

# **THE PARADIGM SHIFT IN HIGHER EDUCATION: A CALL FOR ACTION**

## **I. INTRODUCTION**

Mr. Chairman,  
President of ACHEA, Mr. William Iton  
Other members of the Executive  
Participants  
Ladies and gentlemen.

I am extremely delighted for this opportunity to address the Annual Conference of the Association of Caribbean Higher Education Administrators (ACHEA) on the theme of this year's conference "The Paradigm Shift in Higher Education: A Call For Action".

I have a deep interest in the subject of higher education.

As a young boy growing up in Jamaica, my parents stressed the importance of a good education for economic independence and social progress.

As a parent, I have tried to instil, in my own children, the need to take advantage of the opportunities available for learning and higher education. They too will be responsible for passing on the baton and instilling those values in their own children.

As the President of the Caribbean Development Bank (CDB), I am acutely aware of the central role that education has played in providing the foundation for major social and economic changes throughout our region.

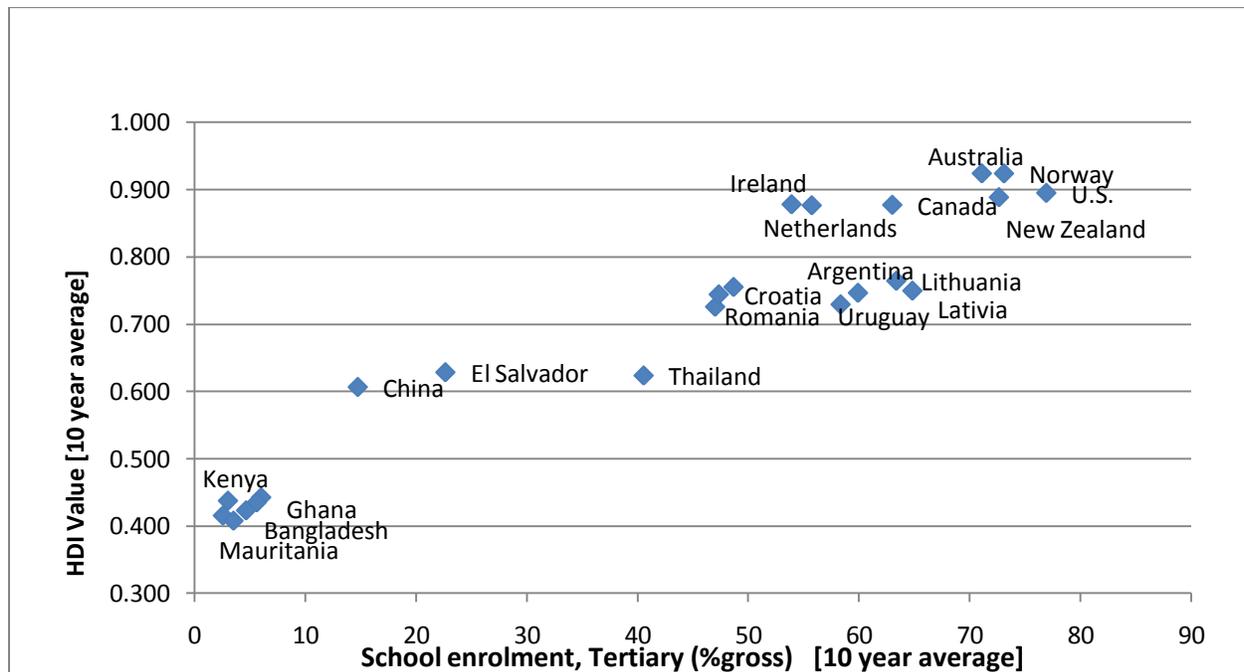
Today, the question of higher education is extremely relevant. Our region is faced with daunting challenges - globalisation and increasing competition in international trade; rapid advances in technology; insufficiently robust rates of economic growth; an unsustainable public debt burden, rising unemployment; and the list goes on.

Over the past few months, I have been reflecting on the future of higher education and its role in helping the Region to overcome these challenges. I, therefore, welcomed the opportunity to share my thoughts with this gathering today.

Across the world, higher education plays a defining role in the development of societies. It equips recipients with the knowledge, skills and attitudes that help to formulate and preserve societies' fundamental values. It is the vehicle that spurs the growth of human capital. It provides access to the new technological capabilities which underpin social and economic development.

Indeed, there is an unmistakably strong correlation between participation in higher education and a country's level of development. Using the United Nations Development Programme's (UNDP) Human Development Index (HDI) as an indicator of development, and as illustrated in graph 1, countries with high rates of participation in tertiary education are also those with high HDIs. The converse is also true.

**Graph 1: Correlation of Countries' HDI value and Tertiary Enrolment**



Source: UNDP (2010); World Bank (2011); World Development Indicators

The fundamental point, particularly for the Caribbean, is this –economic prosperity and social cohesion are inextricably linked to our countries’ capacity to provide an increasing proportion of successive cohorts of the population with access to higher education. The speed with which we move along the development trajectory rises and falls based on our capacity to deliver high quality and relevant tertiary education.

Because of its role in growth and development, higher education has also contributed to noteworthy reductions in poverty. For decades, access to higher education has enabled many persons in the lower socio-economic strata to acquire the knowledge and skills needed to take advantage of employment opportunities, improve the quality of their lives and transition out of poverty.

From dependent colony status in the 1950s and 1960s, Caribbean economies have grown, fuelled not as much by the leveraging of natural resources, as by the honing of human capital through basic and higher education training. Following this paradigm, countries like Barbados and Trinidad and Tobago which are pursuing developed country status, have articulated policies that seek to increase throughput in higher education to levels achieved in developed countries.

However, there are a number of issues which affect higher education in the Region.

## **II. ISSUES IMPACTING HIGHER EDUCATION IN THE REGION**

### **Access**

Increased social demand for higher education has characterised, informed and influenced the policy debate and programme decisions in the Region for the last three decades. With the secondary gross enrolment rate at around 80% in the English-speaking Caribbean, there has been a substantial increase in the number of graduates who meet the matriculation requirements for post-secondary and tertiary education.

For various reasons, however, many of these graduates are unable to access tertiary education. For example, it is estimated that up to 90% of the qualified applicants for hospitality training in Barbados have been refused entry to the Barbados Community College Hospitality Institute because of space limitations. The absence of degree programmes at the national colleges and the relatively high cost of degree programmes offered by the University of the West Indies (UWI) or through its Open Campus

programme severely limit the number of persons who can complete undergraduate training in the Organisation of Eastern Caribbean States (OECS) sub-region. In Belize, Guyana and Jamaica, all of which have university campuses, the cost may be prohibitive for students from poor and vulnerable households.

While demand has increased exponentially, capacity and resourcing constraints affect the occupational and personal development prospects for both secondary and tertiary education graduates.

The low level of access also means that the Region is still not satisfying the human capital needs for the diversified range of new and semi-professions, for which mass tertiary education is designed. Currently, the higher education enrolment ratio averages just around 12%. If we apply Martin Trow's revised treatise on the three stages of higher education, then as shown in Table 1, the Caribbean is yet to emerge from the first stage of tertiary education development. In fact, even our modest, albeit realistic CARICOM target of 15% enrolment by 2015, reinforces an elitist configuration.

**TABLE 1: STAGES IN HIGHER EDUCATION DEVELOPMENT**

<b>Stages</b>	<b>Function</b>	<b>Gross Enrolment Rate Benchmark</b>	<b>Status in selected BMCs</b>
<b>Elite access</b>	Prepares students for roles in Government and the learned professions	15%	Guyana (11%) Belize (3 %)
<b>Mass access</b>	Provides workforce for technical and economic organisations	Up to 50%	Cayman (39%) Jamaica (19%) St. Kitts (18%)
<b>Universal access</b>	Prepares large numbers of people for life in advanced societies	Above 50%	Barbados (53%) BVI (75%) Cuba (118%)

**Sources:** (a) Trow. M. (2006). "Reflections on the transition from elite to mass to universal access: Forms and phases in higher education in modern societies since WW11" In: Forest, J. & Altbach,P.G. (Eds.), International handbook of higher education. Dordrecht: Kluwer, pp. 243-280.

(b) World Development Indicators 2011 (World Bank)

Therefore, whether it is due to physical capacity constraints or inadequate financing, access remains a major issue. And the goal of universal higher education access is desirable but still elusive.

### **Equity**

Equally, inequity is a major concern. Females are outstripping males by a ratio of 2:1 in higher education enrolment across the Region. We must, therefore, be very concerned about the under-participation of males in higher education. Development region-wide will be severely inhibited if capable young men are unemployable and remain on street corners, or participate in criminal activity rather than be productive.

By the same token, adequate opportunities must be provided for those who are differently-abled so that they have equal access to higher education and training.

### **Relevance**

The under-participation of males may be tied to another critical issue in higher education - that of relevance. Our notion of relevance encapsulates both “encouraging active citizenship and producing skilled human capital, neither of which is mutually exclusive”.<sup>1</sup> This moves higher education from a largely social phenomenon into the realms of economic policy.

There is undoubtedly a lack of coherence between the higher education programmes being offered and the number of qualified males interested in registering for and pursuing these programmes.

We may need to ask ourselves some hard questions.

Are young men opting out because the system simply does not offer programmes that meet their expectations? Are the programmes too heavily weighted in favour of academic rather than applied and other relevant offerings which may be more appealing to males?

Is there sufficient emphasis on science, technology, engineering and mathematics, the so-called “STEM fields”? Are there cultural forces presenting “attractive” alternatives which erode the traditional value of lifelong learning, education and training as core ingredients for success? Are the programmes

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<sup>1</sup> UNESCO. (2009) *World Conference on Higher Education 2009*: Final report. Paris: UNESCO.

sufficiently aligned with labour markets requirement? Is the often heard refrain that many university graduates cannot find jobs an indictment of the system?

At the OECS Higher Education Conference in March 2010, Governor General of St. Lucia, Her Excellency Dame Pearlette Louisy, recounted the unsuccessful attempts to establish viable labour market information systems and concluded that “the tertiary education sector remains as ill-informed on the real needs of the labour market today as it appeared to be in 1988.” There may be an urgent need to develop a strong research focus so that programmes offered by higher education institutions can become more relevant and be better aligned with local and regional development priorities.

### **Quality**

We also need to examine the quality of higher education very closely.

At the input level, ongoing challenges include attracting and retaining qualified, talented and committed teaching and research staff; providing up-to-date and relevant teaching and learning resources; accessing well-maintained and functioning Information and Communications Technology (ICT) systems; and enhancing physical infrastructure, in general.

At the outcome level, the sentiment of many employers is echoed in the World Bank Study on School and Work in the Eastern Caribbean in which they lamented that new labour force entrants lacked many of the required skills. This concern may reflect the traditional content-driven (versus competency-driven) focus of higher education programmes. Fortunately, with regional institutions placing increasing emphasis on instructional development, the Region is experiencing a shift in focus to more student-centred, technology-driven, competency-based and results-focused delivery.

However, progress in institutionalising adequate quality assurance systems region-wide has been slow. Some countries, particularly the larger ones, have established national accreditation bodies. In the OECS sub-region, the idea of a sub-regional accreditation agency as a more cost-effective mechanism is still being debated; and jurisdictions, like St. Kitts and Nevis, have gone ahead or are in the process of setting up their own agency.

Whatever the underlying rationale for slow progress, the Region really needs to accelerate efforts at institutionalising a culture of quality within institutions.

One cannot ignore the presence of the cross-border education providers, in general, and the offshore institutions, in particular, in this debate. This is part of the larger issue of private provision - the fastest growing sub-sector with over 30% of students worldwide enrolled in private higher education institutions.

Within the Caribbean, it is estimated that of the over 150 institutions, 30% are privately owned and operated and are catering to an increasingly significant proportion of the post-secondary cohort<sup>2</sup>. The presence of so many private providers does indicate that segments of the learning population are willing to pay for services which meet their personal and professional development needs.

In many ways, private education providers have had a meaningful impact. In addition to helping to meet regional demand between 1994 and 2004, off-shore medical schools in the Caribbean accounted for up to 70% of the number of internationally-trained medical graduates in the United States. While the risk of degree mills remains an ever-present challenge, some cross-border institutions provide high quality service, satisfying rigorous accreditation scrutiny and delivering programmes of acceptable standards.

However, where standards are not present, issues of quality assurance, relevance and accreditation, surface. The need for effective and functioning quality assurance systems to ensure that the education which nationals are receiving meets acceptable standards is reinforced.

### **Financing**

Financing may be the most controversial issue plaguing higher education in the Region today. In the first place, regional governments, on average, consistently assign 15-20% of their annual budgets to education. This translates to between 5 and 7% of Gross Domestic Product (GDP), which is considerably higher than in many developed countries.

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<sup>2</sup> Tewarie, B. (2003). *UWI and the Development of a Regional Tertiary Sector in the West Indies*. International Institute of Education Planning, Paris.

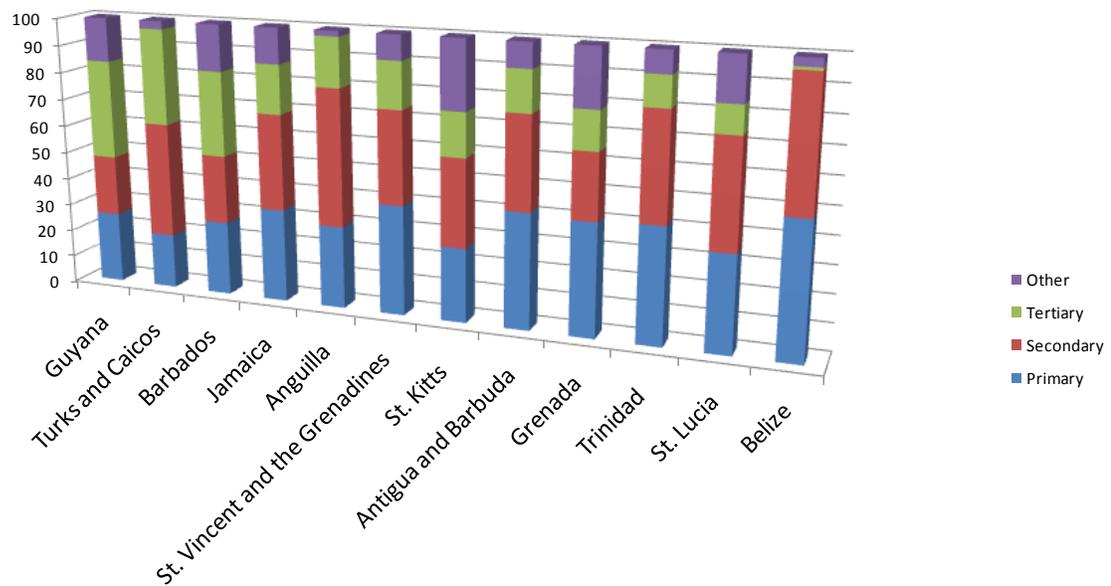
**Table 2: Public Education Expenditure**

<b>Country</b>	<b>Public Education Expenditure/GDP (%)</b>		<b>Public Education Expenditure/Total Government Expenditure (%)</b>
		<b>Year</b>	
Bahamas	3.3	2000	16.0 (2009)
Barbados	6.7		18.0(2009)
BVI	3.7	2006	13.7 (2009)
Belize	5.7		18.7 (2008)
Dominica	4.7		18.4 (2010)
Grenada	7.5		18.6 (2009)
Guyana	3.4		13.9 (2009)
Jamaica	6.1		14.6 (2011)
St. Kitts and Nevis	9.6	2005	13.4 (2011)
St. Lucia	7.4		19.1 (2011)
St. Vincent and the Grenadines	8.1		17.7 (2009)
Trinidad and Tobago	4.2		13.4 (2009)

These allocations also approach the threshold which most governments in the Region can afford. Realistically, governments now have very little fiscal space to expand spending on education. Already much costlier than other levels, higher education is becoming increasingly more expensive.

The allocation among sub-sectors, as shown in Figure 2, indicates that, in general, the allocation for the sub-sectors varies substantially among countries. It is now generally accepted that the majority of public expenditure on education should be targeted at the basic level, including early childhood education. Arguably, in the current Caribbean context, there is little scope for reallocation across the sub-sectors, even though some countries may not be allocating enough to basic education.

**Figure 2: Recurrent Expenditure by Category of Education (%)**



Secondly, the trends influencing higher education financing outlined by Johnstone and Marcucci in 2007<sup>3</sup> are still very relevant in the Caribbean and include:

- (a) rising unit costs of instruction;
- (b) increasing enrolments;
- (c) faltering government revenues coupled with escalating fiscal burdens associated with, for example, the public sector wage bill, and debt obligations; and
- (d) decentralisation, devolution and deregulation which encourage the privatisation of public higher education institutions.

<sup>3</sup> Johnstone, D.B. and Marcucci, P.N. (2007). *Worldwide Trends in Higher Education Finance: Cost-Sharing, Student Loans, and the Support of Academic Research*. UNESCO Forum on Higher Education, Research and Knowledge. Paris: UNESCO.

Such trends present compelling policy implications since, in general, private rates of return are higher than social rates of return for higher education. Tuition costs have increased at all major institutions; and governments have begun to relinquish full or almost-full subsidisation of public higher education.

The competing demands on Government resources are forcing much closer scrutiny of the efficacy of public expenditure. As a consequence, if the objective is to continue to increase access to higher education, more creative financing options will have to be introduced. Within this framework, a strategy which transfers increasing responsibility for financing education to the primary beneficiaries is an attractive option, if accompanied by transparent means-testing to ensure that disadvantaged groups are not denied access.

Nonetheless, financing higher education is an emotional issue, as demonstrated by the recent student protests in the United Kingdom following the Government's announcement of tuition increases in late 2010.

Closer to home, the Jamaican Government recently enunciated a policy of increased cost-sharing for tertiary education, while redirecting more resources to early childhood and basic education. Therefore, students will be required to meet, on average, 40% of the economic cost of their tuition over the medium term. In Barbados, where virtually free education has been provided from cradle to grave, the Government announced in its 2011/12 budget presentation the imposition of limits on the number of years that students would be supported at UWI. I am satisfied that this represents just the first step down the road of an inevitable paradigm shift in financing of tertiary education in this country.

With particular reference to the OECS countries, the issue of financing needs to be at the forefront of the higher education debate. UWI has established the Open Campus to better serve the needs

of non-campus territories, and is in the process of both physical and programmatic expansion to achieve this objective. At the same time, many of the targeted OECS countries have articulated plans to upgrade national colleges to University College status.

A number of key questions arise here. What will be the impact of this approach on public finances since many of these institutions are recipients of Government funding? Is there sufficient critical mass to render this investment cost-effective? Should the policy focus be on providing access to higher education places or on providing access to higher education opportunities?

The investment and recurrent costs per capita associated with the latter approach is considerably smaller, especially if Open and Distance Learning (ODL) education modalities and opportunities are maximised. I have witnessed first-hand the possibilities of a well functioning ODL capability in offering programmes to students in different locations. The expansion of the ODL architecture to remote areas in campus territories and to non-campus territories could potentially expand access to a much larger pool of students wishing to participate in tertiary level education.

There is, therefore, a need for serious examination of the options for appreciably increasing access to quality higher education. There is also the need to provide these opportunities cost-effectively and with minimal impact on public finances.

### **III. STRATEGIES FOR ACHIEVING THE NEW PARADIGM**

Ladies and gentlemen, the new paradigm is upon us. We have already conceptualised many of its dimensions. Therefore, what we need now is not another cerebral discourse on what should be done but more importantly, a renewed commitment and vigour to transform tertiary education in the Caribbean. This is a call to action.

**(a) Expanded Access through ICTs**

At CDB our first strategy is centered around the promotion of expanded access to quality tertiary education through the use of ICTs. In our judgement, the use of ICTs represents the most promising and cost-effective modality for redressing the equity gap since it can increase the pool of learners many-fold and achieve the desired expansion of the range of programme offerings across all socio-economic backgrounds. It makes the promise of a highly literate and competitive work-force attainable despite the Region's financing constraints. A very important dimension is that the best talents available can be harnessed and made available to a wider constituency.

If our offerings are of a high quality and accredited globally, then the prospect of substantially increasing our trade in services, using the technology to attract international students also becomes an exciting one.

CDB will continue to support the strategic transformation needed to develop a corporate culture for virtual learning spaces as well as the infrastructure and service delivery architecture for quality delivery of ODL.

**(b) Integrated Tertiary Education System**

The first phase of the modernisation of higher education institutions in many Caribbean countries, particularly the OECS, has been the creation of multi-disciplinary, multi-level and multi-purpose institutions by amalgamating various training institutions into community colleges. It may very well be that the next phase is not so much the graduation of these institutions to university college status, since the challenges of small scale and cost-effective delivery continue to bedevil the operations. Instead, the emphasis should be on the development of an integrated tertiary education system which allows for seamless movement of learners within and among national and regional institutions. Herein lies the second strategy for the new higher education paradigm.

An integrated tertiary education system will address cost duplication, better utilise available strengths and specialisations of institutions, and maximise the free movement of skills, as provided for within the CARICOM Single Market and Economy framework. This is a call for multi-institutional collaboration across sectors, on and off campus and in digital form; and for interventions across the life cycle, with emphasis on the younger socially-excluded.

**(c) Modernised Education Infrastructure**

Of course, integrating the tertiary education system should be done within a framework of providing support for the modernisation of education facilities across the Region so that they are equipped to deliver services using new modalities. This represents the third strategy for expanding tertiary education opportunities across the Region in the future. CDB is already participating in the provision of such infrastructure; and remains committed to so doing.

**(d) Sustainable Financing**

The strategy that underpins all those outlined so far is one for sustainable financing of higher education. While not compromising our national social objectives, the financing of higher education should reflect a rational policy which takes account of the need to broaden the resource base. It should also address the need for the Governments' limited resources to be efficiently allocated to areas of highest priority and to those which yield the highest social and economic returns.

Indeed, full subsidisation of higher education by the State may constitute a misallocation of scarce resources. By underwriting access for those who can afford to pay, Governments may, at the same time, be diverting needed resources away from critical social and economic programmes. At a regional seminar titled "International Seminar on Financing Education in the Caribbean" held in Kingston, Jamaica in 1994, the Caribbean agreed, as a region that, a responsive and responsible higher education financing framework should be based on at least four principles:

- (a) financial diversification, given the growing demand for education and the need to expand access without compromising quality and imposing an unsustainable burden on the public purse;
- (b) cost sharing to facilitate efficiency and equity;
- (c) targeted public subsidies using means-testing to identify those in greatest need; adopting a graduated system with the most needy receiving the highest financial assistance; and ensuring that programmes attracting the highest subsidies are closely aligned to national development priorities; and

- (d) cost-recovery and financial aid instruments that are carefully designed to have reach, and are efficient and equitable. In this regard, student loans, utilising a system of deferred payment, could feature prominently as part of the aid architecture.

At the institutional level, universities and colleges will have no option but to generate more revenue from their own resources and to pursue cost-efficiency. Institutions can accelerate efforts to sell services; be actively engaged in providing consulting advice and applied research to industry and governments; and maximise their capacity for endowments and private donations.

#### **IV. CURRENT ROLE OF CDB**

CDB's support to its Borrowing Member Countries in the field of education has been broad-based, a major objective being to create a robust foundation upon which higher education at the national and regional levels rests.

At the tertiary level, CDB has provided financing for, *inter alia*, research and development, the expansion of distance education capacity in the UWIDITE system and the Caribbean Knowledge and Learning Network; UWI Vice-Chancellery; the Single Virtual University Space; and strategic planning for national community colleges.

A major conduit for our support has been lines of credit for students, mainly through national development finance institutions. Through this medium, poor and vulnerable groups have been able to access student loans on highly concessionary terms. CDB intends to continue to leverage its student loan scheme so that anyone who wishes to access higher education can do so regardless of social or financial status.

#### **V. CONCLUSION**

Mr. Chairman, in closing, let me quickly remind you of the main principles around which CDB believes the new paradigm for higher education should be built.

- we subscribe fully to the concept of a higher education system that facilitates access to all who exhibit the required competencies, irrespective of social and economic status;

- we would like to see a tertiary education system that is market-driven and student-centered;
- we would like to see an effective tertiary education system that is technology-driven;
- we would like to see a system that is financially sustainable;
- we would like to see a system that is results-focused; and
- we would like to see a system in which graduates are fully equipped to meet the demands of the modern workplace and epitomise the Ideal Caribbean Person.

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