



# Uncertainty and Promising Prospects: The Global Landscape of Higher Education

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## Overview

Worldwide, the higher education landscape is complex. Equality and access issues, demographic trends, and technological changes are all affecting the way colleges and universities deliver education. The higher education environment globally is fertile for positive changes and developments. However, institutions must find ways to innovate. Higher education must transition to more flexible access and retention models that meet the changing needs of a new type of students, as well as employers.

## Context

Francisco Marmolejo discussed the global landscape of higher education and predicted what colleges and universities must do to thrive in this complex environment.

## Key Takeaways

**Although universities deliver real value, they also must address challenges facing students and society.**

A few years ago, Peter Drucker suggested that universities were in crisis and would disappear. This prediction seems unlikely to come true. In India alone, there has been a 106% growth in higher education in just 10 years. There are 42,000 higher education institutions in India today. This represents an average of 6.3 new institutions opening every day between 2008 and 2016 (including Saturdays and Sundays).

For many, higher education is a good investment. In general, the average rate of return for every additional year of education is approximately 10.4% in the lifetime revenues of an individual, but in the case of higher education such rate climbs to 16.8%. But more than the economic value, higher education is a key enabler of social development. Individuals with higher education think democracy is important for the future of societies. Higher education leads to healthier lives. Also, it is where people build tolerance and awareness of “otherness” in individuals. At the end of the day, higher education is the last place we can plant the seed about the importance of tolerance in society.

Yet, the challenges facing higher education are numerous:

- **In many countries, the returns from higher education are declining.** This can be explained by two reasons:
  1. There is an over-supply of graduates in specific disciplines.
  2. The skills of graduates are not a match with the skills demanded by employers.
- **Not everyone benefits from higher education.** Despite considerable demand for access to a college or university, systems of higher education aren't able to cope with it. Those left out from higher education do not have the opportunity to use those skills to better themselves, their families, or their communities. It is the responsibility of higher education institutions to think about and act on these issues. Higher institutions often equate improving quality with narrowed selectivity.
- **Technology affects the education sector.** Worldwide, there are economic incentives to embrace the Fourth Industrial Revolution. It is expected that many jobs will be lost to technology, especially in industrialized countries. While technology can be used to benefit many, the risk of increasing inequality is significant.

Higher education institutions cannot afford to keep feeding the “ivory tower” syndrome, since the world is increasingly interdependent, interconnected, turbulent, and also fascinating. There is a place for a renewed role for higher education.

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**“We must think about preparing globally minded, internationally able, and locally engaged citizens. Higher education institutions must become role models as corporate and local citizens.”**

Francisco Marmolejo, The World Bank

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### **The global higher education sector will grow dramatically in future years and it is becoming increasingly complex.**

Worldwide, the higher education sector faces many challenges, including increased pressure for accountability and results. Francisco Marmolejo made the following observations:

- **Access to higher education isn't universal.** The access gap is significant between countries. In some nations, as many as 80% of college-age students may have access to higher education, while only 5% have access in other countries. Within countries, access gaps also exist. For instance, in Mexico, only 5% of people in the poorest quintile of household income have access to higher education, while 65% of people in the wealthiest quintile have access.
- **The global stock of people with higher education status will shift.** In 2013, about 14% of the global stock of individuals with higher education were people in the United States. By 2030, that group will be reduced to 8%. If restrictive migratory policies are added to the picture, that percentage will eventually be smaller.
- **There will be dramatic diversification in education modalities and providers.** These will challenge the traditional concept of what do we mean by a higher education institution. Many colleges and universities in the United States hope to tap the international market by establishing branch campuses and diversifying their academic offerings although they may be late to a competitive "game."

### **Demographics will have a significant effect on the future of higher education.**

Demographic shifts will result in dramatic growth and diversification. For instance, higher education is no longer a domain of high-income countries, since on the global scale, low- and middle-income countries have the largest share of higher education. The future of higher education will be defined by those nations. Institutions in the United States must determine how they will be a part of that future. Worldwide, higher education will continue transitioning from a relatively elitist approach to a more flexible access and retention model.

Noteworthy demographic trends that will influence higher education include:

- **By 2050, the population in the developed world will be shrinking, while the population in the developing world will continue to grow.** This represents a problem and an opportunity for higher education. Between 2015 and 2050, the total population in most European countries will decrease, while in Africa the population is expected to grow by 40%. Twelve years from now, 42% of the youth worldwide will live in Africa. This is a challenge since most of these people live in poverty.
- **People will continue to move to cities.** By 2050, around three quarters of the global population will live in cities. Higher education will become increasingly urban.
- **The aging population has significant implications for society and higher education.** The share of older people will grow in future years. Most of the population growth will occur in Africa, while most economic growth will occur in Asia. The unthinkable today will be a reality soon: some countries will be forced to close universities due to a lack of students. On the other side, an increased migration of the talented and the unskilled is expected toward the developed world. A major challenge is how to manage that properly.
- **Global student mobility will continue to be a significant factor.** Today, around 4.6 million students experience international education. In addition, around 13 million participate in online cross-border higher education. Forecasts suggest that these numbers will continue to grow.
- **Competition for higher education students is increasing.** The United States has experienced and will continue experiencing a reduction in attracting international students, as migratory policies become restrictive while other countries have developed their own capacity and are implementing ambitious plans to attract international students. India is about to release a new national strategy aimed at attracting more international students. Many other countries are trying to do the same.

### Higher education must focus on fulfilling labor market needs.

Another challenge for colleges and universities is meeting the needs of employers. Marmolejo noted:

- **The demand for talent will skyrocket in future years, as economies seek people with skills.** In addition to job skills, employers want people with integrity, reliability, flexibility, and empathy, among other non-technical skills. Higher education institutions usually don't focus on those traits, assuming that students learn them "by osmosis." Colleges and universities must go beyond the traditional curriculum and help students develop their personas.
- **A disconnect exists between labor market needs and what higher education institutions are delivering.** The skills needed for future graduates are transdisciplinary, including social intelligence and cross-cultural competencies. While technical skills are important, their degree of obsolescence is quite high. Higher education institutions must recognize that they are preparing the next cadre of citizens for our communities.
- **College and universities must rethink how they measure student learning.** Many institutions think all students learn in exactly the same way and that the same measurement techniques should be used for everyone. At the same time, a simplistic GPA pretends to capture all knowledge and skills possessed by graduates. Why not measure and report in a more comprehensive way the entire skill set of students? A new model in Malaysia is called the "E-GPA." Instead of generating a traditional GPA, Malaysian schools provide a complete portfolio of student skills that they think are useful for employers. Students receive a web-integrated GPA. This is increasingly used by employers to determine if a student possesses knowledge as well as other traits like ethical values, communication skills, and more. Higher education institutions in the United States may want to expand their horizons and collect and report more extensive and useful information about students.

### Technology is changing the way students learn and institutions teach.

The rate of technological change in recent years has been dramatic. Since 2015, all higher education students globally have been digital natives. Students today process information and learn differently from the way teachers assume that they do. At the same time, technology is changing the jobs within higher education, as well as the way institutions are structured.

### A more diversified system of higher education is needed.

To succeed in the professions of the future, individuals will need flexibility. Graduates will need strong technical skills, but they also will need other attributes, like the ability to work in teams, the capacity to understand the global context and work in the multicultural context, communication skills, and an understanding of the information technologies used to communicate. Most importantly, successful graduates of the future will be the ones, who during their college years, acquired the curiosity to continue learning for the rest of their lives.

A more diversified system of higher education is needed to make this vision a reality. Colleges and universities must be more internationally connected, while at the same time strongly connected to local communities. They must be flexible, innovative, entrepreneurial, less risk averse, and more collaborative.

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**"Higher education must connect more effectively with employers, governments, graduates, community-based organizations, and even internally. Often colleges and universities create silos that don't connect well."**

Francisco Marmolejo, The World Bank

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### Other Important Point

- The World Development Report 2018. This [World Bank study](#) reflects on the global learning crisis at all levels of education.