some designs on developing their manufacturing bases, along with the service sectors required to support this transition. To this end, the quality and 'employability' of a country's labour force is a key factor for investors in decision-making. Afghanistan faces difficult choices associated with rebuilding and development. Meanwhile, India must continue to develop its knowledge economy—a key engine for growth—while accelerating the pace and scale of industrialisation. In all cases, complex socio-economic drivers point to the need to strengthen the higher education sector and its output of skilled graduates.

Common points of focus / overall goals of strategic plans across the region

To this end, the fundamental importance of higher education is being recognised—and reflected— in government policy across the region. Plans for higher education have been formulated in each country under review, often in collaboration with UNESCO and the World Bank. While specific areas of focus vary by country, there are shared core objectives across the region:

- Strengthen and upgrade the quality of higher education on offer;
- Expand capacity – including through better harnessing the potential of private or non-state higher education provision, and better regulating the sector;
- Expand accessibility;
- Improve and build the independence of accreditation and quality assurance systems;
- Develop research, in particular in the fields of science and technology;
- Improve standards of governance of higher education and enhance institutional autonomy;
- Leverage information and communications technology to expand accessibility to institutions and resources;
- Ensure the marketplace relevance of degrees and improve employability levels for graduates;
- For Pakistan and Sri Lanka, develop their higher education sectors as regional knowledge hubs, in the manner of countries such as Malaysia.

Despite the focus on higher education in the policy discourse, this is not always reflected in the institutional structures of the ministerial bureaucracies tasked with policy-making and oversight of the higher education sector.

Structure of government bureaucracies responsible for higher education policy-making and implementation (June 2013)

Dedicated Ministry of Higher Education	• Afghanistan (but no UGC) • Sri Lanka (with UGC under ministry)
Under directorate of the Ministry of Education/Human Resources Development	• Nepal (UGC) • Bangladesh, India (currently UGC, bills to establish autonomous commission on higher education pending)
Commission autonomous of Ministry of Education	• Pakistan (Higher Education Commission)

Sources: National sources.

Implementation of policy goals

Across the region, the current status of implementation is mixed. Specific bills designed to address major challenges related to higher education have been forwarded to parliaments, but, with the exception of Pakistan, have been stalled or remain pending.

Status of higher education bills in South Asia countries

	Legislation	Status
Afghanistan	Higher Education Law – which stipulates responsibilities of the state, public providers and private providers, but does not discuss increased institutional autonomy and accountability of higher education institutions.	Legislation has been pending for several years. In May 2013 the Lower House of the Afghan Parliament failed to approve the bill once again, due to disagreements over wording amongst MPs including the etymology of the Pashto and Dari words for 'university'.
Bangladesh	Bill to upgrade the UGC to an autonomous HEC.	In its "final stages" but has yet to be passed.
India	Proposal to replace the UGC and two other education-related councils with an umbrella National Commission for Higher Education Research (NCHER).	Currently under consideration.
Nepal	Higher Education Act – umbrella act governing the development of higher education, replacing ten Acts relating to universities, and governing establishment of new universities.	Pending – due to failure to reach political consensus on issue of new universities, and lack of a parallel higher education policy to accompany the legislation.
Pakistan	Higher Education Commission Ordinance.	Passed in 2002, establishing an autonomous HEC to replace previous UGC.
Sri Lanka	Legislation to allow private universities and to set up a quality assurance and accreditation agency.	Pending.

Source: Economist Intelligence Unit analysis.

As noted by an adviser on higher education, "when it comes to implementation very little has happened at the ground level". Slow implementation of higher education policy reflects a number of issues pertinent to South Asia as a whole. With many competing interests and constraints, government effectiveness is generally weak across the region—not just with respect to higher education, as a number of international rankings on government effectiveness would indicate. Secondly, the reality is that higher education is just one area of priority in South Asian markets, competing with a very crowded policy agenda on a number of other hot button issues. Finally, given the nature of education as a "public good", it comes as no surprise to see that attempts to reform or liberalise the sector are met with resistance in some quarters. According to Mr Manandhar of Nepal's Niti Foundation, as the government conducts its policy review, the extent to which foreign direct investment is to be allowed in the higher education sphere is an area of contention.

Governance and politics in higher education

Improving the transparency of governance is a major challenge across the region. Higher education commentator Dr. Pushkar described "a general problem of governance in India". With respect to the higher education sector, many of the issues here pertain to institutional reform. Empowering higher education commissions and the universities themselves with autonomy is a step in the right direction. Some progress is being made in countries such as India, where the Twelfth Five Year Plan for Higher Education recognises the need for "improved governance structures" in order to enhance institutional autonomy and transparency;[32] and in Pakistan where the Higher Education Commission enjoys a degree of autonomy from the centre.

University leadership

As commentators on the Nepal diaspora have noted, "experience around the world suggests that universities operate best when free from external politics."[33] But politics and academia remain uneasy bedfellows in the governance and leadership of prominent universities across the region, and this has implications for the transparency and quality of higher education provision, along with academic decision-making and operations.

In India, the politicisation of academic appointments at senior management level raises "serious concerns about the quality of academic leadership", says Pawan Agarwal, a higher education advisor to the Indian government. Indian commentator Dr Pushkar observes a pattern in some Indian states of academics unwilling to take up (senior management) positions "because of the political pressures they would face".

In Bangladesh, a recent World Bank report noted that "the governance arrangements in four of the largest public universities and many higher education colleges fuel politicisation of academic decision making and operations".[34] Weak governance has implications for quality across the board, and ultimately for the quality of graduates entering the labour force. As observed by a policymaker in Bangladesh, this is "why the top people at universities tend to be very weak" and "Vice chancellors have a tendency to promote individuals who may not be academically sound."

In Nepal, changes in government have resulted in changes in university leadership. Politicisation in the sector is such that Nepal's UGC has identified addressing the problem of political issues affecting higher education organisation and institutions as its most important issue.[35] The issue is also one that colours the debate in Sri Lanka: due to political interference, top quality people are bypassed by those who are not adequately qualified, notes Dr Athula Pitigala-Arachchi, chief executive officer of the Asia Pacific Institute of Information Technology.

Women in leadership

There are a handful of female leaders in higher education in South Asia, but women in general remain highly underrepresented in senior management positions. Some noteworthy women at universities and higher education commissions across the region have risen to positions of prominence.

Nevertheless, representation remains low by any benchmark— as noted by Pawan Agarwal, higher education advisor to the Indian government, "the situation is quite grim". For some this is due to

[32] Ernst & Young. (2012), Federation of Indian Chambers of Commerce and Industry, Planning Commission: Higher Education in India: Twelfth Five Year Plan (2012-2017) and beyond.

[33] Padam Simkhada and Edwin van Teijlingen. (December 2010), "Higher Education in Nepal: Several challenges ahead", Diaspora.

[34] World Bank, "BANGLADESH: Country Summary of Higher Education".

[35] University Grants Commission, Nepal, Annual Report 2010-11.

Examples of female leaders across higher education in South Asia

	Name	Affiliation
Afghanistan	Dr Husn Banu Ghazanfar	Minister of Women's Affairs, previously member of the High Council of the Ministry of Higher Education
Bangladesh	Dr Fahima Khatun	Director General, Directorate of Secondary and Higher Education, Ministry of Education
	Dr Fahima Aziz	Vice Chancellor, Asian University for Women
	Dr Nasreen Ahmed	Pro Vice Chancellor and Dean, University of Dhaka
India	Dr Meenakshi Gopinath	Principal, Lady Shriram College for Women
	Indira Parikh	Director of FLAME, a liberal arts and management school in Pune. Formerly Dean, IIM-Ahmedabad.
	Dr Satwanti Kapoor	Proctor and Professor of Anthropology, University of Delhi
	Dr Padma V. Deshmukh	Controller of Examinations, University of Mumbai
Nepal	Dr Meena Vaidya Malla	Professor in the Central Department of Political Science, Tribhuvan University
	Mrs Chirik Shobha Tamrakar	Dean of the Institute of Science & Technology, Tribhuvan University
Pakistan	Dr Sania Nishtar	Federal Minister for Education, IT and Science; Pakistan's first woman cardiologist
	Dr Feriha Peracha	Educationist and psychologist
Sri Lanka	Dr Kshanika Hirimburegana	Chair of University Grants Commission, previously Vice Chancellor of University of Colombo
	Dr Vasanthy Arasaratnam	Vice Chancellor of University of Jaffna

Source: Economist Intelligence Unit analysis.

cultural barriers, and for others a natural outgrowth of the continued male overrepresentation in faculty departments in universities: in Nepal, for example, only 9% of faculty professors are female[36], while Sri Lanka is only marginally better at 25% according to a senior higher education official in Sri Lanka.

In Mr Agarwal's opinion, there is enormous scope for intervention in this area at the policy level. "I have not seen a bias against women to come in academic leadership positions," he says. "But at the same time, there are no proactive government policies or incentives to provide specific opportunities to women." There are opportunities too to better incentivise women, and also to invest in more targeted human capital development to foster the next generation of female leadership. There are examples of some investment being made here: in India, the UGC has run workshops for female college teachers to drive motivation and raise aspiration levels with the aim of developing their confidence to rise through the ranks, as reported in the *Times of India*.[37]

Next generation leaders and policy influencers

In light of the highly politicised operating environment for the higher education sector, there is some pessimism among observers as to the potential for a next generation of leaders and policy influencers to emerge. In Bangladesh, a senior policymaker thought that while there were "visionary leaders" in higher education, their independent spirit precluded them from being selected for leadership positions. A senior administrator in Bangladesh concurred, citing "the lack of effective nurturing and training of future leaders."

[36] Interview with Dr Kanhaiya Mathema, Director of the Quality Assurance and Accreditation Division, University Grants Commission, Nepal.

[37] Payal Gwalani, "Many women in higher education sector avoid top posts", The Times of India, 22 March 2013.

Still, there are some reasons for optimism. A generation of young leaders with 'fresh PhDs' – acquired through national scholarship programmes—and students who have returned with degrees from abroad and exposure to higher education in countries where the sector is more developed have the potential to bolster the ranks. In Sri Lanka, a higher education adviser believes that a new generation of deans, department heads, senior lecturers and researchers is coming through, as a result of faculty members being exposed to more opportunities for research and more initiatives for professional development.

Chapter 4: Conclusion

Higher education in South Asia is at a crossroads. Driven by a confluence of demographic, political and economic factors, governments across the region are recognising the need for higher education as a matter of national competitiveness. In the case of Pakistan and Sri Lanka, aspirations for their higher education sectors to become regional knowledge hubs brings this discussion even closer to the heart of economic development policy. "The biggest challenge for the future is that we have created a 'bubble' (in terms of those who have entered higher education) and now society is asking— what does higher education do for us?" says Dr Mukhtar Ahmed, chief executive officer of the HEC in Pakistan. "There is the expectation that investment in higher education must now lead to a positive societal impact."

Capacity needs to be accelerated further to meet anticipated demand

While major progress has been made in expanding the capacity of higher education, South Asia's participation rates remain low by global standards. This is a worry for governments—if the region is to reap the benefits of its imminent demographic dividend, then capacity will need to further accelerate in order to satisfy the market demand for educated workers. One official estimates that India alone will need a thousand new universities by 2020 if it is to meet its current development goals. In the face of significant financial constraints, governments will be encouraged to explore alternative models of financing, including appropriate mechanisms for enabling and managing private-sector participation in the higher education sector. With the exception of Nepal and Sri Lanka, governments have already begun to draw upon financial capital and technical capacity from the private sector to address challenges pertaining to capacity and quality.

A greater emphasis on quality in both the public and private sector is required for South Asia to play globally

Of utmost importance is the establishment of accreditation and quality assurance mechanisms to build confidence in the quality of education. Opportunistic behaviour by some private institutions has tarnished the credibility of the private sector in many South Asian markets, and for reasons of reputation and affordability, students tend to favour the large state universities. As a whole, the region lags at the bottom of international rankings on quality, with the exception of a handful of well-rated universities in India.

The cultivation of a cohort of credible private-sector universities renowned for excellence, with targeted funding and scholarships to facilitate access has proven to be a successful strategy in countries such as Malaysia and Singapore, where prestigious private universities compete and in some cases surpass the top state universities. This needs to take place in tandem with efforts to improve regulation and quality assurance in the private sector. The regulatory and enabling environment for private sector services has to be established with careful consideration of standards that prevail in the public sector and that can be well maintained, notes a higher education adviser in Sri Lanka. "The challenge will be to oversee and ensure that the courses that are provided are quality assured and accredited and that the students get what they pay for and what they expect."

A culture of politicisation has implications for quality

Directly linked to issues of quality is the politicisation of the sector, which is pervasive across South Asia. Dr Sharif Fayez, former minister of higher education (2002-04) and founding president of the American University in Afghanistan, refers to a "mentality" in his country, a sentiment echoed by Mohan Das Manandhar of the Niti Foundation, who observes a phenomenon of professors also acting as paid advisors to the various political parties in Nepal. Pawan Agarwal, higher education adviser in part attributes politicisation in India to "complexity in the appointment of leaders." "This is a nationwide problem," he says. "It depends on the state government in question, and the political relations between the state and central government."There are examples of politicisation of the sector across every country studied, raising questions of the extent to which this culture is hindering the development of higher education in the region in terms of quality, and the development of an independent, meritocratic culture of learning and research.

Ensuring better outcomes from South Asian universities

Employability of graduates—and matching of skills to the needs of the labour market—is a difficult challenge in many countries. In South Asia, the problem is made more acute by pervasive quality issues, and the preference for a "taught" versus a "research-led" approach, reducing opportunities for students to acquire the analytical skills so important for knowledge industries. Driving the region's research culture and working more closely with industry to develop relevant skills and design curricula that are more relevant to industry may have some traction.

Again, other countries in Asia have had success in co-opting industry as a stakeholder in the learning process. Examples include the case of Intel, a semiconductor maker, who have research collaborations on mobile with a number of major Chinese universities; and Carl Zeiss, a company in the optical and opto-electronic industry who have opened a microscopy lab at the National University of Singapore furnished with their own equipment in order further research in areas such as materials and bioscience. From within the region IT services giant Infosys has undertaken to work directly with lower ranked universities, training professors from India's second- and third-tier universities on the company's own corporate campus in a bid to boost the employability of new graduates in the labour pool.

Innovative mechanisms for driving access should be considered in resource-constrained environments

As capacity grows, it will also be incumbent upon governments to ensure some measures of equity in access. To some extent, this can be addressed through well-designed legislation, targeting under-privileged groups, rural populations and women. But the success of implementation is too often a function of resources. In environments where resources are constrained, low impact means of delivering higher education may be worth considering.

Remote solutions incorporating online learning as a means of overcoming issues of physical access could be a solution that works well in some South Asian countries— particularly in light of high mobile penetration rates across the region. Here again, the higher education sector could draw lessons from

industry to overcome barriers to access and in streamlining costs. In setting up large mines in remote locations, mining companies have deployed 'pop-up classrooms' to train and upgrade the skills of workers living onsite.

Independent bodies for oversight and regulation may help to address issues of governance

In meeting the quality-improvement challenge, stakeholders are faced with a tension between the need for accountability and oversight, and the desire for institutions and academics to retain their autonomy. Key to addressing this dichotomy will be the establishment of independent regulatory bodies (or mechanisms to this end where capacity and resources are limited) whose responsibilities and motives are distinct from those allocating resources. South Asian governments have made some headway here, but issues of government effectiveness have delayed progress.

In spite of policy efforts to make higher education more of a priority, making adequate resources available to the sector remains a major challenge, with numerous competing demands and constraints on public-sector budgets. Much of the work now lies with higher education stakeholders in articulating the economic argument for more funding to flow into the sector, and for greater urgency on institutional reform.

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