

# HIGHER EDUCATION IN SOUTH-EAST ASIA

## A POLICY DIGEST



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## INTRODUCTION

### HIGHER EDUCATION IN SOUTH-EAST ASIA

The economies of South-East Asia are a diverse mix. Some, like Singapore, are relatively well developed whilst others like Vietnam are slowly emerging. What they have in common is their significant potential for growth and development. This at a time when the 'powers' associated with the old economic order are still reeling from the effects of the 2007 financial crash and coming to terms with austerity and low or no growth. Austerity has led to a reduction in public funding for higher education, particularly in the US and UK, whilst in the world's emerging economies, including those of South-East Asia, public investment in higher education is increasing. This investment is intended to facilitate both capacity and quality and is seen as central to the objective of building sustainable knowledge economies.

The countries of South-East Asia are coming out of the 'shadow of the west' to establish their own identity and their own stellar higher education (HE) institutions. This will inevitably produce greater global diversity of institutions based upon different histories and philosophies and a richer, more complex, and, for some, more challenging higher education world. It almost certainly heralds the end to the Western domination of globally rated research and paves the way for a decade or more of intensifying global competition; it may also generate more global partnerships and collaboration around some of the world's pressing problems. Global problems and concerns require a level of interdependence to resolve them. The higher education institutions that can manage the tension between competing and collaborating are ultimately likely to be the most 'sustainable'.

The question for those in the west is just how much 'unlearning' they are prepared to engage in. Leaders of HE institutions who are able to imagine perspectives other than those of a dominant West looking out on the world will, in my view, be better equipped to thrive in an era when conventional boundaries – both organisational and cultural – are breaking down.

**RICHARD SHARPE, DIRECTOR, ELEMENTA LEADERSHIP**



## INDONESIA

<b>POPULATION:</b>	237 MILLION
<b>GOVERNMENT:</b>	UNITARY PRESIDENTIAL CONSTITUTIONAL REPUBLIC
<b>GDP (PER CAPITA):</b>	\$3,910
<b>NUMBER OF HEIS:</b>	3,119 INCLUDING 83 PUBLIC HEIS AND 2,918 PRIVATE INSTITUTIONS
<b>NUMBER OF STUDENTS:</b>	4 MILLION

### CONTEXT AND TRENDS

#### POPULATION DYNAMICS

The current and projected population dynamics of Indonesia are central to the challenges facing the nation's higher education system. Indonesia is the fourth most populous country in the world, with nearly a quarter of a billion people residing across more than 17,000 islands. Of particular significance to the higher education sector is the burgeoning and aspirational middle class. The latest figures suggest Indonesia's middle class now stands at over 74 million people – nearly a third of the country's total population. By 2020 forecasters suggest Indonesia's bourgeoisie could potentially double to a figure close to 150 million.

A further demographic trend, in the form of a young population bulge, possesses its own challenges for Indonesian higher education. This youthful population potentially provides Indonesia with a platform in which to foster greater economic diversification and develop an increasingly sophisticated knowledge economy. Yet delivering on this potential relies in great part on whether Indonesian higher education can improve the quality of higher education institutions and the courses they provide whilst increasing capacity to cater for the spiralling demand. Failure to rise to this challenge may cause social and economic development to stagnate, as a larger proportion of young people may be unable to access high quality higher education institutions and increasingly look to study abroad.

It is estimated that there are currently 36,000 Indonesians students studying abroad. Whilst this figure represents a small proportion of 4 million domestic students, it should be noted that students looking to study abroad on any notable scale are a relatively recent phenomenon in Indonesia. Projections suggest a 20% year on year increase in Indonesians studying abroad. The biggest benefactor of these projected trends in international student mobility is set to be Australia, which already had 17,000 Indonesian students enrolled in Australian universities in 2012. For comparison, there were 7,000 studying in the US in 2012, a significant decline on 1998 when there were 13,000. This can, at least in part, be explained by the increasing attractiveness of institutions in the Asia-Pacific region which are increasingly offering higher standards of education coupled with closer geographical and cultural links.



## PRIVATISATION

One of the most noteworthy features of the Indonesian higher education system is that it is almost entirely privatised. More than 90% of Indonesian higher education institutions are in the private sector. However, it is the remaining public universities that are seen as more prestigious, and tend to attract elite students. Perversely, fees are lower in public institutions. The establishment of private higher education institutions has brought a large increase in tuition fees; in many cases these have become prohibitively expensive to those from disadvantaged backgrounds. In 2010, the average tuition fee for a high-ranking public university equated to \$1,160 per year; a high-ranking private institution can cost on average ten times that amount, with a yearly fee of approximately \$10,000. In effect, poorer Indonesians pay more for a worse education, exacerbating social divisions and inequality.

Higher education serves to reinforce something of a class divide in Indonesia. Students from more affluent backgrounds reaffirm their social status and economic mobility whilst those unable to attend higher education institutions are not provided with the same access to 'enlightenment' which primarily helped establish a rising middle class in the first place. There is a danger that these patterns mean the disadvantaged in Indonesia remain poor and excluded.

Rising demand for higher education has seen the Indonesian Government acknowledge the state alone cannot cater for such demand. However, despite the Indonesian higher education landscape being dominated by private institutions, the nation's relationship with market principles could be described as an uneasy one. In part, this can be attributed to events which occurred almost twenty years ago, when the IMF and World Bank intervened in Indonesia following the 1997 Asian economic crisis. The neo-liberal market principles which the intervention brought with it conflicted with a historically rooted statist ethos.

The ongoing tensions permeate higher education governance arrangements. Public institutions are governed through a state-centric model whilst private institutions are exposed to market forces yet lack sufficient autonomy and freedom required to effectively operate in a market system. Concerns regarding the sovereignty of Indonesian higher education have led to private universities operating in a highly restrictive market. The insularity of the market system in Indonesia has limited the ability of private institutions to explore market possibilities beyond Indonesia's borders, effectively insulating them from the global higher education marketplace. Under current policy settings, private institutions are unable to compete on a level playing field with public institutions. Decentralisation remains a politically sensitive issue in Indonesia, amid fears that provincial groups could destabilise the country were they able to exploit devolved power structures.



## **POLICY ANALYSIS**

### **TACKLING INEQUALITY**

Indonesia has expanded its higher education provision through the private sector. While this has enabled more young people to go to university, issues of inequality have begun to emerge given the significant disparities between the cost and quality of private and public institutions.

Take the public university admission exam, which all students wanting to achieve a place at a public university must sit. The sheer level of demand for places at public universities means that even high-scoring students often still fail to achieve a place. Nearly half a million students sit the entrance exam each year, but only the best scoring 75,000 students can secure a place. As a result, a number of high-scoring students, particularly from lower income families, are often unable to access a degree level education at all because the high tuition fees (and lower quality) in the private sector make higher education prohibitively expensive.

One recent 'private' policy initiative devised to tackle certain injustices has received national support. Paramadina University in Jakarta made the decision to introduce a scholarship programme targeted at those students that score highly in the public university admission examination but come from disadvantaged backgrounds. Instead of charging tuition fees to these students, Paramadina has developed an innovative scheme to attract Indonesian businesses to invest 100 million rupiah (approximately equivalent to £64,000). Of this investment, the University spends between 15 and 20 million rupiah per year over the four year course to support the scholarship programme and invests the remaining capital (approximately 20 million rupiah) with the intention of returning a yield of approximately 40 million rupiah over four years. The model results in the private company making a return on its original investment and forging close links with high quality graduates, whilst Paramadina University benefits economically through self-sustaining programmes which require no further funding after the initial private sector donation, surplus yields. It is also able to attract high-achieving students, which in turn helps improve university reputation.

Whilst there does appear to be potential scope for companies beyond Indonesia, and indeed international universities, to participate in similar programmes, it would appear this policy has a number of imperfections. The model relies on a willing private investor. Furthermore, it does little to address the quality divide between public and private higher education institutions. There are concerns that inequality and accessibility are likely to develop into more significant issues given the increasing numbers of university-aged young people in the country. A recent British Council report suggested that in the next year alone Indonesia will gain a quarter of a million 15 to 19 year olds which will place further strain on a developing higher education system.



## **HIGHER EDUCATION ACT**

A significant development in higher education policy in Indonesia has been the Higher Education Act of July 2012. The act grants Indonesian higher education institutions greater power and autonomy over many aspects of the management of universities, including the curriculum and resources. It is hoped increased autonomy will foster greater internationalisation of the Indonesian higher education system, enabling more global partnerships and helping to establish an environment in which foreign universities and foreign students are attracted to the country – while enticing the brightest Indonesian students to stay.

The newly adopted Higher Education Act marks an important step in the modernisation of Indonesian higher education after the dictatorial rule of President Suharto. However, there are still some concerns within Indonesia that the liberalisation of the higher education system jars with deeply-rooted cultural principles – even that institutional autonomy may in some way conflict with national sovereignty. For example, there are fears that newly established foreign branch campuses will effectively be able to recruit the best Indonesian academics from other domestic institutions, undermining the ability of these institutions to develop on a national or international level. There are also debates occurring at the level of principle: as the commercialisation of Indonesian higher education progresses, some contend that the constitutional values of Indonesia, which define education as a public good for all to access, will be devalued in a market-based system.

A related development following the Higher Education Act has been the stated intention of the Indonesian Government to introduce a standard for tuition fees across all state-run universities. This aims to reduce the cost burden on students whilst also simplifying a tuition fee system which was seen as complex and potentially off-putting to foreign student wishing to study in Indonesia. The amount the individual student will pay to go to a public university will in future be subject to a standardised formula which takes account of a student's financial situation.

## **INTERNATIONAL PARTNERING**

There appears to be a concerted policy drive from the Indonesian Government to strengthen 'meaningful' higher education partnerships. There are today so many partnerships – many of which are little more than nominal linkages – the government is keen to encourage partnerships formulated 'world issues'.

The 'US-Indonesia Joint Council on Higher Education Partnership' has recently announced a \$6million expansion of the USAID University Partnership Program, which funds joint research undertaken by American and Indonesian higher education institutions. The partnership defined five new research areas with relevance and interest to both nations. There has been collaboration between 19 Indonesian universities and 12 US universities, each focused on particular common research areas. For example, the University of Colorado and the



University of Padjahjaran in Bandung, the provincial capital of West Java, have embarked on research to provide a clearer understanding of the role of human-poultry interactions in the spread of influenza; in another example, Colombia University and the Institute Pertanian Bogor, on the island of Java, are working together to develop STEM high schools, which will help develop the teaching of science and maths in Indonesian secondary schools.

In the last year, the UK has strengthened its links with Indonesia with the announcement of eight new partnerships between Indonesian and UK based higher education institutions. The partnerships primary focus is to support student mobility and increase knowledge exchange. Leading UK institutions including Oxford, Southampton and Nottingham have agreed to be part of the collaborations.

Indonesian policymakers see this more formal relationship with the UK as valuable in the continued development of Indonesia higher education, most notably through the increased number of courses that will be taught in English. Whilst fellow South-East Asian nations, including Singapore and Malaysia, already provide extensive teaching in English, Indonesia still lags significantly behind. It is hoped that as more Indonesian students are able to speak English it will allow more students to continue on to PhDs in leading western institutions, creating a pipeline for better qualified academics to teach within Indonesia. At present, of the near 250,000 lecturers in Indonesia, fewer than half have a PhD. Notably, Newcastle University, in partnership with Indonesia, has recently opened the Newcastle-Indonesia Doctoral Training Centre specialising in biomedical research. The agreement will initially see approximately 40 Indonesian students per year come to the UK to undertake doctoral studies in medicine, nutrition and dentistry.

### **SUMMARY: INDONESIA**

Despite the current reputation of Indonesian higher education, over the longer term its presence as a major player in South East Asian higher education could well increase. The country's vast population alone - nearly a quarter of a billion people – help make it significant in an era of global, mobile higher education. Some comparisons can be drawn from the case of China. China embarked on its quest for excellence in higher education from a not dissimilar starting point. Collaboration with other South-East Asian and Asia-Pacific institutions, along with closer relationships with leading western universities (including those in the UK) are likely to help improve the domestic performance of the Indonesian higher education sector. Meanwhile, the Higher Education Act of 2012 aims to enable greater modernisation and internationalisation. All that noted, however, the 'Ranking of National Higher Education Systems 2013', undertaken by Universitas 21, an international network of research universities, placed Indonesia at the bottom of the 50 countries measured – behind India, Iran and Thailand.



## VIETNAM

<b>POPULATION:</b>	90.3 MILLION
<b>GOVERNMENT:</b>	SINGLE-PARTY COMMUNIST STATE
<b>GDP (PER CAPITA):</b>	\$1,527
<b>NUMBER OF HEIS:</b>	396 INCLUDING 120 PUBLIC UNIVERSITIES AND 47 PRIVATE UNIVERSITIES
<b>NUMBER OF STUDENTS:</b>	2 MILLION

### CONTEXT AND TRENDS

#### MASSIFICATION

Over the last 20 years Vietnam has experienced a surge in demand for higher education. In 1987 there were just 87 higher education institutions. In the last twenty years, 300 new ones have been added. This rapid transformation of Vietnamese higher education has provided increased capacity, allowing a greater proportion of young people to access some form of tertiary education. However, it has also raised serious questions as to the vitality and sustainability of the higher education system. In short, the quality of Vietnamese higher education is in critical condition. Whilst similar trade-offs between quantity and quality exist in most, if not all, higher education systems around the world, Vietnam appears to be struggling to address it more than its regional counterparts.

#### GLOBAL POSITIONING

Vietnam, a Communist state, still maintains a relatively peripheral position in the global higher education landscape. Knowledge and expertise regarding the development of higher education and associated governance structures appear to be not yet well developed. The changing economic landscape of Asia, which is placing a growing importance on knowledge, has prompted several countries to invest hastily in higher education as the centrepiece of their nation-building efforts. Vietnam has had to play catch-up. However, while it has reacted, it has had little time to devise and implement a coherent strategy to ensure governance structures and regulations are in place to ensure quality. As a consequence, there remain doubts about whether the sector is able to make a meaningful contribution to the development of a knowledge economy.

#### DOMESTIC REPUTATION AND STUDENT EXPORTS

There is still no Vietnamese representation in the top 100 universities in Asia according to the Times Higher Asian University Rankings 2013. Vietnam doesn't yet rank institutions domestically and the concept of competition between higher education institutions appears to be in its infancy. Although certain neo-liberal values have slowly started to infiltrate the policy arena in Vietnam, they haven't taken the same grip as they have in countries such as



Malaysia and Singapore. The Vietnamese higher education system can be best described as a quasi-market model in which the state retains a number of centralised powers and significant scope for intervention whilst in theory benefiting from the efficiencies of the 'free market'. A Vietnamese institution which is capable of competing with other Asian counterparts has yet to emerge.

The lack of high quality universities in Vietnam is leading to what some have called an increase in 'education refugees' whereby many people wanting to access higher education are now looking abroad. Recent figures from the Ministry of Education and Training have suggested 106,000 students (5% of the post-secondary student population) from Vietnam studied abroad in 2012 and this trend, at least in the short term, is set to continue. Delving deeper into the figures, the top five destinations for Vietnam students were the Asian nations of China and Singapore and also the US, UK and Australia. In particular, nearly half of all Vietnamese students attending a foreign university do so in either Australia or the US. Vietnam is the leading South-East Asian nation when it comes to the export of students to the US - well ahead of Thailand, Indonesia and Malaysia. In spite of the generally poor performance of the Vietnamese higher education system at present, there is a strong cultural belief in the value of a high quality education – one reason why the country exports so many students.

There are two ways to interpret these figures. The first is to conclude that attracting Vietnamese students should be a priority for many leading higher education systems across the globe and therefore it is 'good business' to enter into a one-way marketing drive to profit from these prospective students. The second assessment would be to pair the opportunity to attract Vietnamese students with the potential to enter into a meaningful and long-lasting partnership with a nation starting on its journey into the global higher education market.

## **POLICY ANALYSIS**

### **CURRICULUM COLLABORATION**

Over the last few years Vietnam has sought to improve the curriculum in 17 selected state universities through partnerships with international universities. Rather than attempt to transform each and every taught discipline in Vietnamese higher education institutions, policymakers have focused on 23 subject areas within science and technology which fit with the country's economic and industrial needs. The international curriculum collaboration scheme has seen the introduction of taught programmes in other languages including English and the involvement of foreign based academics from partnering institutions.

Examples of the scheme in action include partnerships between the University of Illinois and Hanoi University of Science. This collaboration has centred upon the development of an improved chemistry curriculum at Hanoi; the hope is that this will be replicated throughout other higher education institutions in Vietnam. The foundations of this partnership involved visiting professors attending Hanoi University of Science to provide face-to-face expertise.



However, as the partnership has developed, there has been an increase in web-based seminars provided by the University of Illinois for students at Hanoi University. The University of Illinois also provide student support outside of 'web-based' lectures through Skype sessions. At present the programme is only offered to the brightest Vietnamese students who undergo a rigorous selection process. Therefore, whilst this scheme, and others like it, may have succeeded in raising quality, questions remain about the standard of education received by many other students.

There are two reasons why such partnerships can potentially further the overall quality of the Vietnamese higher education system. First, the knowledge and expertise acquired from leading global institutions provide valuable lessons which can underpin decisions made across the board in Vietnamese higher education. Secondly, those students that graduate from joint programs may embark on academic careers, helping shape curriculums of the future.

The scheme's main objective is to boost the standard of teaching and ultimately the quality of public universities in Vietnam. There is also the hope that the improved offering of public universities will address the growing trend of many Vietnamese students of opting to study abroad. Providing taught programmes in languages other than Vietnamese is also an indication that higher education policy in Vietnam is being formulated with multinational aspirations in mind. It would appear that this policy approach is attempting to bring Vietnam closer to other South-East Asian countries which have benefited from a 'quest for excellence' in higher education. However, it would be presumptuous to interpret such shifts as the first steps of 'westernisation' of higher education in Vietnam.

### **THE CONCEPT OF THE 'WORLD-CLASS' UNIVERSITY**

The notion of 'world-class' universities has started to infiltrate thinking in Vietnam. Whilst improving the quality of the higher education system in Vietnam is very much in its early stages, aspiring to develop 'world-class' institutions signals a drive to benchmark success by internationally conceptualised standards of excellence.

In early 2013, the Vietnamese government pledged to invest \$150million to fund a new state of the art university in partnership with Russia. It is expected that by 2016 the newly developed university in Hanoi, the capital of Vietnam, will be named the Vietnamese Russian University of Technology. The partnership will see Russia providing input into the curriculum, awarding degrees, sending academics to deliver lectures in Russian, and supporting Vietnamese staff development, whilst providing student exchange programmes and fellowships at top Russian institutions.

There are still wider concerns regarding the quality of higher education in Vietnam and indeed the ability of the country to harbour ambitions of 'world-class' universities given the lack of autonomy provided to institutions. The centralised nature of government in Vietnam can mean the pace of reform in the higher education sector is slow and inhibited by bureaucracy. That said, new international curriculum collaborations and an increasingly



global outlook may lead to the ceding of greater levels of autonomy and academic freedom to at least some Vietnamese higher education institutions.

### **REFORM AND INTERNATIONALISATION**

The consensus is growing: significant changes are required to address the issues of low quality in the Vietnamese higher education system. As the economic and social development of many neighbouring Asian nations has correlated with improved higher education performance (both teaching and research), Vietnamese policy makers are now attempting to establish a new direction, drawing on an increasingly international outlook.

Vietnam has recently announced the intention to construct three new 'international research' universities, each with an international strategic partner. The scheme has been branded as the 'New Model University Project' and had attracted funding in the form of a \$400 million loan from the World Bank and Asian Development Bank. It is hoped that the scheme will build on the perceived successes of the Vietnamese-German University in Ho Chi Minh City, a fully-functioning institution that follows a German academic model with the attendant academic freedom and institutional autonomy. The three new universities will work in collaboration with France, Japan and the US. The goal is for these universities to become world-leading research institutions ranked within the top 200 global universities by 2020.

As part of the agreement regarding the World Bank funding and partner countries, the institutions will be managed through newly devised governance structures, financing and quality assurance operating under new legislation set out by the Vietnamese Prime Minister. In short, central government will take a stewarding role with a number of state functions shifted onto the universities themselves. In time, the 'New Model University Project' in Vietnam may well be viewed as a watershed moment for Vietnamese higher education, auguring an opening of Vietnam to the global higher education system.

### **SUMMARY: VIETNAM**

The Vietnamese higher education system still has to contend with serious issues regarding the low quality of a number of universities. There is no Vietnamese representation in Asia's top 100 universities, according to the Times Higher Asian Rankings of 2013. Meanwhile, Vietnamese students wanting to study abroad account for 5% of the total student population. However, a process of change seems to be under way. New international collaborations aim to improve the standard of taught courses whilst the notion of 'world-class' universities has begun to intrigue Vietnamese policymakers. The state has recently pledged significant investment to develop three new international research-intensive universities in Vietnam. The opportunities for international collaboration in Vietnam are potentially fruitful ones, demonstrated by a willingness of Japan, the US, France and Germany to establish serious partnerships with the country.



## MALAYSIA

<b>POPULATION:</b>	28.3 MILLION
<b>GOVERNMENT:</b>	PARLIAMENTARY DEMOCRACY AND FEDERAL MONARCHY
<b>GDP (PER CAPITA):</b>	\$11,513
<b>NUMBER OF HEIS:</b>	616 INCLUDING 20 PUBLIC UNIVERSITIES AND 33 PRIVATE UNIVERSITIES
<b>NUMBER OF STUDENTS:</b>	900,000

### CONTEXT AND TRENDS

#### INCREASING GLOBAL HIGHER EDUCATION FOOTPRINT

Over the last 15 years Malaysia has made significant progress towards a high-income economy fuelled, at least in part, by an increasingly globalised higher education system. Malaysians place a high cultural importance on higher education as a social good and the nation has made a concerted effort to subsidise public universities – to the extent of bankrolling 90% of tuition fees. According to the 2013 Universitas 21 Rankings, Malaysia improved nine places to 27<sup>th</sup> in the world and outperformed countries including Australia, Japan, South Korea, England and Germany in the provision of resources criterion. The Malaysian higher education system appears to be competing with the top-flight Asia-Pacific nations, namely China, Singapore and Australia.

Indeed, the battle of the leading Asia-Pacific higher education systems is arguably the most significant in the context of the global higher education landscape. The region is noted for extremely high levels of student consumption, with burgeoning demand for higher education creating fierce competition between institutions to attract the best students. Forecasts suggest the Asia-Pacific region will become one of most popular destinations for foreign students.

Malaysia has in recent years signalled its intention to compete for these students by positioning itself as a global higher education provider. At present it is estimated that Malaysia has approximately a 2% share of the global student market. Traditionally these students have come mostly from China, Singapore and Thailand. However, recent improvements in the higher education systems of these countries have seen a decline in those wishing to study abroad. In response, Malaysia has targeted international students from countries in the Middle East, including Saudi Arabia, Oman, UAE and Yemen. Of particular benefit is the cultural and religious connections Malaysia shares with many Islamic nations in the Middle East, particularly given Malaysia is home to the International Islamic University, in Selangor, Western Malaysia.

Malaysia has set the target of having 200,000 foreign students studying at Malaysian higher education institutions by 2020. Given the current size and scope of the Malaysian higher



education system this is a particularly ambitious aim. To place it into context, China currently has 1,700 higher education institutions and currently aspires to have 500,000 foreign students by 2020; currently, Malaysia has 360 higher education institutions. Nevertheless, the intent to become a major player in the global higher education marketplace ought not to be doubted.

### **PUBLIC VERSUS PRIVATE UNIVERSITIES**

The past two decades has seen a distinct shift in how the relationship between higher education and the private sector is conceptualised in Malaysia. Until the mid-1990's Malaysia was seemingly steadfast in its view of education as a nationalised good. However, through a combination of pragmatism and ambition, the Malaysian stance on market principles applied to higher education has softened. The pragmatism seemed to stem from the growing demand for higher education which outstripped the places available in state-funded institutions and the continued liberalisation of the Malaysian economy; the ambition from an aspiration to be a global higher education provider. The result is that private universities form an increasingly important aspect of the mix. The Private Higher Education Act in 1996 paved the way for the first private higher education institution in Malaysia, Universiti Multimedia. The number of students now in private higher education institutions stands at approximately half a million, approximately half of all students in Malaysia.

There is, though, a distinction in the purpose and role of private and public universities in Malaysia. Whilst public universities are heavily subsidized with the aim of developing world-class institutions attracting the best students from both Malaysia and abroad, private universities are seen as the enablers of a mass market model of higher education, opening up the possibility of higher education to more citizens.

In common with other nations in South Asia and elsewhere, however, the model generates injustices. Students attending private universities have to pay higher levels of tuition for a poorer standard of education than is available in the longer-established public ones. Furthermore, students accessing higher education through private institutions are often those from more disadvantaged backgrounds. The role and positioning of private institutions may well be the subject of greater attention in the future. Policymakers recognise that the lower quality of education (and research) in private institutions may inhibit Malaysia's ambitions for the system as a whole.

### **GOVERNANCE AND AUTONOMY**

Developing a high-performing higher education system is a central tenet of Malaysia's 'nation-building project'. The country has managed to build a higher education system that simultaneously helps economic diversification and the integration of Malaysia into the world economy whilst still maintaining a commitment to the value of education as a social good. In the public sector, subsidies remain relatively generous – but the flip-side is a tendency towards top-down control and limited academic freedom. There are signs of greater



entrepreneurial activity such as meaningful global partnerships, but state-imposed restrictions endure. One example of this is the central selection committee which operates under the acronym of MOHE, which is responsible for appointing every vice-chancellor in a public university. Whilst a lack of autonomy still seems to inhibit private institutions, one of the perceived benefits of the private sphere of higher education in Malaysia is the greater levels of autonomy available. This can manifest through freedoms with regards to the curriculum, courses offered and more progressive marketing strategies.

For Malaysian universities to become 'world-class', it would seem greater control over crucial strategic decisions such as senior appointments, the taught curriculum, spending, international partnerships and global positioning will need to be handed over to higher education institutions themselves. Perhaps as the foundations of the Malaysian higher education system strengthen there will be an increased willingness for the state to allow greater autonomy at an institutional level, which will in turn provide a platform for Malaysian higher education to continue on its ascent towards becoming a leading global higher education hub.

## **POLICY ANALYSIS**

### **GLOBAL HIGHER EDUCATION HUB**

Recent Malaysian higher education policy has been shaped by the overarching ambition to become a hub of excellence. The Ninth Malaysia Plan has set the ambitious target of having 200,000 foreign students studying in Malaysia by 2020 and a 15% increase on the current numbers of staff recruited from abroad. The plan also articulates a number of specific outputs the Malaysian higher education system is working towards, including achieving a ratio of 50 researchers, scientists and engineers per 10,000 people in the Malaysian labour force.

There is significant competition from within South-East Asia regarding the concept of a 'global higher education hub'; the most notable of which is the city-state of Singapore (see next section). Competition for partnerships with leading global universities, as well as the recruitment of the best staff and students, has been intensifying between the two nations. It remains to be seen as to whether two nations in relative close geographic proximity can both sustain 'global hubs'.

One of the issues for Malaysian policymakers to consider as they continue to pursue their 'global higher education hub' agenda is that the country's higher education system doesn't perversely become too externally facing - to the detriment of staff and students, as well as lower reputation universities. Far from being too insular, the Malaysian higher education system is at a point, say some, whereby 'over-internationalisation' could start to undermine the principle of higher education as a social good. On this analysis, the distinctive identity of the system could fall prey to the international market.



## **FOSTERING INTERNATIONALISATION**

The Ministry of Higher Education in Malaysia plays a central role in inviting international institutions to enter into meaningful higher education collaborations. This marks a shift in the perceived 'East-West' power balance in global higher education. Whilst there was a period in which Western universities identified institutions they wished to partner with, this power has shifted somewhat. The Malaysian government, through the Ministry of Higher Education, actively pursues foreign universities which are identified as institutions which can further the strategic goals and aspirations of Malaysia both economically and socially.

The confidence and global standing of Malaysian higher education also means that new policy has been implemented which requires any international university wishing to operate a campus in Malaysia to be registered as a Malaysian company with a majority Malaysian shareholding. This appears to be an attempt to counter emerging trends of 'footloose' higher education, whereby international higher education institutions can quickly withdraw or move to other areas. The sense of 'ownership' of foreign operated campuses also helps integrate these international institutions more effectively with the Malaysian higher education system.

## **SUMMARY: MALAYSIA**

Malaysian higher education is an ambitious and globally facing system. The ambition for Malaysia is to become a globally renowned 'higher education hub' catering for 200,000 foreign students and a number of international higher education institutions. However, Malaysia is currently vying for this role with Singapore. As the global competition for higher education continues to intensify, notions of footloose higher education institutions may well become one of the central contemporary issues facing the country.



## SINGAPORE

<b>POPULATION:</b>	5.3 MILLION
<b>GOVERNMENT:</b>	UNITARY PARLIAMENTARY CONSTITUTIONAL REPUBLIC
<b>GDP (PER CAPITA):</b>	\$50,323
<b>NUMBER OF HEIS:</b>	22 INCLUDING 6 UNIVERSITIES AND 10 FOREIGN BRANCH CAMPUSES
<b>NUMBER OF STUDENTS:</b>	58,000

### CONTEXT AND TRENDS

#### GLOBAL POSITIONING

By most measures Singapore stands as the most developed higher education system in South-East Asia. Universitas 21 recently ranked Singapore's higher education system 9<sup>th</sup> globally, the first time an Asian state had broken into the world's top 10. The latest Times Higher World Rankings placed the National University of Singapore 29<sup>th</sup> in the world, ranking higher than the leading universities in China, Hong Kong and South Korea, with only Japan's University of Tokyo rated higher in the whole of Asia. The global standing of Singapore's higher education system is made more impressive given that two of the city-state's four public universities are ranked in the world top 100. Indeed, the scope of higher education in Singapore marks it out from many other systems around the world. On top of just four state-funded public universities, the Singaporean higher education system is made up of five polytechnics, an Institute of Technical Education as well as ten foreign university branch campuses. The relatively small scale nature of Singapore's higher education system means there is a greater focus on quality compared to elsewhere in the region.

Singapore's perceived success in higher education rests in part on geo-political positioning. The city-state of Singapore can be seen to provide a transition between East and West, most notably because of the significance of Singapore as a global financial centre which links major Eastern and Western markets together with a hybrid political economy which comprises a mix of Western liberalism and Eastern centralism, in what some label an 'authoritarian mode of liberalism'. This strategic positioning can be said to provide Singapore with considerable 'soft power' through its ability to attract commerce, trade and investment from around the world.

#### INTERNATIONAL HIGHER EDUCATION AGENDA

The last decade has seen Singaporean higher education focus strongly on its international agenda. Since 2002, there have been ten branch campuses set up in Singapore by foreign institutions, including three from the US, three from France, and one from Canada, Germany, India and Australia respectively. The UK, whether by choice or chance, has no branch campus located in Singapore. These institutions have been identified by Singapore to help further its



own quest for a high performing and globally renowned higher education system. On top of the branch campuses in Singapore, there are a host of joint programs and partnerships. Partnering institutions include the US universities of Cornell, Yale and Stanford, the UK based King's College London and four Chinese institutions include Peking University.

In terms of attracting leading global institutions, the state takes the role of 'market generator'. An interventionist approach is pursued in deciding the partners which will further Singapore's nation-building agenda. To attract the foreign institutions to partner, or indeed locate, in Singapore, the government provides attractive financial subsidies, including tax breaks and land incentives. However, there are concerns that whilst Singapore's higher education system is currently buoyant and progressive, the lack of institutional autonomy and will impact on the academic freedom and vitality of institutions in the longer term.

One of the emerging concerns is the limited research and scholarship opportunities in social science and humanities, especially compared to the country's excellence in science and technology. It appears that there is a certain degree of reluctance from the state to allow more 'subjective' academic disciplines. Whilst there is little doubt the founding disciplines of science and technology will continue to spearhead Singapore's internationalisation agenda, there is a sense that for a more dynamic and diverse higher education system to prosper in the long term greater control and independence needs to be ceded to institutions.

## **POLICY ANALYSIS**

### **GLOBAL SCHOOLHOUSE PROJECT**

The flagship policy of Singapore's higher education system and its nation-building agenda is undoubtedly the Global Schoolhouse Project. The project reflects the long held belief in Singapore that the success of their higher education system is inextricably linked with the nation's long term prosperity and economic diversification.

The Global Schoolhouse project was launched in 2002 as part of a significant recalibration of the city-state's higher education policy, framed around a knowledge economy specialising in sophisticated services industries, including electronics and pharmaceuticals. The project's primary intention was, and still is, to promote Singapore as a global higher education hub. At inception, the Schoolhouse project aimed to attract 150,000 foreign students to study in Singapore, whether through public universities or international institutions' 'branch' campuses located in Singapore.

The launch of the project was regarded as an aggressive attempt to profit from an increasingly lucrative higher education market. The initial phase of the Global Schoolhouse project sought to affirm Singapore's position as a significant global education hub, largely through a focus on attracting foreign students and partnering institutions to boost the scope, reputation and diversity of the Singaporean higher education system. However, more recently, a second phase of the project has commenced. The policy has shifted as the



competition for the best staff and students has intensified. Today, the Global Schoolhouse Project is focused on attracting and retaining the best talent to allow for Singapore to remain at the forefront of global higher education. As global competition has increased significantly in higher education, Singapore seems to have identified the need for programs and partnerships to provide a tangible 'edge' which directly contributes to furthering the Singaporean economy and ongoing nation-building agenda. Indeed the Schoolhouse project has been expanded by private companies setting up private universities. For example, Sony University has been established in conjunction with the state with the intention of training the next wave of global and regional executives, whilst UBS, a Swiss based bank, has developed a campus in Singapore which provides training for wealth managers.

There is one potential caveat to this intensification of competition in higher education. Whilst broadly speaking Singapore has managed to profit and prosper from its global education hub policy, there is concern that these 'hubs' are subject to the volatile nature of the market. For example, in July 2013, Chicago Booth Business School opted to relocate to Hong Kong, after 13 years in Singapore. In this case, Hong Kong effectively undercut Singapore's government subsidies. Such bidding wars are likely to be symptomatic of a more footloose global higher education culture.

## **INTERNATIONAL STUDENTS**

As one of the central tenets of the Global Schoolhouse project, Singapore has implemented a number of policies directed at the recruitment and retention of foreign students. The International Student Programme was established to dovetail with the Global Schoolhouse project, providing significant state funding of approximately \$190 million in the form of a tuition grant to foreign students wishing to study in Singapore. It is estimated that the tuition grant subsidy is worth over \$14,000 per year for each foreign student opting for the scheme. The grant scheme illustrates the intent of the Singaporean higher education system to compete for the world's best students - but also its willingness not to merely profit from full fee paying foreign students. Instead, Singapore views the tuition grant as an economic investment. Rather than attracting full fee paying overseas students who are likely to return to their home countries after completion of their studies, the tuition grant acts as a bond between the student and the nation of Singapore. The foreign student gets a high quality education from an upwardly mobile higher education system, at a significantly subsidised rate, and in return agrees to stay and work in Singapore for at least three years after the end of their academic studies.

The tuition grant is a bold move by Singapore, particularly given the initial costs of the scheme. The policy views the business of attracting the best foreign students as an investment for the nation of Singapore as a whole. It should be noted, however, that in spite of policies to attract overseas students to Singapore, recent reports have suggested a drop in international student numbers. At present it is estimated 84,000 foreign students are currently studying in Singapore, down from nearly 100,000 in 2008. If correct, it appears that



as global competition intensifies, Singapore will struggle to meet its target of 150,000 international students by 2015.

**SUMMARY: SINGAPORE**

Like Malaysia, Singapore is pursuing its ambition of becoming a world leader in higher education, with its flagship Global Schoolhouse project central to its nation building agenda. Singapore's western facing geo-political positioning and hybrid cosmopolitan culture has marked it out to a number of Western institutions as a strategically important foothold in the South-East and Asia-Pacific regions. Singapore has invested heavily in its higher education sector, attracting a high calibre of both staff and students. Global rankings testify to its success. Singapore has already established itself as a world leader in higher education. However, the challenge will be to retain its position amidst increasing competition for the best staff and students in the region.



#### **ABOUT ELEMENTA LEADERSHIP**

Elementa Leadership is a specialist strategic change and leadership consultancy with cross-sectoral international experience, focused on UK higher education. We are currently working at strategic level with universities that cover the various HE mission groups. We are committed to the future of UK higher education as central to the development of both a better society and a better economy.

#### **ABOUT THE AUTHOR**

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