University education at a crossroads

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RESEARCH is a requirement for university teaching. "Publish or perish" is an oft quoted phrase in academia, which underlines this requirement. Quality and number both matter. The number of citations is often used as a parameter for balancing quality with number. Faculty quality evaluated as such is an important input to the university quality (ranking).

There has been a healthy growth in the number of universities over the last decade. A growing economy and rising population are the drivers of this increase. But the number has not kept up with the quality of education. Faculty quality is a major weakness which affects university quality. Faculty weakness is a function of weakness in research. The weakness arises from two factors in the main, availability of funds and mentoring. Fund is necessary for journals, books, conference participation and direct costs such as data collection. Mentoring helps as most faculties in our universities, being young, lack experience and exposure.

That the universities in the country lag behind regional peers can be seen from various ranking lists. These rankings are done through a check list of desirable standards similar to those used by the better known agencies such as the ISO. Though ISO standards are designed by international bodies the certifications are done through independent third parties.

Unlike the ISOs, university rankings, i.e. setting the criteria and giving rank, are done by the same organisation. Modalities of rating vary from the entire organisation to a particular programme within the organisation. The ISO ratings are mostly done for individual organisations engaged in a single activity such as production. The certification applies to the process that attests to the quality of the product.

A university is a different type of setup having diverse mix of products and processes. Programmes within a single discipline can also vary widely in forms and processes. For a university the rating of a programme can be of more relevance than an overall judgment, except on generic issues such as admission, examination etc. that apply across all disciplines. For example, AACSB and EQUIS are two organisations that rank business school programmes. Professional bodies such as pharmacy keep separate tab on academic qualifications relevance through programme specifications. Some even run parallel programmes such as the Institute of Accountants. There is no reason why ISO type qualification cannot be set for generic items such as admissions as well.

Innovation is as much a requirement in an academic institution as in business and industry. Innovation, both in offerings and processes, is important. Education is a process for imparting knowledge. As in any other process the format of education has been changing over time. In the olden days Euclid considered knowledge was for the sake of knowledge itself. Socratic promise was to set the learner free. Today, it is gainful employment. Unless a learner can connect with the societal needs through a vocation the knowledge is not as valuable.

Since private sector education was introduced in the country it may not be incorrect to say that unless education, in particular university education, can be de-linked from the profit aspect of pure business, quality in education will remain elusive.

In the past, education was a public function. The rendering was almost free and one had to compete for limited places. With the broadening of the platform to include private participation the scope of inclusion has increased manifold, to the extent that almost anyone who can pay for it can have it. On the other hand, the standard settings require that not everyone may avail everything since learning is a function of ability beyond financial means. This may be a reason why education in the private sector is faltering in the country in its eagerness to embrace all. Treating education as a tradable commodity is a risky business. This is where standard setting can help.

It may take a while before our universities start emerging proudly among the regional peers in terms of quality. The reason for this delay, apart from obvious weaknesses, stems from unusual areas of check boxes. For example, an interesting check box in the quality requirement of a university curriculum can be the mix of nationalities. Exposure to cross-cultural nuances is now a requirement of many academic curricula. The olden practice of year-end study tour that continues today attends to this need, though in a limited manner.

A fuller version of this requirement met in some western universities is students spending a semester or two in a parallel institution in a foreign country, such as US students spending time in European or Asian universities. The obtained grades in the assigned courses are treated as part of the parent university transcript. Doing internship in a foreign country is a close equivalent. Foreign students not only bring cultural and outlook diversity but also put a compulsion on the pedagogy in terms of language used and use of examples to illustrate course topics. Education has to be global in connectivity and reach.

An intermediate approach towards attaining global respectability can be through prioritising the areas of deficiency. The Association of Management Development Institutes of South Asia (AMDISA) has adopted this approach through a regional version of standard setting for business schools. This may be considered a pragmatic approach towards the long term goal of excellence that all universities in the country aspire to. It is possible that the regulator steps in though the public sector is known to be handicapped by inflexibility that can jeopardise the whole initiative. The private sector on the other hand is handicapped by a weakness towards profit.

This dichotomy is due to the age-old perception that education cannot be a tradable commodity. As per our experience since private sector education was introduced in the country it may not be incorrect to say that unless education, in particular university education, can be de-linked from the profit aspect of pure business, quality in education will remain elusive. The few success stories that we see in the private sector in the region are outcome of de-linked management. There is no better place to test the concept of social business than in university education that has now become a national worry.

Quality in education is also dependent on supporting infrastructure from classrooms to laboratories, computing facilities to recreation areas and social mixing areas to eateries. The supporting elements are relatively easier to procure assuming funds are available. But fund is a serious constraint for our universities. This is more so for new universities, in particular those located in the city area, due to premium prices on everything.

This is a Catch 22 situation as location is an important factor for a prospective student. The gap can only be bridged through philanthropic or entrepreneurial enthusiasts willing to provide funds without strings. We have seen it happen in many developing countries though it may be a while before individuals such as Bill Gates or Warren Buffet emerge in our country. Social responsibility, corporate governance and social business are areas of business that have drawn much attention in recent years. Perhaps these elements could find a role in creating a university of our aspirations.

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Winston Churchill from a different perspective

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SIR Winston Leonard Spencer Churchill, who was born on Nov. 30, 1874, was no ordinary man. He was directly descended from John Churchill, the 1st Duke of Marlborough. He was a man of rare versatility and talents. He distinguished himself as a soldier, politician, statesman, debater (learnt how to overcome his initial speech defect), writer, painter, and above all, as a wartime leader.

By the time he died on Jan. 24, 1965 at the ripe old age of 90, he had twice served as the prime minister of Great Britain and occupied many senior ministerial positions in the government. Among the many prizes and distinctions he won during his career, the Knighthood of the Order of the Garter and the Nobel Prize for Literature figure prominently. (He declined a peerage.) In 1963, the United States Congress bestowed on him the unique distinction of becoming an honourary citizen of that country.

After a stint at Sandhurst in 1896, he went to the North West Frontier region of India with his regiment. But soon he realised that his real interests lay in writing and politics. In 1899, he left the army and joined politics. In 1900, he became a Member of Parliament.

The scope of this short article does not allow me to cover his brilliant and often turbulent political career over the next fifty odd years in detail except that he played a decisive role in defeating Nazi Germany during World War II. On May 13, 1940, Churchill addressed the House of Commons for the first time as the prime minister and said in his thundering voce: "I have nothing to offer you but blood, toil, tears and sweat." Senior citizens of Britain still remember those words with great emotion. The nation responded in unison to his call and made all possible sacrifices. This was the beginning of a long and bitter struggle for the British people, which ended in victory in 1945. This was, no doubt, "their finest hour."

After the end of the war, Churchill was proclaimed a national hero. Named the Greatest Briton of all times in a 2002 poll, he is widely regarded as being one of the most influential people in British history.

It would be nice to be able to end this story on such a happy note. Unfortunately, it has an ugly side, too. So elevated was his public image in Britain that no one had the courage to point out that there was another Churchill who was a racist and, above all, a champion of European colonialism. He could also be lethal and cynical.

It is only recently that historians like Richard Toye and Nicholson Baker and journalists like Johann Harris have mustered enough courage to write on this subject, partially deconstructing Churchill's "sacred" image.

It is a pity that Churchill had neither the wisdom nor the vision to rise above his narrow imperialist view of the world to consider that all human beings are equal and should have the same rights. If he could do so, today, besides being "the Greatest Briton of all times," he would be proclaimed as one of the greatest men that ever lived on this earth.

Wars and imperialism are nothing new to human history. But Churchill´s imperialism was different from the others. It was based on "the assumptions of European superiority over the savages." According to the American scholar James Carroll: "The new European colonialism (unlike, say, the imperialism of ancient Rome) depended on the ideology of absolute ranking by race. The pseudo-scientific idea that 'inferior races,' like inferior species, were properly doomed by laws of nature (survival of the fittest) arrived in time to justify wanton genocide from Congo to Colorado." Churchill proclaimed: "The Aryan sock is bound to triumph."

In his mind, Churchill divided the world population into two irreconcilable camps, the superior melanin-deficient race (the so-called whites) and the "savages" who were darker. In the process, he dehumanised the vast majority of the world population. Therefore, it was quite easy for him to justify "a lot of jolly little wars against barbarous people" to bring them the benefits of civilisation. He considered these colonial wars which wreaked havoc on so many nations as nothing more than fox-hunting on week-end outings.

Since it is impossible to describe all his brutal acts in such a short article, I shall give only a few examples. In Swat valley, he took part in raids on villages destroying everything that came his way to make them uninhabitable for human beings. In Sudan, he participated in putting down the rebellion with utmost cruelty. About India he said: "I hate Indians. They are a beastly people." He wanted Gandhi "to be lain hand and foot at the gates of Delhi and then trampled on by an enormous elephant with the new Viceroy seated on its back."

When in 1943, because of his government's mismanagement, hundreds of thousands of people died of famine in Bengal, he put the blame on the Bengalis for "breeding like rabbits." In Africa, he committed indescribable atrocities against the local people.

He fought for freedom and democracy and wrote brilliantly on these topics. Yet he committed innumerable acts of cruelty against peoples in distant lands who had never done any harm to him. It is a pity that he had neither the wisdom nor the vision to rise above his narrow imperialist view of the world to consider that all human beings are equal and should have the same rights. If he could do so, today, besides being "the Greatest Briton of all times," he would be proclaimed as one of the greatest men that ever lived on this earth.

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Climate change adaptation and the role of financial institutions

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ADAPTATION involves developing ways to protect people and places by reducing their vulnerability to climate impacts, e.g. relocating finished goods to higher ground to protect against increased flooding due to storms; farmers planting stress-resistant crops etc.

When it comes to climate change mitigation the role of the Financial Institutions (FI) is quite clear; they finance renewable energy (solar, biogas, wind etc.) and energy efficiency (LEDs, efficient boilers etc.), but in the case of adaptation, very few FIs have actually ventured into this space. As they channel investment, FIs have an opportunity and responsibility to take a leading role in mitigating and adapting to climate change. Institutions managing investments in long-term assets should consider the financial risks associated with climate change, as well as the opportunity to create value by working proactively with clients and stakeholders to manage the risks.

In the context of South Asia, Nepal, Bangladesh, Sri Lanka and Maldives are highly vulnerable countries with regards to climate change. Increase in the rate of extreme events will have to be considered by businesses, and FIs have a significant role to play:

- FIs can finance stress tolerant seed firms, flood and cyclone resilient housing, etc;
- FIs can finance supply chains that are diligently climate proofing their entire operations;
- FIs can identify and manage climatic risks of their entire portfolio.

According to International Finance Corporation (IFC), financial performance and conditions for both equity and debt may be weakened by a number of factors:

- Market conditions, particularly supply and demand, can be a key determinant of future prices. Both supply and demand can be sensitive to climate factors. Future climate-driven changes in prices may, in turn, affect the competitiveness of investments;
- Efficiency, output, and performance of assets and equipment may decrease due to changing climate conditions, with consequences for revenue;
- Operating costs (OPEX) may increase due to changes in the price, availability, or quality of inputs. Maintenance costs may also increase;
- Insurance costs are likely to increase if climate-related claims continue to rise as projected. A more disquieting possibility, already a reality in some regions, is that insurance companies may completely abandon particular markets;
- Additional capital expenditure (CAPEX) may be required as a result of asset damage or decreased asset performance. Further, complying with environmental regulations may require additional CAPEX to upgrade facilities or equipment to cope with increased pollution risks;
- Staff health, safety, and productivity may be impacted by climate change, and this may lead to increased expenses;
- Loss contingency projections -- reserves required to allow for potential disasters or other known risks -- may need to increase as the risks of climate change become more likely and better quantified;
- Asset depreciation rates may increase. The rates currently used for accounting purposes generally reflect historical experience, but the effective depreciation rates of assets due to climate change may be considerably higher. Consequently, financial models may overestimate the real useful lives and value of physical assets. Faster capital depreciation could mean that assets need replacing more frequently, negatively affecting projected cash flows;
- Country risk may be aggravated by climate change impacts, particularly in economies where GDP is reliant on scarce water resources, or in smaller economies that are more vulnerable to catastrophic climate events. Significantly, studies show that rising temperatures in some regions are linked to increased risk

Given that the main effects of climate change are now well established, there is a considerable opportunity, as well as a responsibility, for financial institutions to take a leading role in adaptation to climate change.

Credit risk assessment and due diligence are core elements of conventional lending. However, the identification and management of new, direct as well as indirect, climate-change-related risks that are often complex as well as uncertain, are not traditional competences found in banks.

As with the move to a green economy, effective adaptation, in a systemic sense, will only occur if the millions of dispersed business decisions taken every day start to account for climate change factors and impacts. Within the group of private sector decision-makers, representatives of the financial services sector -- banks, investors and insurers -- stand out in the commercial landscape essentially because of their ability to effectively influence business practice and emerging trends in the real economy.

Daily engagement FIs with clients and investors of all types and sizes and across virtually all sectors of the economy shapes the current and future reality of production processes and services. As such, the financial services sector can be a powerful conduit towards economic systems that are better prepared for the challenges of climate change.

A financial services sector that understands climate change and pro-actively drives adaptation is not only in the highest interest of broader economic stability and the societal well-being it underpins, it is clear that it also will increasingly be in the very interest of FIs themselves. Banks, investors, and insurers that get ahead of the curve in understanding and managing the risks linked with the physical impacts of climate change will build a strong competitive advantage relative to lagging competitors.

Given that the main effects of climate change are now well established, there is a considerable opportunity, as well as a responsibility, for FIs to take a leading role in adaptation to climate change. Institutions managing investments in long-lived assets have both a direct financial risk to consider and the opportunity to create value by working proactively with their clients and other stakeholders to take steps to manage the risks.

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