Unveiling 'Privatisation' in Higher Education in Sri Lanka

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The public discourse on higher education in Sri Lanka cleaves along the false dichotomy of public versus private universities, which masks the many subtle ways and forms in which privatisation of higher education manifests. This misunderstanding has allowed policy makers to introduce or push through numerous reforms to state higher education that facilitate full privatisation in the long term, under different guises, without having to encounter the resistance that any overt or sudden move towards privatisation typically entails. At a time when the system of free public higher education is being eroded in ever more devious ways, we hope our contribution will pave the way for a more informed debate on the various manifestations of privatisation of higher education in Sri Lanka. With this intent, we aim below to unveil the multiple forms of privatisation of higher education in Sri Lanka through a set of case studies, which we present after unpacking the concept of privatisation.

Unpacking 'privatisation'

In the context of a fire sale of state assets, ostensibly as a means of climbing out of the recent economic crisis, the introduction of the National Education Policy Framework[1] in early 2024, and the change of government in 2024, the topic of privatisation has once again come to the fore. The passionate debates raging on the issue fail to register, however, that privatisation has already significantly corroded public assets and eaten into the public sector in various other forms. This bleak point is not to undermine any opposition to privatisation in the form of the sale of public assets. Rather, we hope to present the categories necessary to identify and understand other deceitful ways in which privatisation continues to happen. To take a stance for or against privatisation, we need a nuanced understanding of what privatisation means *in*, and *for*, higher education. Since the manner in which private, community, or national resources are used for higher education has shifted over the years, ignorance of the complexity of this sector at present may mean that our positions are based on simplistic definitions of the public and the private.

Higher education is a particularly apt case study in this regard. Here, a distinction needs to be made between privatisation *in* higher education, and privatisation *of* higher education. The former typically refers to bringing in various private sector practices to higher education, while the latter refers to making education itself into a commodity. Both perform the function of easing the way for full privatisation to creep in, on the one hand by adopting the practices, terminology, and frameworks of thinking of the private sector; and on the other by devising ways in which higher education programmes and institutions may be rendered more 'appealing' for potential 'customers' in a marketplace. This distinction is important in identifying the stealthy ways in which privatisation sneaks into higher education (privatisation *in*), before it makes education itself into a commodity (privatisation *of*).

It is typically privatisation *of* a sector that tends to prompt resistance in public sector higher education in Sri Lanka, particularly at present. However, a closer look reveals that privatisation *in* higher education has been a long-standing practice, and that decision makers of public higher education institutions (HEIs) take recourse to those, in order to find a way around potential resistance to the 'sale' of educational programmes in the marketplace.

McDonald and Ruiters (2012) definition of what they call commercialisation can be taken as a manifestation of privatisation *in* a sector: "a process by which market mechanisms and market practices are introduced into the operational decision-making of a public service – e.g.

1 The National Education Policy Framework (2023-2033) was introduced as an overarching policy for education by the government of President Ranil Wickremesinghe. It has been criticised for its explicitly pro-privatisation stance on all sectors of education (see Kuppi Collective, 16 April 2024).

profit maximisation, cost recovery, competitive bidding, cost-benefit analysis, performance targeted salaries, ring fenced decision making, demand-driven investments, etc." with the end result of "stand-alone 'business units' owned and operated by the state but run on market principles" (12). We can see this in our case studies.

It should be noted here, however, that there is no grand historical plan whereby the state has always deliberately and unambiguously been working to make eventual private take-over possible. Instead, what seems to have happened is that the "structural imperatives" (Alavi 1981) of the capitalist system generate these possibilities, and state actors largely deal with them, at times deliberately paving the way for privatisation, but at other times also responding to the demands of other constituent groups that give life to the state. Over time, however, once the usage of these terminologies and frames of reference become normalised, offering fee-levying courses to attract more and more students (i.e., customers) starts becoming the next logical step.

Rikowski (2017), shows how in cases where outright privatisation *of* education is avoided (for whatever reason),

> control of them comes to the fore … this might be a stage on the road to full, or Classical and direct privatisation. At the base of the business takeover of education is the contract. This may be between local, regional or national governments and their agencies and private providers of education. Such contracts will variously stipulate targets to be met (with penalties for failure), profits may be capped (or uncapped), contracts may be linked to various government policy initiatives or priorities, and they may sanction various forms of deregulation (e.g. of teachers' pay, recruitment procedures, against trade union recognition, for the estate and buildings and so on). (360)

For Rikowski, these then build up to the privatisation *of* education, which "is about making profits, which is in turn based on the capitalisation of educational institutions and services; education becoming capital" (361-2).

McDonald and Ruiters (2012) affirm that "[p]rivatisation … is not an either/or situation (either the state owns and runs a service or the private/community sector does)" and describe privatisation "as a continuum of public and private mixes … It is a conceptual and political mistake to pose the market (private) and the state (public) as binary opposites on this issue" (10). Such a continuum explains the case of, for instance, public-private partnerships (PPPs) that then gradually slip into full privatisation. McDonald and Ruiters (2012) cite the privatisation of the water industry in Britain as an example of such "'creeping' forms of privatisation".

Samson's (1994) treatment of cuts in public expenditure as an instance of privatisation is particularly revealing. He argues that such cuts (including the reduction of subsidies) create a vacuum that private enterprises promptly fill. He further claims that where this does not happen, the responsibility of accessing the service is either individualised or comes to be mediated by entities such as NGOs, charities, or other non-profit ventures. In both scenarios, since expenditure cuts amount to *public* provisioning being taken out of the equation and paving the way for its replacement by non-state actors with differential access to such services, the argument that expenditure cuts lead to privatisation is convincing.

In Sri Lanka's higher education landscape, this was initially not so much a deliberate expenditure reduction as the incapacity of a debt-ridden state to adequately fund public higher education. The lack of opportunities this created initially made space for private alternatives to come into play, which was later followed by more deliberate state measures to privatise higher education, including deregulation and allowing open market competition. These measures have also been complemented by demands to increase student intake without a proportionate increase in funding, further straining the public higher education system. This has inevitably led to public HEIs gradually being pushed out of 'competition', unless they 'marketise' as required.

Contracting out various service functions of public enterprises has also become an increasingly prevalent form of privatisation. As Petersen *et al.* (2018) observe, this is mostly done for economic purposes, such as slashing government expenditure, and is supposed to produce better outcomes "in liberal market economies with less regulated labour markets and weaker unions compared with more regulated market economies" (149). It stands to reason that less regulated labour markets with weaker unions will not readily mobilise over violations of labour rights, e.g., over the erosion of social security. This in turn makes the transition to contracting out services smoother and less costly for a government. Apart from its implications for labour rights (including the right to unionise), contracting out also compromises public values such as transparency because "information generated by private entities is 'proprietary' information, while information generated by public bodies is 'owned' by the public" (Jean-Bernard 2009: 9). In Sri Lanka for instance, the Right to Information Act prevails over the latter but not the former.

This practice also often leads to a trade-off between efficiency and accountability. A difficulty in these instances is that the state or a company "may pursue breaches of the contract in the courts but members of the public have no such rights" (Mulgan 1997: 112-3). Citizens in such situations can only take recourse to the principle of competition and change their service provider. This, however, presumes adequate spending capacity. However, markets function within existing unequal social landscapes, building on and exacerbating inequalities, especially those based on social class. In a context of increasing privatisation, this translates into differential access to services thus privatised, based on different spending capacities, which are also mediated by other vectors of power such as ethnicity and gender. In such a situation, the citizen ('consumer' in a privatised scenario) is left to their own devices, which typically means swallowing their disappointment and continuing on with the same service provider, given their (financial) inability to seek alternatives.

The flip side of contracting out also takes place in the case of the private sector in the form of 'contracting in', whereby the resources deployed by the public sector to develop human capacities are then absorbed into the former. The form of privatisation that happens here is that public sector investment is subsequently channelled to the private sector, benefitting it and aiding its expansion. We discuss this in greater detail in our case studies below.

Finally, there are instances in which the state itself plays an active role in regulating private entities as well as transforming public entities into private ones by introducing fee-levying services along with incentive schemes for people to use them more and more. The University Grants Commission of Sri Lanka (UGC) embodies the former. It has authority to approve fee levying degrees by non-state HEIs (i.e., offering local degrees) and appears to have done so since the late 1990s or early 2000s. However, this is a one-off approval process and periodic evaluations are not undertaken. In relation to the latter, the changes currently happening in the Sri Lankan higher education landscape constitute an acute example: successive governments have introduced various measures such as loan schemes at subsidised rates (where the state absorbs the interest liability for individual students), and provides start-up capital, and other assets to private HEIs; and, over the last few decades, the state has underfunded its public counterpart so that private higher education becomes the 'natural' choice for people, as explained below.

Forms of private higher education in Sri Lanka

In order to illustrate the different forms of privatised higher education in Sri Lanka, we offer five case studies. The information presented here is garnered through website analyses. They offer a snapshot of the HEI, types of qualifications, and information on teaching and administration.

Case 1: Royal Institute of Colombo (RI)

RI, as it is popularly known, is the quintessential 'private university' and indeed, claims to be the "best private university in Sri Lanka". RI's beginnings over 50 years ago (in 1971), as its website says, emphasise that privatisation *in* higher education is not a recent phenomenon. It exemplifies a common form of privatisation in Sri Lanka where the private HEI provides facilities for Sri Lankan students to obtain degrees from foreign HEIs. In other words, they provide foreign 'external degrees'.

RI is a private limited liability company (registered in 1982) which provides degrees from the University of London (UoL lists RI as a 'local teaching centre') and Deakin University, Australia (of which it is the Sri Lankan 'agent'). It acts as the local institution providing 20 bachelors' degrees from these two universities, as well as a number of postgraduate degrees. It also offers a bachelor's degree approved by the UGC in addition to the other degrees. As the University of London website calculates, a student registered as part of the 2024-2025 cohort for their BSc in Accounting and Finance will need to pay nearly 6000 GBP for the degree. This is exclusive of the fees the student will pay for programme-mandated textbooks (usually calculated in GPB) and the fees payable to the teaching centre, i.e., RI. In other words, this is the minimum payment that Sri Lankan buyers of this higher education 'product' would make. RI, as the authorised agent and seller of this 'product', also charges payment (reported to be approximately 1.5 million LKR per degree as of 2023). To be able to provide these 'goods', in other words, to function as a place that provides facilities for teaching of and examinations in foreign degrees, RI hires many full-time and part-time instructors, numbering roughly one hundred. The global educational business model set up by universities such as UoL and Deakin makes it possible for even a student who has not completed their secondary school qualifications to register for university-designed degree-qualifying courses (as long as the student is able to afford the course module fees).

This case is a clear articulation of one end of the privatisation continuum: a private Sri Lankan company providing foreign external degrees, without educational regulation by any Sri Lankan state entity. RI's history (as expressed in their site) shows that privatisation of higher education happened without any conscious decisions by state entities, but due to gaps in Sri Lankan law. For instance, there is no stipulation that a company cannot be set up for educational purposes without state oversight or regulation; neither has the state shown any initiative in creating a regulatory body over companies providing education. These kinds of institutions, which came into existence long before 'all out privatisation' was discussed, dilute the resistance to privatisation now.

Case 2: Aquinas College of Higher Studies

An example of the church's involvement in higher education, Aquinas College has been in existence since 1954. It describes itself as a "nonprofit educational institution administered by the Catholic Church under the auspices of the Archdiocese of Colombo". It is registered with both "the Tertiary and Vocational Educational Commission (TVEC) of Sri Lanka to be able to conduct Professional Courses and Examinations at the Tertiary Level" and has been approved by the UGC (as per the UGC site, since 2004) as a degree-awarding body. UGC approval is an example of the control that the state attempts to assert where the prohibition of a phenomenon is neither possible nor desired. In this case, while the private—albeit not-for-profit—provision of higher education started in 1954, state oversight did not appear until 2005.

This case also portrays the expansion of private HEIs somewhat differently to Case 1. Unlike RI, which has one centre but a large number of students and staff, Aquinas College has a main campus and two branches. It offers five degree programmes (part-time and full-time, approved by the UGC) as well as 25 diplomas and 23 certificates (as at 16 April 2024). It functions similar to state universities in that it has one intake per year, for which students qualify through their Advanced Level results. It has a Center for Quality Assurance, and their professional programmes are aligned with the National Vocational Qualifications framework. The use of state-produced accreditation frameworks by Aquinas is an example of the private sector working in tandem with the state-sector in higher education. Its clientele, i.e., potential students, is local and international (especially South Asian). However, the church's role is shown by having Catholic priests in charge of all its faculties.

This case is an example of private higher education provision by not-for-profit entities and exemplifies the involvement of an actor other than the state or the for-profit private sector in education. Similar to what you will see with the National Institute of Business Management in Case 5, this is a private HEI which offers locally designed, fee-levying degrees (and other qualifications). At the same time, it is a continuation of the church's historical engagement with education from school to further and higher education.

Case 3: Institute of Chemistry, Ceylon

As Case 3, we present a degree-awarding body that is legally incorporated as a charity: the Institute of Chemistry was incorporated by Act 15 of 1972 and has been an approved charity since 1980. The Institute offers only one degree—in chemistry—which is approved by the UGC. Students can apply for their degree programme pending AL results. They claim to have the lowest-cost chemistry degree in the South Asian region, which is presumably possible given their charity status. With the use of academic boards, student councils, and the use of academic ranks, it mimics the hierarchies of a state university.

Being a charitable institution entails the lack of a for-profit intention. As they say, "being a charitable institute, there is no dividend allocation, and the monetary gain is invested in the development of the Institute". Nevertheless, we note that its "monetary gain" is made by levying a fee for a degree that is also available at no cost in many state universities. This is also an opportune case to highlight the indirect privatisation of state universities. The charity is administered by a council which is composed mostly of current and retired academics of state universities. Its academic board, visiting lecturers, and local external examiners are also drawn from former and current staff of state universities. The use of staff who have a (state-provided) salary may make it possible for the institution to reduce its own costs. This is a 'contracting in' of public resources, as we discussed previously. This use of state-developed human resources—academics from state universities—illustrates privatisation through the use of state resources to benefit private institutions.

Case 4: General Sir John Kotelawala Defence University (KDU)

The fourth case we present is known as KDU in general parlance, a state university that functions under the authority of the Ministry of Defence. Its degree-awarding status is recognised by the UGC. It has two campuses which house 10 centres and an institute. Through 11 faculties, it offers 50 bachelors' programmes as well as other postgraduate programmes. Full-time staff are mostly, but not always, drawn from the Sri Lanka Armed Forces.

The KDU was incorporated by Act 68 of 1981, as an academy for training officer cadets and was granted university status in 1988. While its mandate is to offer academic studies relevant for pre-officer cadets and officer cadets, and to offer related training for cadets and public officers, since 2010 it has been offering fee-levying degree programmes to international students and civilians who are not public officers. Attempts to introduce an amendment to the KDU Act to legalise the provision of fee-levying degrees to civilians have not been successful due to public protest. Nonetheless, the institution continues to offer fee-levying civilian education.

The KDU is a curious case of the state provisioning a form of higher education that is 'private' for all intents and purposes: its programmes are fee-levying; it seeks to attract more and more students ('clients') through marketing itself as a place of discipline (allowing timely graduation, unlike other state universities); and it functions outside the remit of the Ministry of Education. This is at once an instance of privatisation *in* as well as privatisation *of* higher education, in that the KDU is a state entity that has adopted private sector *modus operandi*, and at the same time lies outside the remit of the institutional apparatus put in place for the regulation of state sector higher education. It is also an example of 'contracting out' defined above, that seems to be becoming standard practice among many institutes of private (or private-like) higher education in Sri Lanka.

Case 5: National Institute of Business Management (NIBM)

This final case is another case of privatisation in and of the state sector, similar to the KDU. The NIBM, established in 1968 as a collaboration between the United Nations Development Programme and the then Ministry of Industries and Scientific Affairs, was incorporated by an Act of Parliament in 1976, and is therefore considered a state institution. Historically it has been housed under various ministries related to vocational training and is currently a statutory body under the Ministry of Education. It is an institution that offers for-profit education with UGC approval. The NIBM's introduction of itself shows that privatisation discourses have become normalised: it styles itself as a "self-sustained" degree-awarding institute, with partnerships with professional organisations; and also refers to itself as a "consulting firm", accordingly also calling all their academic staff 'consultants'.

Similar to RI, it facilitates the provision of foreign external degrees from an Indian institution, a Malaysian university, and three Australian universities. The NIBM has eight campuses across five districts. Through these, it offers over 18 bachelors' degrees (from universities of the above countries), and numerous other qualification programmes for local students. It is different to KDU, which only offers locally-designed degree programmes. It illustrates the provision of not only fully privatised higher education offered through the state, but also the state's facilitation of foreign external degrees.

Reimagining privatisation in and of higher education in Sri Lanka

Tracing the history of these few case studies shows us that private higher education has not only existed in Sri Lanka but thrived at least since the 1980s, as a parallel system to state-sector higher education. Angela Little and Jane Evans (2005) have shown the post-1980s to be when the 'educational certificate' business grew in Sri Lanka. Even when institutions may not have begun with the purpose of providing private higher education (e.g., Aquinas and the Institute of Chemistry), they get caught up in the structural imperatives of the privatisation process later.

It is clear that the state too entered the privatisation process at some point in the continuum: two of our case studies, NIBM and KDU, are unambiguous examples of the state's active involvement in private higher education. A more veiled illustration of the state's involvement in the provision of fee-levying higher education is the UGC's cursory and one-off 'approval' or accreditation process for degrees offered by non-state HEIs. Over time, the drive towards privatisation seems to have become more intentional as well as aggressive, with recent education policies (e.g., National Education Policy Framework) making these aims explicit.

The public discourse of higher education in Sri Lanka is polarised, guided by the assumption that there are 'public vs private' higher education domains and that they are rigidly demarcated. We have shown here that this is a false dichotomy. It allows policy makers and other actors to intentionally or ill-informedly introduce private higher education in various forms, eroding public education. Such a polarised public debate also prohibits a more nuanced consideration of higher education. Indeed, such a simplified discourse makes our understanding of the phenomenon itself a simplistic one. If we think of privatisation as only full privatisation of a sector (like privatising the Central Electricity Board or selling Sri Lankan Airlines), we are made to ignore the ways in which our understandings create and facilitate people's access to higher education. If, for instance, we consider only private companies (e.g., Royal Institute) to be 'private universities', this blinds us to the ways in which a broader swathe of the population has been accessing private higher education in its many forms for several decades.

When educationists and policy-makers move on to 'solutions' based on simplistic understandings, they may exacerbate current problems. For instance, our small-scale exploration shows that the NEPF's claim that "a powerful lobby has kept private investments in the higher education sector at bay" (p.2) is untrue given the varied types of privatised bodies that are active in this sector. The same policy document references the binary understanding of this sector as 'public or private', which means that the more complex organisations such as those we illustrated here would be ignored in any reforms.

Our positions on debates such as 'public vs private' are frequently taken based on our understanding of the landscape in which we work. A better understanding of the higher education landscape, as we have attempted to initiate here, will also bring us—regardless of one's position on privatisation—to a more informed position on what we want from higher education for Sri Lanka.

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