

Chapter 2

Widely Recognized Problems, Controversial Solutions: Issues and Strategies for Higher Education Development in East and Southeast Asia

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Abstract Higher education across much of Asia is a remarkable success story. Enrollments have grown, participation in higher education has diversified, new universities have been created, and universities are experimenting with new forms of instructional delivery. At the same time, success has brought new problems as rapid expansion of access to higher education has placed new and interwoven pressures on facilities, personnel, and budgets. Efforts to address any one problem need to be undertaken with attention to the larger constellation of issues. This chapter provides an overview of these emerging and interrelated pressures. It discusses the role higher education plays in national development and provides an overview of the factors that have shaped the current situation of higher education across East and Southeast Asia. Finally, it explores options available to governments and higher education systems seeking to strengthen the quality, efficiency, and equity of post-secondary education in their countries.

2.1 Introduction

The situation of higher education across much of Asia represents a remarkable success story. Higher education across the region enjoys a high level of government support. Government leaders consider higher education as an important ingredient for the economic and social development of their countries. They recognize that the globalization of markets, the interdependency of international financial systems, the

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expanded role of technology, and the high-speed communications have created a great demand for highly skilled technical, professional, and managerial leaders. They understand that modern economies cannot be managed by primary and secondary school graduates only (Shaw et al. 2011). The government support for higher education is supported by tangible evidence. The number of enrollees in higher education institutions (HEIs) has increased, the participation in higher education has diversified, new universities have been created, and universities have begun to experiment with new forms of instructional delivery.

However, this success story has also introduced new problems. The rapid expansion of access to higher education has placed new and interwoven pressures on facilities, personnel, and budgets. The efforts for addressing these problems must be undertaken with attention to the larger constellation of issues. This article presents an overview of these emerging and interrelated pressures by drawing on the key findings of a two-year study on higher education issues across East and Southeast Asia, which was sponsored by the Asian Development Bank (ADB 2011a). The paper is divided into three parts. First, the role of higher education in national development is discussed. Second, an overview of the factors that have shaped the current situation of higher education across East and Southeast Asia is presented, and the available options for governments and HEIs to strengthen their systems are explored. Third, the recommended actions of ADB for how governments and international organizations can collaborate to strengthen higher education in the region are summarized.

Any analysis of higher education issues across East and Southeast Asia must be treated with great caution. These regions include countries with the largest (i.e., People's Republic of China [PRC]) and the smallest (i.e., Laos and Mongolia) populations in the world, some of the richest (i.e., Japan, Singapore, and South Korea) and the poorest (i.e., Cambodia and Laos) countries, the country with the fastest growing higher education system (i.e., PRC), and two countries that are currently downsizing (i.e., Korea and Japan). These countries vary in terms of the circumstances in their higher education systems and in the capacity of their governments to respond to such challenges.

ADB posits that higher education contributes to national development in three principal ways. First, HEIs prepare the primary and secondary teachers who shape the dimensions and the quality of the overall education system of a country. Well-prepared teachers are more capable of providing basic education that helps build a strong workforce and prepares future generations of university students. Second, colleges and universities train high-level technical and administrative personnel who are needed in governments, businesses, and industries. The success of these personnel requires high levels of administrative sophistication, technical proficiency, analytic capacity, and capability to work effectively in environments that are characterized by extensive automation, high-speed communication, and complex information flows.

Third, HEIs operate as centers of research and as incubators of innovation that can help fuel national economic development. Universities fulfill such roles by conducting research and by training knowledge economy workers (LaRocque

2007). The ability of HEIs to accomplish these ends depends, to a considerable extent, on how the systems are designed, financed, and managed, how the instructional staff members are equipped to meet the changing demands that are being placed upon them, and how governments place planned and realistic demands on universities.

2.2 Analytic Framework

The ADB study, on which this paper was based, employed a mixed methods approach to analyze the challenges faced by HEIs across the region. Data were drawn from a comprehensive set of literature, a series of five regional workshops, and an international conference that was attended by leaders from the government, HEIs, and international organizations from across the region. These workshops were designed to collect data through surveys, focus groups, and large group discussions to formulate and test preliminary findings and recommendations. A total of 48 representatives from 19 countries participated in four workshops. The final conference was attended by 77 participants. The authors framed the study using the five-part framework of Pigozzi and Cieutat (1988). This framework was subsequently used by international organizations to assess the needs of education systems (Chapman and Hutcheson 1992; InterAmerican Development Bank 1996; World Bank 2002; USAID 1988). HEIs and systems were analyzed in terms of internal efficiency, external efficiency, cost and financing, administration and governance, and access and equity using this framework (discussed below).

2.3 Overview of the Pressures that Shape Higher Education

The current situation of HEIs across East and Southeast Asia has emerged over the last 20 years from a convergence of demographic trends, public preferences, policy decisions, and external economic circumstances. As more school-age children go to school, complete secondary school, and wish to pursue higher education, students and families begin to demand for greater access to higher levels of education. Despite the increasing number of enrollees, the government budget for higher education remains at the same level. Many universities lack financial resources to maintain quality education while adsorbing a larger and increasingly more diverse student body. The rapid expansion of universities also puts pressure on faculty recruitment and personnel systems, administrative and governance processes, quality assurance procedures, and financial formulas. Governments also pressure universities by expecting them to play a more prominent role in conducting research that contributes to national economic development and international prestige

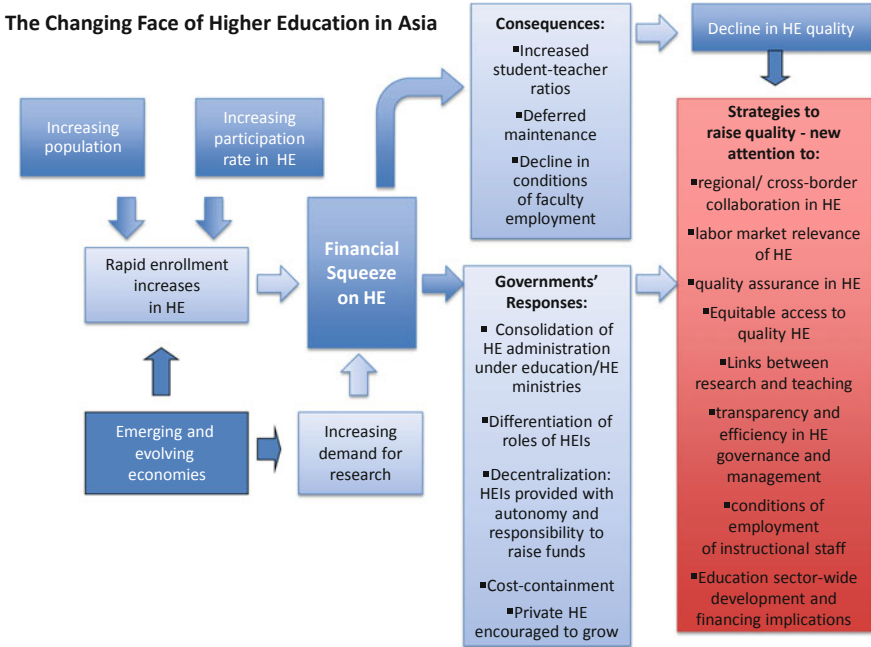


Fig. 2.1 The flow of pressures on higher education across Asia. *Source* Asian Development Bank 2011

(Chapman and Chien 2013). However, the procedures that proved efficient in the past were proven inadequate in guiding this pace of growth.

Despite the differences in the situations of countries, the issues that plague HEIs in these regions are remarkably similar. These countries significantly differ in terms of how their governments and higher education systems respond to such pressures. In response to these pressures, governments generally employ a combination of strategies that are intended to lower (or at least maintain) public expenditures for higher education, improve system and institutional management, and drive colleges and universities into securing their own funding. Figure 2.1 summarizes the pressures that have driven governments and higher education systems to the dilemmas and choices that they are currently facing. This figure also provides a roadmap of the arguments that are outlined below.

2.3.1 Internal Efficiency

Higher education systems or institutions are internally efficient to the extent that they optimally allocate and use available resources to improve quality and enhance

the quantity of education that they provide. ADB (2011a) has identified four key issues on internal efficiency, which are discussed below.

2.3.1.1 Differentiated Systems

A key element of internal efficiency is that colleges and universities operate with a clear focus and purpose. One way governments aim to achieve internal efficiency is to establish a differentiated system. Based on extant literature and the experiences of countries, governments across East and Southeast Asia have generally pursued a differentiated model in which some universities are treated as special, the responsibility for public higher education is pushed to the lower levels of the system (i.e., the provinces), and the responsibility (and cost) for outsourcing has been relegated to the private sector. These systems typically include one or more research-oriented, top-tier universities, a large set of second-tier universities that tend to be teaching-oriented institutions yet also focus on applied, locally relevant research, and a wider set of post-secondary institutions that offer a wider range of vocational, technical, and academic programs. These “third-tier” institutions play an important role in absorbing the demand for university access, but tend to be of lower quality and secure little, if any, government funding. Many private universities are classified as third-tier institutions. In a differentiated approach, each institution presumably focuses on a mission that is appropriate for its resources and context. By clearly defining their mission, HEIs can focus their resources toward the achievement of their goals at a high quality.

Although the benefits of institutional differentiation are widely recognized, two factors work against the sustenance of strong, differentiated national systems. First, “mission creep” erodes system differentiation and focus. Second-tier universities adopt terminologies and programs that position themselves to be viewed as top-tier universities, whereas third-tier schools aim to be seen as regional teaching universities. Mission creep undermines the focus of an institution toward its mission and subsequently diminishes the overall power of a national system of higher education in the process. Second, governments tend to direct their allocation of major resources to research-oriented universities at the expense of teaching-oriented universities (Chapman and Chien 2013). In other words, research universities are fed, whereas teaching institutions are starved. The allocation of national resources to HEIs must be carefully balanced across a differentiated system if the national goal is set toward the preparation of well-educated citizens who are ready to undertake employment in an internationally competitive economy.

2.3.1.2 Improving the Recruitment of Instructional Staff Members

Many universities are unable to recruit fully qualified instructional staff members at a sufficiently fast pace to keep up with the burgeoning enrollments, and many HEIs

are experiencing a shortage of qualified instructors.¹ Universities have responded to such issue in three ways, namely by hiring their own graduates, by seeking faculty members from overseas, and by employing part-time academic staff members who may also work in other institutions. Each of these approaches has its own advantages and liabilities. Universities foster “in-breeding” by hiring their own graduates, which limits the infusion of new ideas and creativity that often results from hiring of instructors who received their education in other institutions. Junior academics who are instructed by senior staff members, especially those who live in countries that deeply engrain deference to seniors into their culture, are hesitant in introducing alternative perspectives or pursuing new avenues of work (Lai and Lo 2007). Hiring workers from overseas is expensive. Part-time instructors often have conflicting demands on their time and attention, which may hinder them from contributing to the development of a university. These issues may be solved by improving the compensation and conditions of employment to a level at which universities can compete effectively with the employment opportunities that are being offered by the private sector to well-trained university graduates. Similarly, universities must undertake actions to upgrade their personnel with inadequate professional and scholarly preparation.

2.3.1.3 Improving the Incentives for Instructional Staff Members

Many factors must work together to improve instructional quality. However, individual instructors are the gatekeepers of the events that occur in a classroom. Instructional staff members across Southeast Asia greatly vary in terms of their academic qualifications and often have limited or no access to professional development opportunities, particularly in second- and third-tier universities. Moreover, the majority of academic staff members in this region have modest credentials (Altbach 2003). Many of these instructors are young, insufficiently prepared as teachers, and have limited hands-on practical work experience.

HEIs in Asia begin to provide professional development opportunities for their academic staff members, but such opportunities are not yet fully developed (ADB 2012a). Some of these universities require their new faculty members to take an initial induction course to orient them about their teaching responsibilities. Some universities have begun to establish campus-based teaching and learning centers that are operated by professionals who are knowledgeable about the professional development of faculty members. However, these opportunities are not yet available to address the needs of academic staff members across the region. Enhancing professional development only becomes a solution when the lack of professional development is identified as the underlying problem. In some cases, the performance of academic staff members is not only constrained by their limited

¹The terms “universities” and “higher education institutions” (HEIs) are synonymous and are used interchangeably in this paper.

capabilities, but also by the failure of their workplace to reward them for their performance. This limitation is often attributed to the lack of or the ineffective allocation of extrinsic (i.e., salaries and other material benefits) and intrinsic (i.e., respect, satisfaction, and security) incentives.

The remuneration for full-time academic work in many Asian countries is very low by international standards, inadequate by local standards, and insufficient for sustaining a middle-class lifestyle (Altbach 2003). With the exception of few top-tier universities, the salaries of academic staff members are typically low compared with those offered to private sector employees (Chapman 2009). Although instructors often receive other financial considerations, such as housing supplements, medical support, and car loans, these incentives are insufficient to offset their low base salaries (Lee 2003). The inadequate compensation undermines the teaching quality of these instructors (Welch 2007, 2011; ADB 2012b). Academic staff members must be informed about performance incentives or rewards to encourage them to engage fully in tasks that best support the missions and goals of their institutions. Improving the faculty incentive systems, evaluation procedures, and employment conditions are among the most important actions that governments and HEIs can take to improve the quality of education.

2.3.1.4 Strengthening University-Based Research

The pressure on faculty members to engage in research is widely felt throughout Asia (Chapman and Chien 2013). Governments demand for research to promote their innovation, technical development, and productivity, which in turn will provide a return on their investment in higher education. They also seek for the international prestige that is associated with world-class research. The extent that university-based research contributes to the economic development of low- and middle-income countries is currently being debated (Schaaper 2013; World Bank 2009; LaRocque 2007; Chapman 2008; Welch 2010a, b, 2011). The extent that university-based research leads to national economic development depends on several factors that are external to the university, such as tax policies, regulatory framework, availability of capital, and strength of protection for intellectual property. Nonetheless, promoting university research is prioritized by many countries in the region.

Research excellence is expensive and requires specialized talent and facilities. Few universities have become internationally recognized centers of research excellence, but these institutions have to achieve formidable gains to achieve the level of international recognition. Many HEIs in Asia lack the necessary financial, structural, and human resources to achieve cutting-edge excellence in traditional academic research. The ADB study argues that the success of governments and universities in encouraging university-based research is being hindered by five obstacles. First, the meaning and quality of research vary across these institutions. Some academic settings define “research” as reading, perusing the Internet, synthesizing books or articles into a summary paper, or studying for a master’s degree (ADB Workshop 2010).

Second, the systems for ensuring rigorous research are not well developed. Peer review for grants is not a large part of the culture (Levin 2010). When governments allocate money for research, decisions are sometimes made based on seniority rather than on merit. Similarly, several institutions sponsor the publication of internal journals to provide avenues for their staff members to publish their research. However, these institutions often pay little attention to the quality of the articles that are being published in these journals relative to international standards. Third, many Southeast Asian countries suffer from a shortage of qualified researchers because of the modest number of science and technology graduates across the region (Chapman 2008; Salmi 2009). Fourth, most universities lack a vibrant and strong research culture. Many academic staff members demonstrate little intrinsic interest or motivation to conduct research because many of these instructors have not participated in doctoral education, which is the typical period for students to socialize themselves to a research orientation (Austin and McDaniels 2006; Austin 2010). Finally, research in some countries is impeded by the lack of adequate research infrastructure (i.e., research facilities, laboratories, and libraries) in universities (Chealy 2006) and by the absence or weakness of university–industry relationships that can support research collaborations (Lee et al. 2009; Doner et al. 2013).

2.3.2 External Efficiency

External efficiency concerns the alignment and relevance of the education that students receive to their subsequent work or study options. Two aspects of external efficiency are of particular relevance to higher education leaders, namely (a) the extent to which the knowledge and skills of secondary school graduates who seek further education are aligned with the entrance requirements of HEIs, and (b) the extent to which the knowledge and skills of higher education graduates are aligned with the demands of the workplace.

One type of misalignment occurs when the secondary school curricula of a country are not aligned with the entrance requirements of its colleges and universities or fail to prepare students for the rigors of higher learning. This phenomenon is reflected in the complaints of university instructors about the insufficient preparation of the incoming students for the demands of university work. Some universities have to provide transition programs to incoming students to help them develop the knowledge and skills they will need to achieve academic success in the university. Misalignments can be attributed to the variations in secondary school conditions, teacher qualifications, student abilities, and student misperceptions about the requirements for university admission (ADB 2012c).

The crux of the problem often lies in the inadequate and, in some cases, decreasing readiness of students for higher education, which in turn is attributed to the low-quality instruction at the secondary level. In other cases, students lack adequate college advisement at the secondary level because their secondary school

teachers and counselors are uninformed about the post-secondary options (i.e., vocational, technical, or university) available for their graduates and may not understand what HEIs expect from their graduates. Moreover, admission to higher education in Asia has been traditionally based on tests, which typically comprise a combination of secondary school exit examinations, matriculation examinations, and other entrance examinations.

However, this tradition is beginning to change. The entrance examination system for higher education in Vietnam underwent a major change in the mid-1990s, during which universities no longer required their applicants to take entrance examinations. Thai universities have improved the transparency and fairness of their admissions by basing their admission decisions on the secondary school performance of their applicants. The Indonesian government has instituted a State University National Entrance Examination that students can take upon passing their public school examination. PRC has introduced reforms in its college entrance examination system and has gradually decentralized the admission process in its universities. Top universities have also been granted a greater degree of autonomy in student selection (ADB 2012c).

Another type of misalignment occurs when the knowledge and skills of university graduates are not aligned with the workplace needs of employers. The rising unemployment rates and the increasing dissatisfaction of employers with their newly hired graduates indicate a low external efficiency. A paradox of higher education across Southeast Asia is that despite producing a record number of graduates, employers complain about the shortage of qualified workers and the unemployment rate among fresh graduates continues to increase (ADB 2012c). Employers worry that the knowledge and skills of graduates are inconsistently aligned with the demands of the labor market.

Higher education gives an individual a distinct advantage in securing employment. The unemployment rate among graduates is lower than that among non-graduates across Southeast Asia (Sakellariou 2010). Nonetheless, the unemployment rate among university graduates continues to increase (ADB 2012c). This trend considerably varies across different countries. Vietnam, Cambodia, and Thailand have the lowest unemployment rates, whereas the Philippines and Indonesia have the highest unemployment rates among their university graduates (ADB 2012c).

The increasing unemployment rate among university graduates is fueled by three factors. First, the relative advantage of having a university degree decreases as more students complete higher education. The increasing number of graduates also intensifies the competition for available jobs. Second, the curricula and instructional practices of universities are not always adjusted based on the changing demands of employers as countries move toward market-oriented economies. As businesses and industries face a stronger competition in the marketplace, employers increasingly prefer hiring those graduates who possess the latest technical and soft skills that are necessary for the workplace. These skills include analytic thinking, collaboration, individual initiative, computer skills, and fluency in international languages. Third, the demands of employers continue to change as labor markets become regional and global in nature. The forces of globalization have increased the number of regional

labor markets in which the graduates of each country compete with those of other countries for available jobs.

This phenomenon is evident in Thailand, in which colleges and universities produce about 250,000 graduates every year. A World Bank (2011) study noted that 80 % of Thai firms encountered difficulties in filling their job vacancies because fresh graduates lacked basic and technical skills. Similarly, only 10 % of Chinese engineering graduates possess the skills required by international companies (Farrell et al. 2005). The unemployment rate among PRC graduates increased to 13 % in 2008. The 10 % unemployment rate among top-tier university graduates and the 16 % unemployment rate among vocational or technical college graduates both exceed the official national unemployment rate of 4 %.

Some countries witness an increasing enrollment in private HEIs, which has contributed to low external efficiency. Faced with tight finances, private universities have emphasized lower-cost programs, such as business and education, at the expense of higher-cost programs, such as science, technology, and engineering. In this regard, students are being inadvertently pushed into lower-cost and less science-based options as they are being forced to take private education. This situation limits the subsequent education options of these students. However, in some instances, employers prefer to hire graduates of private HEIs because they believe that the skills of these graduates are well aligned with the demands of the labor market.

2.3.3 *Cost and Financing*

Cost refers to the resources needed to deliver higher education, whereas *financing* refers to the source of such resources. Most governments in the region have recently shouldered all or almost all of the higher education costs for students. The growth in enrollments over the last decade has greatly pressured these governments to shoulder such costs. In response to this growth, some governments and universities in the region have tried to reduce their operating costs by increasing the student–teacher ratio, decreasing the real value of instructional salaries, deferring maintenance, recruiting less qualified (and less expensive) instructors, and reducing their funds for libraries and laboratories. Thus, the quality of instruction in these universities has suffered (ADB 2012b).

Many public universities have introduced several income-generating programs to offset the poor quality of instruction. Some of these programs reserve a portion of student places for applicants who do not qualify for government scholarships yet are willing to pay private tuition. This phenomenon essentially creates a privatized track within an otherwise public university. In other cases, universities impose special fees on students who are enrolling for in-demand study programs. By adopting such practice, some public universities in Indonesia have quadrupled their income from student fees within several years. The cost of taking an engineering degree at a top-tier public university in Indonesia is twice more expensive than

taking such degree at a major private university (Welch, 2006). In Vietnam, public HEIs or their inclusive units usually earn 40–45 % of their budgets from their collection of various fees (ADB 2012b). Public universities in Thailand have responded to the declining support of their government by raising their income from other sources by 450 % (ADB 2011b).

To slow down the growth in enrollment, the public sector has actively promoted the private provision of higher education and has subtly driven students into these tuition-based options. Although private institutions absorb the increasing demand for higher education (Levy 2010), they shift the responsibility of handling costs from governments to students and families. Most private universities across the region serve the mass higher education market and tend to be relatively nonselective in their admissions (Altbach 2005; Dumong 2007). Private higher education has become the fastest growing segment of post-secondary education in most Eastern and Southeastern Asian regions (Altbach 2009a, b). Figure 2.2 illustrates the substantial variation in the provision of public and private higher education in selected Asian states over the last decade. Private students currently comprise 10.4 % of the total enrollees in Vietnam. In Japan, South Korea, and the Philippines, private universities accept the majority (sometimes up to 80 %) of enrollees (Dumong 2007). Indonesia has 83 public and 3019 private HEIs (Nizam 2009). With 86 public and over 400 private HEIs, public universities in Malaysia account for less than 20 % of the total number of universities in the country. Private

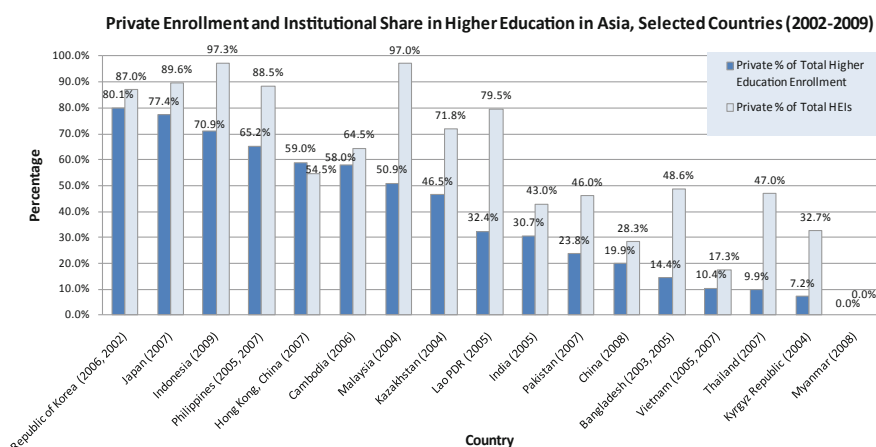


Fig. 2.2 Private enrollment and institutional share in higher education in Asia, selected countries, 2002–2009. *Sources* For all countries except Myanmar, Indonesia and Vietnam’s numbers of institutions, see PROPHE International Databases, available [online] at <http://www.albany.edu/dept/eaps/prophe/data/international.html>; for Myanmar, see University Governance in Myanmar, the 16th SEAMEO RIHED Governing Board Meeting, available [online] at http://www.rihed.seameo.org/ugseminar/PG_Myanmar.pdf; for Indonesia, see Nizam (2009), data on total HE enrollment include only private and public HE enrollments, excluding data from other types of HEIs under other ministries; for Vietnam’s number of institutions, see Nguyen (2008). It is noted that the years reported here are the most available from the sources

higher education is widely regarded as the engine of access, whereas public higher education is regarded in many middle-income countries as the engine of the government for steering the country toward excellence and development.

Distance education is another widely advocated strategy for lowering the unit cost of instruction and for instructing students who are residing in faraway locations (Baggaley and Belawati 2009; Peters 2004). The region houses seven of the 11 largest open universities in the world that are currently instructing 6,000,000 active students (Baggaley and Belawati 2009; Latchem and Jung 2010). The number of universities that are offering on- and off-campus courses is continuously increasing (Dhanarajan 2006; ADB 2012c). Distance education is further discussed in “Access and Equity” section of this paper.

2.3.4 Administration and Governance

Administration and governance concern the capacity to manage the higher education system and individual institutions. The ADB study has identified three prominent issues in administration and governance, namely institutional autonomy, personnel management, and quality assurance.

2.3.4.1 Institutional Autonomy

Granting autonomy to HEIs has become necessary because the structure of higher education in most countries has become highly diversified and complex. Nonetheless, the desire of university administrators to exercise their own authority and judgment and the willingness of the government to relinquish their control over these institutions sometimes induce tension between these two groups, especially when each group has a different definition of “autonomy.” Although most governments claim that they have prepared a coherent infrastructure to support the implementation of new policies that will grant more autonomy to universities, the term “autonomy” has been defined differently across countries.

Several countries in East and Southeast Asia vary in terms of their governance mechanisms for their higher education systems (ADB 2012d). As an experiment, Indonesia is converting the staff members of its selected universities from tenured civil servants to contract-based university employees and exempting from the uniform civil service regulations. The universities in Thailand, the Philippines, and Indonesia are classified as state-owned legal entities (SOLE), which limits or prohibits the central government from managing these institutions. These institutions are managed by a Board of Trustees or Regents. While adhering to some national regulations on budgeting and personnel, these Boards have the responsibility and authority to generate and allocate funds for their governed institutions. Among the three abovementioned countries, the universities in Thailand appear to be the most flexible and the least government-controlled institutions. The university

council is the highest level of academic authority in most Thai universities. Some of these councils are very strong and serve as the main engine for change in their universities and in the higher education sector as a whole. HEIs in the Philippines have less flexibility because they rely on the government for about 70 % of their funding. However, Philippine universities have strong Boards of Regents that operate as the key governing agents of their institutions. By contrast, the institutions in Cambodia, Lao PDR, Vietnam, and Mongolia are all strictly controlled by the state. Such strict government control remains the spine of the higher education systems of these countries. Recent reforms have introduced more yet limited flexibility to these universities.

The HEIs in Cambodia, Vietnam, and Mongolia still rely on their parent ministries for their management and funding, but those in Lao PDR have merged 10 of its colleges and universities into one major national university, transferred the oversight of this new university to the Ministry of Education (MOE) rather than to the ministries that have previously overseen these institutions, and granted the new university a limited degree of autonomy. This approach enabled university administrators to determine student enrollment targets and fees. However, the MOE still oversees the overall governance of other public colleges and universities in Laos. The higher education system in Vietnam has also changed considerably from a Soviet-style model, in which instruction is relegated to universities and research is relegated to separate research institutes, to a highly integrated and comprehensive higher education system. HEIs in Mongolia are still under the strict control of the government. The public HEIs in this country are governed by a steering committee that is appointed by the MOE, Culture, and Science (ADB 2012d), and the central government controls the actions of the institution through this committee.

Some countries have created special categories of HEIs and gave them a higher degree of autonomy. These special categories are usually created for research universities. Malaysia, Thailand, and Vietnam have adopted this approach. Five research universities in Malaysia have been designated as top-tier universities and have been given administrative latitude that is not given to other colleges and universities in the country. However, universities in heavily bureaucratic countries are facing challenges in their creation of differentiated tiers in which top-tier institutions are given a special status. Moreover, the top-tier designation process has become a controversial issue for universities that are not designated as top-tier institutions. These universities tend to question the selection criteria and believe that the full autonomy status must not be made exclusive to top research universities, but be given to all universities in the country.

2.3.4.2 Personnel Management

The hiring practices and employment conditions of universities differ across countries. A particularly controversial issue across the region is whether instructional staff members are considered civil servants of the government or private

employees of the university. The trade-off is straightforward at the individual level. Government officials are guaranteed of a lifetime employment, retirement benefits, and the prestige of being a government employee, but are receiving low compensation. The low compensation level may not effectively attract top-level instructional staff members. However, direct employees of a university have higher compensation. In general, direct employment may be a very enticing option for young instructors who still have a long way to go before retiring. Nonetheless, evidence suggests that switching from the government to the university does not guarantee a better workload or employment condition.

This phenomenon also presents important consequences at the institutional level by affecting the personnel management capabilities of campus-level administrators. For example, the instructional staff members of public universities (PGIs) in Indonesia are recruited and promoted by the government. These universities have no flexibility in designing their personnel structure. The administrators of public service institutions (PSIs) have some degree of autonomy in determining personnel policies. However, the staff members of either PGI or PSI are prohibited from having dual employment or second jobs. Malaysian universities are given some flexibility in designing their personnel structure, but the academic and support staff members in the public universities of the country are considered civil servants. Therefore, lecturers are neither allowed to accept any employment from other sources nor permitted to teach, perform research, or offer their services to other academic institutions or private companies without the approval of their dean and vice chancellor.

A common pattern across Southeast Asia is that the responsibility for higher education is distributed across multiple ministries (e.g., nursing colleges under the direction of the Ministry of Health instead of the Ministry of Higher Education), which has led to the development of inconsistent policies and practices across post-secondary institutions and to turf conflicts that hinder the government from developing coherent policies and assuring instructional quality. Governments address such issues by consolidating the responsibility of HEIs to the central and/or provincial ministries of education or higher education. This consolidation pattern is well demonstrated by the events that occurred between 1953 and 2003 in PRC. In 1953, 31 of 41 (76 %) centrally controlled HEIs in China were under the direct authority of ministries other than the MOE. However, this percentage was decreased to 66 % (73 of 11 HEIs) in 2003. Universities that have been previously controlled by ministries other than the MOE now report to the central or to their provincial MOEs.

Given their tight finances, some governments have offered a greater administrative autonomy to universities as long as these institutions shoulder a larger portion of their own expenses. Major decentralization initiatives have been implemented in PRC, Indonesia, Malaysia, Mongolia, and Thailand. Although generally welcomed by institutions, decentralization often entails a cost. During times of rapid transition, not all components of a higher education system embrace reform at the same rate and not all participants agree on the shape of the new

structure (Chapman and Austin 2002; Weidman and Bat-Erdene 2002). When university administrators try to exercise their new authority, they are often challenged by their opponents who believe that the actions of the administrators overstep their mandate.

2.3.4.3 Quality Assurance

About half of the countries across Southeast Asia have national quality assurance systems that operate either under the umbrella of MOE or independently yet partly funded by the government. These countries include Cambodia (ACC), Indonesia (BAN-PT), Malaysia (MQA), the Philippines (AACCUP, PAASCU), Thailand (ONESQA), and Vietnam (Department of Education Testing and Accreditation). These quality assurance systems vary in terms of design, but several of these systems have proven to be effective in establishing quality standards and in ensuring the satisfaction of these standards. Malaysia, Indonesia, Thailand, and the Philippines have long considered quality assurance as among the main pillars of higher education development. Private universities in Thailand, the Philippines, and Indonesia have implemented monitoring mechanisms that duplicate accreditation processes. Laos and Cambodia have only recently established formal quality assurance agencies. Some countries in the region lag behind in terms of their quality assurance system development because of their highly centralized government control. The changes in the quality assurance systems of these countries are primarily driven by the pressure from international funding agencies. Malaysia and Indonesia have developed their respective quality assurance systems to create a reference point for national qualifications (although a whole category of unaccredited HEIs exists in these countries).

2.3.5 Access and Equity

Access concerns the proportion of the target population that is reached by the education system, whereas *equity* concerns the extent to which education opportunities are made available to all segments of the population without facing uncontrollable restrictions, such as gender, socioeconomic status, and rural–urban location. Expanded access is arguably the major accomplishment of higher education systems across Southeast Asia over the last 30 years (ADB 2012e). However, the important aspects of equity have not expanded in the process. For example, the East and Southeast Asian countries have considerably improved gender equity in higher education access. Women have outnumbered and outperformed men in about one-third of these countries (Varghese et al. 2013). However, these countries have failed to rid of wealth inequities in higher education access. Children from rich families have a higher tendency to attend HEIs as compared with children from poor families. Such wealth inequity has been clearly demonstrated in some cases. For example, 52 % of young adults from the richest

households in Vietnam have attended HEIs, whereas only 4 % of young adults from the poorest households in the country have attended these institutions (Varghese et al. 2013). In Bangladesh and Cambodia, less than 1 % of students in HEIs have come from poor families.

In some cases, the factors that have contributed to the expansion of access have negatively affected equity in higher education. The growth of private higher education has been one of the most important strategies for extending higher education access (Levy 2009, 2010; ADB 2012f). However, private HEIs are usually given the freedom to set their own tuition fees. Higher-quality colleges and universities often set high fees that students with few resources cannot afford. For example, the per capita income in poor Indonesian regions, where private institutions are usually located, is about one-tenth of the per capita income in Jakarta. Moreover, while the tuition at *public* HEIs in Indonesia ranges from about US\$116 to US\$1160, the tuition at *private* HEIs can reach as high as US\$10,168 (ICHEFAP 2010). Such inequities lead some observers to worry that poor students can only enter poor-quality private HEIs, which are most likely categorized under the nonselective, demand-absorbing subsector where tuition fees and academic selectivity are minimal. In short, given that students are expected to pay a higher fee to receive a higher-quality education, students with modest financial backgrounds are forced to attend poor-quality private colleges or to discontinue their studies.

The use of technology-based distance education to deliver instruction is also viewed as a feasible way to expand education access at a more affordable price for the student. Asia is currently the leading region in terms of using distance education for extending education access while controlling costs in higher education. More than 70 universities across the Asian region are exclusively instructing their students through distance education (ADB 2011a). Despite the attractiveness of such strategy to policy makers, budget-conscious administrators, and learners who are looking for a more flexible learning environment, the reports on the success of distance education are mixed (ADB 2012e; Dhanarajan 1999; Calder 2000; Gandhe 1999). Studies on the effectiveness of distance education have also yielded mixed results (Moore and Thompson 1990; Tucker 2001; Lim 2002; ADB 2012e).

Four issues in the design and delivery of distance education across Asia have been particularly salient. First, distance education suffers from the ambiguity of policies and the uncertainty of budgets. With the exception of India, Malaysia, and South Korea, most East Asian governments have not yet formulated clear policies that enforce equal status or funding for distance education. Second, the number of skilled instructional designers is limited as reflected in the failure of learning materials to meet the highest levels of pedagogical standards to support self-learners. Third, the weak IT infrastructure and the limited access of learners to online technologies (i.e., penetration rate) have also limited the reach of distance education in some countries. Internet penetration rates considerably vary across countries, from below 10 % (i.e., Cambodia, Laos, Sri Lanka, Indonesia, and India) to as high as 59 % (i.e., Malaysia) or over 70 % (i.e., Korea and Japan) (2008 figures) (Latchem and Jung 2010). Finally, ineffective leadership, political

interference, and corruption have challenged the implementation of distance education initiatives in some countries.

2.4 Responding to the Issues

The issues that face higher education systems and individual institutions are generally known and, to varying degrees, well understood by senior government and education officials. The manner in which these issues are interwoven is sometimes unclear. Each alternative course of action has advantages and disadvantages as well as proponents and critics. Charting a course of action is as much (or more) a process of building political consensus as formulating a technical solution. Based on the preceding analysis, five promising strategies are offered for strengthening the higher education systems in low- and middle-income countries of the region.

2.4.1 Focus on Improving Instructional Quality

The instructional quality in the HEIs of the region has declined as the involved countries have primarily directed their efforts toward expanding access to higher education over the last decade. Therefore, these countries must also prioritize the improvement of the instructional quality in their HEIs. Given that the access to higher education has been successfully expanded in many countries, now may be the best time for these countries to shift their priorities and to pursue strategies that balance further expansions with increasing investments to improve the quality and equity in their higher education systems. However, the implementation of such strategies will become controversial because the continued expansion of access to higher education is highly supported as compared to the improvement of instructional quality. Nonetheless, the value of such access will decrease when the instructional quality is low.

2.4.2 Attention to Incentives

Improving instructional quality requires collaboration among many factors, but individual instructors are ultimately the gatekeepers of the events in the classroom. Instructional quality can be directly improved by enhancing the instructional capacity of the academic staff members. The failure to reward instructors for their excellence, the lack of incentives, and the ineffective allocation of available incentives are some of the factors that constrain the performance of instructors.

Although improving the employment conditions can potentially improve the performance of instructors, the government or institutional leaders are often unaware of the types of benefits and operating procedures that present incentive value to the instructional staff members. While some incentives, such as increased compensation, tend to be expensive, other incentives may be relatively inexpensive and manageable within a tight budget. For example, a greater transparency in promotion policies may have a very positive effect on the morale of instructional staff members who are seeking for career advancement.

2.4.3 Greater Attention to Equity

Access to higher education has not always been fairly distributed. The government subsidies for supporting the higher education of economically disadvantaged students are often allocated to students from affluent backgrounds or are awarded based on criteria other than academic merit and financial need. Given that a large proportion of the higher education expenses will be shouldered by the students and their families, governments must implement highly effective strategies to ensure that the capable yet less affluent students have the financial means to enter HEIs.

2.4.4 Quality Assurance

Several countries in the region must develop stronger mechanisms for assuring the quality of their higher education systems, particularly private higher education. Although several regional organizations have sought to help governments in developing quality assurance procedures, the reviews of these efforts have been mixed. Additional quality assurance strategies must be devised. Given that the HEIs across the region lack well-developed institutional research or program evaluation units, studies on the effectiveness of institutional practices have been insufficient. Supporting data for quality assurance methods can be generated by strengthening the capacity of universities to evaluate the effectiveness of their own practices.

2.4.5 International Collaboration

The cross-national collaboration among international and regional universities may generate a useful source of ideas and expertise. However, the formation of such partnerships is often hindered by the lack of information about the quality and legitimacy of potential international and regional partner institutions because such collaborations extend beyond the well-known top-tier institutions. International and regional higher education organizations can strengthen the quality of higher

education in their respective regions by developing systems through which local universities can assess the appropriateness of their potential international university partners.

2.5 Conclusion

This chapter critically reviews the changes that sweep HEIs across Asia are widespread, interwoven, and complicated. Asian universities have emerged as serious competitors in the international education arena in terms of the number of their students, the talent of their faculty members, and their research capacity. The continuous improvement of these institutions will require a careful understanding of their current issues, strategies, and political will.

Notes

1. Portions of this paper are drawn from and have previously appeared in *Higher Education Across Asia: An Overview of Issues and Strategies*, Manila: ADB. Used with permission.
2. The views expressed in this publication are those of the authors and do not necessarily reflect the views and policies of ADB, its Board of Governors, or the governments that they represent.

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