

Improving the performance of government universities: Insights from reforms in similar sectors

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Abstract

In seeking answers to the question of how the performance of Sri Lanka's government universities can be improved, there is value in seeking insights from infrastructure services, especially telecom and healthcare services, where decline in performance has been reversed or at least slowed down. This is, of course, predicated on the claim that higher-education (HE) services are amenable to economic analysis.

Much of the extant discussion centers on the poor quality of the graduates produced by the government system, as understood in the conventional sense of a good education and useful skills. However, the principal product is a credential, not education nor skills. As long as the government continues to be the employer of last resort, the credential is not worthless. In addition, the government degrades the value of credentials obtained from alternative suppliers. In terms of employability in pensionable jobs, the credentials provided by government universities are superior in quality.

The necessity for external pressure along with internal reforms is demonstrated through the experience with telecom and healthcare. The dangers of a spiral of decline, wherein the relatively better endowed segments of society abandon a declining service offering, thereby creating the conditions for even more decline is identified.

If the unfair and counter-productive credentials system can be changed, it may be possible to exert some competitive pressures that could create some incentives for improved performance at least in a few areas, where the existing faculty members are of good quality and some supplementation may be possible. A system where notional fees are charged would also help improve the incentives.

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