

A CONTRAST BETWEEN PUBLIC VERSUS PRIVATE  
HIGHER EDUCATIONAL INSTITUTIONS (HEI'S) IN  
ASEAN COUNTRIES

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## Summary

This dissertation presents a comprehensive study of the differentiating factors and similarities between public and private Higher Educational Institutions (HEI's) in ASEAN countries. Six representative countries of ASEAN, namely Indonesia, Philippines, Thailand, Malaysia, Singapore, and Vietnam will be studied and discussed. The dissertation summarizes the quantitative and qualitative facts about public and private HEI's based on the literature about comparative education. The objective is to understand the trends of privatization in Southeast Asia, analyze the impacts of adopted different educational policies and suggest recommendations to enhance educational quality and access. In Levy's typology, private HEI's are sub-divided into Elite/Semi-elite, Religious-affiliated/Cultural-oriented, Serious demand-absorbing, and Demand-absorbing types while public HEI's can be sub-divided into autonomous and government types (Asian Development Bank, 2012). The public education sector often faces the problems of rigid government control, insufficient funding, and limited academic freedom. Autonomous type is more efficient than government type as the former has more control over its budget, administration, and academic freedom. Thus, government universities are recommended to transform into autonomous types to gain further independence gradually. The Elite/Semi-elite are prestigious and non-profit in the private sector. However, they impose higher tuition fees which create barriers for needy students with high academic potential. With the aim to expand quality education and assist equal access, one recommended policy is to provide non-discriminatory financial aid to both public and private HEI's' students. The eligibility of the assistance should be based on both academic and financial qualifications. Opposite to Elite/Semi-elite types, Demand-absorbing types are high in numbers and fees but low in quality. It

is suggested to establish and enforce quality assurance laws and fee checks to ensure proper and affordable tuition payment. Malaysia is an excellent example of quality checks while Singapore leads in providing affordable education. In conclusion, ASEAN countries should communicate, collaborate, and share resources with their neighbors to improve education service.

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## List of Abbreviations

ADB	Asian Development Bank
ASEAN	Association of Southeast Asian Nations
Higher Educational Institutions	HEI's
SEA	South East Asia
UP	University of Philippines
NTU	Nanyang Technological University
NUS	National University of Singapore

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## **Chapter 1. Introduction**

Education is a stepping stone for developing countries to transform into a knowledge-based economy. On top of the pyramid of the intellect, tertiary education continually produces intelligence output to our region — South East Asia. In the past decades, there is a drastic increase in the demand for tertiary education due to the closing gender gap, comprehensive coverage of fundamental education, and an inflated degree requirement in the employment market. The spread of mass education and the consequent exploding demand for higher education results in a supply shortage. Traditionally, the public sector dominates the tertiary education market, but the gradual legalization of private sector has resulted in a shot up of private universities to meet this extra demand. This new phenomenon plays an essential role in the expansion of tertiary education and responds to demands for more (demand-absorbing), better (elite), and different (religious). Moreover, the growing enrollment rate has extended higher education to a broader socioeconomic spectrum of family status and contributes significantly to educational equality (ADB, 2012).



## **Chapter 2. Background**

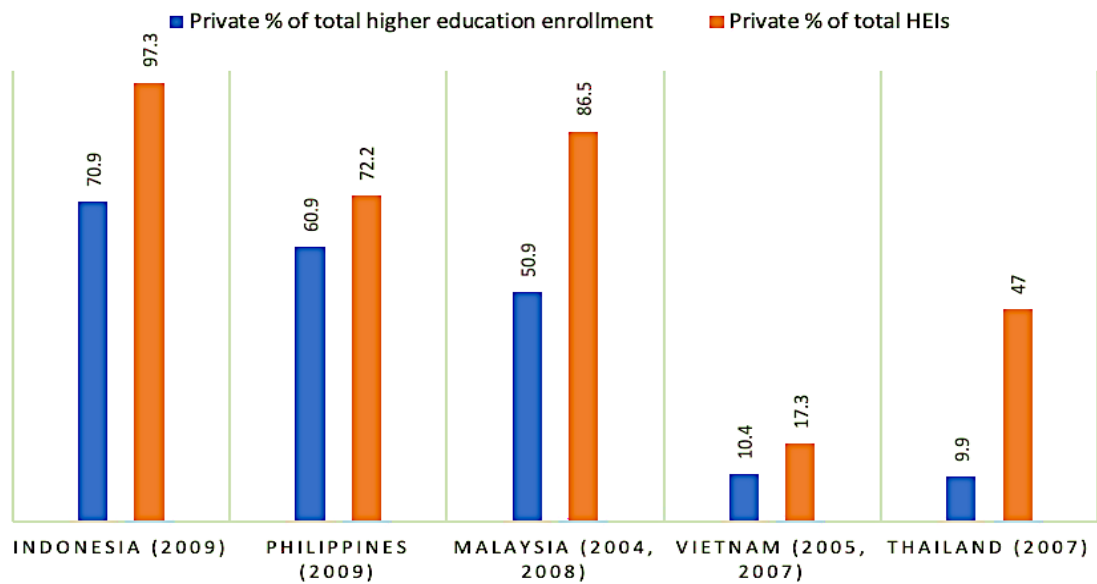
A fundamental difference between public and private HEI's lies in management, funding, and functions (ADB, 2012). Typically, the government owns, manages, and funds public HEI's. As for private HEI's, owners are nonstate parties such as individuals, families, companies, religious organizations, and foundations. In terms of function, public HEI's serve the economic, social, and political needs of countries whereas private HEI's are to offer alternatives to complement public HEI's (Pachuashvili, 2011).

Under the two main stratifications, there are detailed subdivisions including four types of private HEI's and two types of public HEI's. Private HEI's are sub-divided into Elite/Semi-elite, Demand-absorbing, Serious demand-absorbing, and Religious-affiliated/Cultural-oriented types while public HEI's are branched into autonomous and government (ADB, 2012). Unlike government HEI's, the sponsoring government has no direct control over the academic matters in autonomous HEI's. Besides, the research results in Thailand indicate that the autonomous public HEI's outperform the government HEI's in terms of research efficiency (Kantabutra & Tang, 2010). As for private HEI's, the elite HEI's are sufficiently funded by the wealthy, and they have a high reputation as they can attract overseas professors with promises of good pays. In ASEAN, specifically in Thailand and Philippines, the number of elite HEIs is small, but they are high in qualities. The demand-absorbing HEI's provide low-cost programmes in high demand fields with the aim of granting students accesses to future jobs. In the region, the majority of private HEI's falls under this category. The religious-affiliated HEI's aim at religious service and the majority of them are Christian-funded in the six countries studied. A summary of the types, features, and examples in private HEIs is given in Table 2.1 (ADB, 2012).

**Table 2.1.** Types, features, and examples of private HEI's.

<i>Type of Private HEI</i>	<i>Founders</i>	<i>Target markets</i>	<i>Strength</i>	<i>Weakness</i>	<i>Examples</i>
<b><i>Religious-Affiliated/Cultural-Oriented</i></b>	Founded by a religious/cultural organization, church, or non-profit foundations	Religious groups and ethnic communities	Provide alternatives to religious and cultural educational needs	Programmes exclude secular markets and needs	Indonesia – Islamic, Christian, Chinese ethnic Philippines – Christian (majority) Thailand – Christian (majority), Islamic, Buddhist; Thai culture, Japanese culture
<b><i>Elite/Semi-Elite</i></b>	Founded by family, conglomerates, and foundations	Elite students seek higher quality education	High international ranking and reputation Premium teaching and academic quality	Restrained access mainly due to high tuition fees	Indonesia – Sanata Dharma U. Philippines – Ateneo de Manila U., De La Salle U., University of Santo Tomas Thailand – Assumption U., Bangkok U., Durakij Pundit U., University of the Thai Chamber of Commerce, Rangsit U.
<b><i>Demand-Absorbing / Non-Elite</i></b>	Founded to satisfy rising demand for tertiary education	Non-elites	Assist egalitarian as admission is non-selective and shoulder the extra need for higher education	Quality is often dubious and unchecked	A majority of private HEI's in ASEAN countries
<b><i>Serious Demand-Absorbing</i></b>	Founded to emphasize practical training and have a niche focus on specific fields	Non-elites	Reputable in their specializations	Aim to secure employment for graduates	Philippines – 63 private HEI's that have received autonomous or deregulated status, e.g., Mapua Institute of Technology, University of San Carlos Thailand – Mahanakorn University of Technology, Dusit Thani College

Figure 2.1 presents a histogram about private share in higher education. From Chapter 3 to Chapter 8, the university system in each country will be introduced in detail.



*\*Sources: for Indonesia, see Nizam (2009); for Philippines, see CHED (2010); for Malaysia, see Basri (2008); for Vietnam, see Huong (2008); for Thailand, see PROPHE (2010).*

**Figure 2.1.** Private Enrollment and Institutional Share in Higher Education.

## Chapter 3. Indonesian Higher Education System

Indonesia is ASEAN's most significant education market and regional leader of private HEI's in terms of student enrollment and institutional number. The top HEI's in Indonesia are all state HEI's, and the private sector is deemed as a safety net for those who fail to gain access into public HEI's (Table 3.1). The surge of the private market is both due to religious reasons and lack of supply in the public sector. As 87% of Indonesians are Muslims, Islamic HEI's comprise almost 15% of national enrollment (ADB, 2012).

**Table 3.1.** Representative Universities.

<i>Public</i>	<i>HEI's</i>	<i>Private</i>	<i>HEI's</i>
<i>University</i>	<i>Ranking</i>	<i>University</i>	<i>Ranking/Status</i>
Universitas Indonesia	292	University of Surabaya	Elite
Bandung Institute of Technology	359	Sanata Dharma University	Elite
Gadjah Mada University	391	Universitas Ciputra	Elite
Universitas Padjadjaran	651-700	Prasetiya Mulya Universitas	Elite
Bogor Agricultural University	701-750	Universitas Pelita Harapan	Elite
Airlangga University	751-800	Prasetiya Mulya	Notorious for business
Diponegoro University	801-1000	Universitas Bina Nusantara	Notorious for IT courses
Institute of Technology Sepuluh Nopember	801-1000	Universitas Katolik Parahyangan	Notorious for Architecture
University of Brawijaya	801-1000	The Universitas Islam Indonesia	Religious
-	-	Res Publica University	Cultural
-	-	Ma Chung University	Cultural
-	-	SF Teacher Institute in Indonesia	Cultural

*\*Sources: QS University Ranking (2019)*

The elite private universities are the University of Surabaya and Sanata Dharma University, which are highly prestigious in teaching and research and are comparable to the best public HEI's. While public HEI's develop the curriculum in a more balanced way and are more prominent, private HEI's have specialized focuses.

### 3.1 Governance

Although policies prohibit for-profit education, some for-profit HEI's disguise themselves as non-profit (T & J, 2017). Data show that two-thirds of total enrollments in the private sector are in low-cost programmes such as education, social science, and business (Welch, 2006). This reveals the existence of for-profit HEI's. Since the disguised for-profit institutions have low investment and spending per student, low quality remains an issue.

### 3.2 Main Issues

Data show that the Indonesian private sector contributes to 70.9% of total higher education enrollment and consists of 97.3% of total HEI's (Nizam, 2009). The challenge for Indonesia may be the gigantic scale and size of its HEI's, which renders quality and accreditation inspection time-consuming, labor-consuming, and subsequently too costly for the government. Besides, the two standards set up by the National Accreditation Board for Higher Education and Director General of Higher Education respectively are inefficient and confusing.

Apart from the difficulty in policy enforcement, the current most prominent problem is the high tuition fees among private HEI's. Among all six ASEAN countries, Indonesia has the most significant gap in tuition charges between public and private HEI's with the latter cost 10 to 100 times more than the former (ADB, 2012). On average, private

HEI's in ASEAN charge 3.5 times more than public HEI's. The expensive tuition fees limit admission only to wealthy students and fail the ultimate purpose of education, which is to provide equal opportunities for upward mobility.

The staff qualification also needs much attention as less than 40% of academic staff in the public sector hold master's or doctorate degrees. The ratio is even smaller in the private sector. Apart from the low proportion of advanced-degree holders, teaching team tends to have little commitment issues due to low payments. There are many incentives for academic members to become part-time consultants or investors, distracting them from attention devoted to university students. Furthermore, the Indonesian government's funding to the public sector is one of the lowest in the region (World Bank, 2019). The insufficient funding is worsened by a disproportionate distribution to salaries, leaving only 22% for academic and research activities. (ADB, 2012).

### 3.3 Recommendations

The possible policy to tackle high tuition fees is to provide student loan schemes and financial aid towards poor students with high academic potential. The government aid should be non-discriminatory and cover both public and private HEI students. The specific quota and extent of state funding should be analyzed and crafted carefully. Given the 70.9% enrollment into the private sector, structural adjustments and extensive reform to enhance quality are emergent. Related government department should provide a regulatory framework to enable private HEI's to progress. As for the faculty strength, HEI's could send staff for overseas studies or attract advanced-degree graduates to remain in universities.

## Chapter 4. Philippine Higher Education System

Philippines is quite homogeneous in terms of religion with 94% Christianity (Jack). The non-profit private HEI's are mainly religious while the for-profit HEI's are market-driven. Due to nature, religious HEI's are very prestigious, but for-profit HEI's have dubious quality. The top private HEI's are either Roman Catholic or Catholic, and three of them are ranked as top 1000 HEI's (Table 4.1). However, the demand-absorbing private HEI's of mediocre quality are still a majority in the Philippines (James, 1991). Since for-profit private HEI's face the operating constraint of limited financial resources, they have to consider the return to investments heavily. Thus, their operating strategies are to provide cheaply-taught undergraduate degree courses such as business, social science, and theoretical engineering instead of expensive courses involving laboratories and postgraduate research. Some private HEI's offer only low-cost programs and run their institutions in a secondary-school or vocational-school modes such as insufficient investment in university-setting infrastructure, limited research, and dependency on part-time teachers.

**Table 4.1.** Representative Universities.

<i><b>Public</b></i>		<i><b>Private</b></i>	
<i><b>University</b></i>	<i><b>Ranking</b></i>	<i><b>University</b></i>	<i><b>Ranking/Status</b></i>
University of the Philippines (UP)	384	Ateneo de Manila University	651-700/ Roman Catholic
-	-	De La Salle University	801-1000/ Catholic
-	-	University of Santo Tomas	801-1000/ Catholic

*\*Sources: QS University Ranking (2019)*

#### 4.1 Governance

Unlike its ASEAN counterparts, the Philippines' private sector is playing the main role in fulfilling the demand for tertiary education. Being a leader of privatization in ASEAN, its private sector has a predominant position and accounts for 60.9% of enrolment (ADB, 2012). The trend of privatization is encouraged by public policies. In 1980, the Corporation Code of the Philippines permitted the establishments of for-profit private HEI's to absorb extra demand. Although private ownership is limited to 40%, the policy gives strong incentives for the upsurge of private HEI's (T. & J., 2017).

#### 4.2 Comparison

In comparison, public HEI's possess a stronger faculty with exhausted infrastructure. Overall, the public HEI's have a higher percentage of full-time faculty with Ph.D., a lower percentage of part-time faculty members, and a lower student-teacher ratio. However, the data from public HEI's are highly skewed by the UP as UP is an outlier among state HEI's. In terms of graduates' employment success, UP graduates are the most successful while graduates from other public HEI's are less successful compared to private HEI's. Within private HEI's, non-profits are more selective and thus produce more successful graduates compared to for-profit.

#### 4.3 Main Issues and Recommendations

It can be seen that the problem of Philippine's private HEI's lies in the vast number of low-quality demand-absorbing HEI's, which are profit-seeking and sometimes charge students unjustified high tuition fees. The quality assurance policies do exist, but they are voluntary. The private HEI's gain voluntarily via the Federation of Accrediting



Agencies of the Philippines. Among all ASEAN countries discussed in this dissertation, Philippine is the only country that does not exercise a mandatory quality check on private HEI's.

The policy recommendation is to enhance the enforcement of current quality checks to stimulate an increase in the programme quality of the demand-absorbing HEI's. On the other hand, the problem of public HEI's is that most resources are given to UP, rendering the other public HEI's worse than private HEI's in graduates quality and employability. The solution may be to promote privatization of public HEI's through the charge of tuition fees and encourage revenue-generating events. Adopting market strategies help public HEI's to accumulate financial capital to improve faculty quality, technological equipment, and research funding.

## Chapter 5. Thai Higher Education System

Thailand is a representative of diversified and premium private HEI's in the region. The public sector still has a dominant position as it holds 90% of total HEI enrollment (PROPHE, 2010). Its private HEI's are steadily growing under the contribution from diminishing military influence, economic liberalizations, and government's privatization policies. Representative names and rankings are listed in Table 5.1.

**Table 5.1.** Representative Universities.

<i><b>Public</b></i>	<i><b>HEI's</b></i>	<i><b>Private</b></i>	<i><b>HEI's</b></i>
<i><b>University</b></i>	<i><b>Ranking</b></i>	<i><b>University</b></i>	<i><b>Ranking/ Status</b></i>
Chulalongkorn University	271	Assumption University	Christian
Mahidol University	380	Bangkok University	Semi-elite
Thammasat University	601-650	Dhurakij Pundit University	Semi-elite
Chiang Mai University	651-700	Rangsit University	Semi-elite
Kasetsart University	801-1000	University of the Thai Chamber of Commerce	Semi-elite
Khon Kaen University	801-1000	Payap University	Hybrid of religious and serious demand-absorbing
King Mongkut's University of Technology Thonburi	801-1000	-	-
Prince of Songkla University	801-1000	-	-

*\*Sources: QS University Ranking (2019)*

### 5.1 Governance

The Thai government is supportive of the promotion of the private sector in tertiary education. The contributing privatization policies are 1969 Private College Act, 2003 Private Higher Education Act, and 1998 Student Loans Fund Act (Desiderio & Lechuga,

2012). Although private HEI's are permitted to offer degree programmes, they are under strict regulations and receive none of the public funding. The Second Private Higher Education Act B.E 2550 in 2007 allow private HEI's to enjoy an equal status similar to that of the public HEI's and loosen up the rigid control. The private HEI's have more institutional autonomy but are still governed by more than 20 ministerial regulations. In conclusion, private HEI's have the potential to outgrow public HEI's.

## 5.2 Comparison

Thailand has a balanced development in all types of private HEI's under Levy's typology. As for religious and cultural oriented HEI's, due to the heterogeneity, there exist Catholic, Christian, Islamic, Buddhist, Thai-culture and Japanese-culture HEI's. Except for Payap University, which is comprehensive, other religious/cultural HEI's tend to be small, specialized, and non-secular. These five most prestigious semi-elite HEI's hold 40% of all enrollment into the private sector and has the highest national reputation. Students enrolled in those universities have a more advantageous socioeconomic background as high tuition fees render these HEI's unaffordable to some families (Jimenez & Paqueo, 1991). While being comprehensive in offered fields, they are renowned for business orientation and technology-related programs (Chongwibul & Chaijirachayakul, 2001). The Demand-absorbing type holds 50% of enrollment in the private sector and counts for 80% of all private HEI's (ADB, 2012). This type focuses on low-cost programs and is questionable in academic quality as well as financial management.

### 5.3 Main Issues and Recommendations

The public is dissatisfied with public HEI's due to political agitation and mediocre academic quality. The unhappiness reaches a peak after the 1997 economic crisis, which led the public to question the ability of Thai HEI's in guiding society.

A closer look at the faculty quality shows that only 30% has doctoral degrees, 56% has master's degrees, and 15% has bachelor's degrees. In terms of positions, 53% are lecturers, 26% are assistant professors, 20% are associate professors and only 1.5% are professors (Higher education data information, 2002). The limited percentage of advanced degrees and professors harms the research capabilities and academic qualifications. To strengthen the research culture within HEI's, one recommendation is to encourage teachers to engage in their independent researches and establish a strong link between teaching and research. An increase in research funding and assistantships are necessary. Besides, the quality evaluations should be conducted in a continuous manner instead of the current method with little follow-up.

The student loan allocates resources based on the number of enrollments, students' needs, and major selections. Small-demand absorbing HEI's are disadvantaged compared to public and large private HEI's, which causes some to recruit students eligible for loans vigorously. Loan schemes need simultaneous considerations on the issue of planning, monitoring, execution, evaluation, and organizational structure at both the macro and institutional system level.

## Chapter 6. Malaysian Higher Education System

In Malaysia, public and private HEI's co-exist, compete, and complement each other. The private sector is a regional leader in quality as five private HEI's are in the world's top 1000 HEI's, showing the outstanding quality and international reputation (Table 6.1).

**Table 6.1.** Representative Universities.

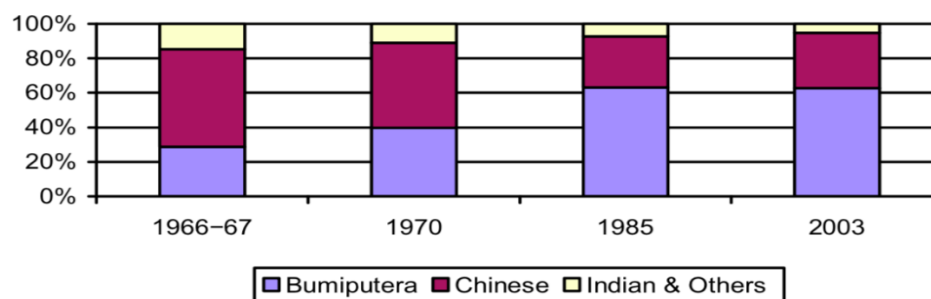
<i><b>Public</b></i>		<i><b>Private</b></i>	
<i><b>University</b></i>	<i><b>HEI's Ranking</b></i>	<i><b>University</b></i>	<i><b>HEI's Ranking</b></i>
Universiti Malaya	87	UCSI University	481
Universiti Kebangsaan Malaysia	184	Universiti Teknologi Petronas	521-530
Universiti Putra Malaysia	202	Taylor's University	601-650
Universiti Sains Malaysia	207	Universiti Tenaga Nasional	701-750
Universiti Teknolohi Malaysia	228	Multimedia University	801-1000
Universiti Utara Malaysia	601-650	-	-
International Islamic University Malaysia	651-700	-	-
Universiti Teknologi MARA-UiTM	751-800	-	-

*\*Sources: QS University Ranking (2019)*

### 6.1 Governance

One essential contributing policy to privatization is the New Economic Policy in 1971, which states that public HEI's' admission must reflect racial composition (Sato, 2007). This places quota favoring Malaysian Bumiputeras in entries and tremendously affects other ethnics, especially the Chinese. From Figure 6.1.1, the percentage of non-Bumiputeras in public HEI's decreased from 70% in 1966 to 40% in 2003. This change makes non-Bumiputeras opt to study overseas for tertiary education and creates a

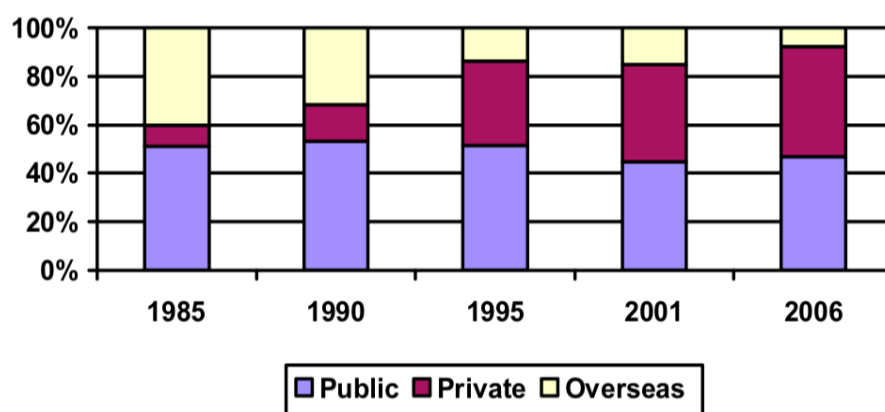
demand for non-public HEI's. In 1980, 61% of overseas Malaysian students were Chinese (Wan, 2007).



*\*Sources: (Sato, 2007).*

**Figure 6.1.1.** Ethnic composition change from 1966 to 2003

The enactment of the Private Higher Education Institutions Act in 1996 legalized private HEI's, which enacted the upsurge of private HEI's. Non-Bumiputeras students began to switch from costly overseas universities to domestic private HEI's. Data show that 95% of admissions into private HEI's are non-Bumiputeras (Da, 2007). The Malaysian governance restricts access into public HEI's for deserving students from other ethnic groups, thus results in unfulfilled demands for tertiary education and the corresponding prosperity in private HEI's. From Figure 6.1.2, the portion of overseas students decreased from 40% in 1985 to 8% in 2006 and the rate of private enrollment increased from 10% in 1985 to 40% in 2006, showing the gradual process of private HEI's replacing overseas HEI's in enrollment.



*\*Sources: (Da, 2007).*

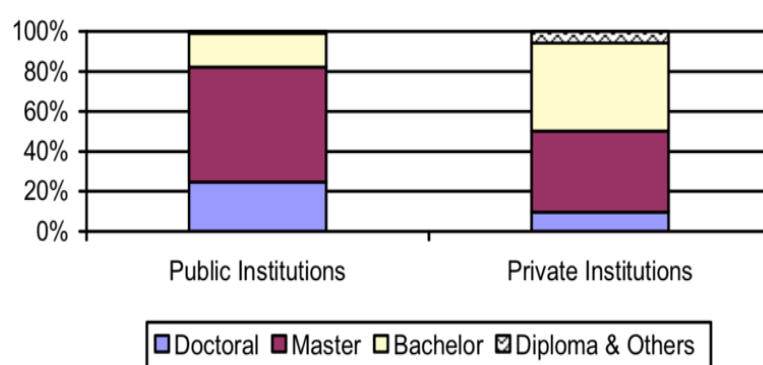
**Figure 6.1.2.** Percentage enrollment in various types of HEI's, 1985-2006

## 6.2 Comparison in Clientele, Courses, and Faculty quality

In terms of courses offered, the two sectors are complementary. In the public sector, more than 60% of enrollments are pursuing Bachelor degrees, 20% for diploma and 10% for graduate studies. In the private sector, 40% of students are pursuing a degree, 40% for a diploma, 20% for certificates and 2% for graduate studies (Da, 2007). The statistics reveal that public HEI's are mainly targeting on degree pursuers while private HEI's are catering to both diploma, degree, and certificate pursuers. The public sector provides an all-rounded diversity of programmes whereas the private sector lacks in hard science, specialized curricula, social science, and humanities. Taylor's University dropped its history major saying there is no market value. This exclusion of liberal arts subjects suggests that the private sector is predominantly market-driven as they need to sustain a high graduate employment rate to attract new applications.

In terms of faculty quality, as shown in Figure 6.2.1 below, 60% of the lecturers hold master's degrees, and 25% hold doctorate degrees in the public sector. The private sector fades in comparison with 41% lecturer holding master's degrees and 10% holding doctorate degrees. Moreover, private HEI's hire a substantial number of part-time

lecturers while public HEI's hire mostly senior full-time lecturers. A survey on the quality of service and lecturers, shown in Table 6.2 below, reveals that students in the public sector feel more satisfied compared to students in the private industry. In conclusion, the public sector provides more comprehensive degrees and more professional faculty.



\*Sources: (MOHE, 2007).

**Figure 6.2.1.** Academic Staff and their highest level of qualification, 2006

**Table 6.2.** Survey on Malaysian HEI's from students

	<i>Group</i>	<i>N</i>	<i>Mean</i>	<i>Std. Deviation</i>	<i>t</i>	<i>P</i>
<i>Rate quality of service</i>	Private	50	2.72	0.67	-8.08	0.001**
	Public	50	3.82	0.69		
<i>Rate quality of Lecturers</i>	Private	50	3.16	0.89	-7.16	0.001**
	Public	50	4.12	0.33		

\*\*significant  $P < 0.05$

\*Sources: (Naidu & Derani, 2016).



### 6.3 Comparison of Graduates

A study by Karim reveals that students from public HEI's perform better in terms of soft skills and the reason is attributed to the mandatory community services and co-curricular courses which expose students to various age groups and social classes. In private HEI's, these socially interactional courses are either not compulsory or not implemented (Karim, et al., 2012). As private HEI's award degrees with overseas partners and conduct courses in English, graduates have a higher employability chance with foreign degrees and fluency in English. With a corporate culture and the ultimate aim to ensure the success of their "clients," private HEI's' graduates tend to get better-paid jobs, have a lower unemployment rate (Ramachandran, et al., 2009).

### 6.4 Recommendations

As for the clientele, the public HEI's absorb intakes from public high schools where Malay is the official medium of communication, which forces Chinese or English speakers to choose private HEI's where English is the primary educational medium. As shown in Table 6.4.1, the direction of public policy in Malaysia is to promote Malay as the sole language and English as a business language. M. Rudner bluntly but aptly suggests that "non-Malays belong to Malaysia, and Malaysia belongs to the Malays."

**Table 6.4.1.** Students in public secondary schools.

**STUDENTS IN GOVERNMENT-AIDED SECONDARY SCHOOLS  
ACCORDING TO MEDIUM OF INSTRUCTION, 1956–67,  
FEDERATION OF MALAYSIA**

	English	Tamil	Chinese	Malay
1956	42,201	310	23,832	2,871
1957	48,235	440	30,052	2,515
1958	57,204	164	34,029	1,815
1959	64,593	10	37,181	670
1960	72,499	—	38,828	4,953
1961	84,347	—	37,793	8,158
1962	119,217	—	—	13,224
1963	135,233	—	—	19,910
1964	151,386	—	—	28,067
1965	208,363	—	—	67,484
1966	242,719	—	—	97,477
1967	286,254	—	—	128,069

Source: *Educational Statistics of Malaysia, 1938 to 1967*, pp. 41–43.

In the long term, society may be segregated in languages, races, and education. The governance of “*Bumiputeras first*” should be replaced with “*Malaysians first*.” A meritocracy system in school will help ease racial tensions and relocate resources to achieve the maximum utility for the nation. Deserving students should be admitted into the best HEI’s regardless of races, languages, and genders. However, there will be many difficulties as Malays will react strongly against the removal of Malay privileges.

## **Chapter 7. Singaporean Higher Education System**

Among the six autonomous public HEI's, NUS and NTU consistently rank as the 1<sup>st</sup> and the 2<sup>nd</sup> in Asia (Table 7.1). The outstanding quality sets Singapore as the regional leader in education and attracts lots of local and international students.

As the six public HEI's are unable to meet the existing demand for tertiary education, there is a considerable need for private HEI's. In 2000, SMU became the first private university, and since then there are more than 300 private HEI's (Findlay, et al., 2010). The private sector has two branches: "external" distance education programs and foreign university branch campuses. The former offers degree programmes in conjunction with an overseas partner university, mainly from the UK, Australia, and the USA. Besides, Singapore has attracted ten world-class universities to set up local campuses or offer degree programmes. The list of universities includes INSEAD, the University of Pennsylvania's Wharton School, Massachusetts Institute of Technology, Stanford University, Chicago School of Business, Johns Hopkins University, New York University's Tisch School for Arts, the University of New South Wales, University of Nevada at Las Vegas and Technische Universiteit Eindhoven ("Singapore's Higher Education Cluster," 2016). However, due to financial losses and other reasons, the University of New South Wales, New York University's Tisch School for Arts, and Chicago School of Business have all closed down (Findlay, et al., 2010).

### **7.1 Governance**

The Ministry of Education is very ambitious in upgrading the education system and turning Singapore into "Boston of the East." With a focus on innovation and enterprise, the main guidance – "Thinking Schools, Learning Nation" has been stated in 1997 by the Ministry.

**Table 7.1.** Representative Universities.

<i><b>Public</b></i>	<i><b>HEI's</b></i>	<i><b>Private</b></i>	<i><b>HEI's</b></i>
<i><b>University</b></i>	<i><b>Ranking</b></i>	<i><b>University</b></i>	<i><b>Ranking/Status</b></i>
National University of Singapore (NUS)	11	Nanyang Academy of Fine Arts	Arts education, partner with University of East London
Nanyang Technological University (NTU)	12	LASALLE College of the Arts	Arts education, partner with University of London
Singapore Management University	500	TUM Asia	Offshore institutes with local campus
Singapore University of Social Science	-	École	Offshore institutes with local campus
Singapore Institute of Technology	-	Ngee Ann Academy	Partner with King's College London
Singapore University of Technology and Design	-	Auston Institute of Management	Partner with De Montfort University
-	-	Stansfield College	Partner with United College of London

*\*Sources: QS University Ranking (2019)*

## 7.2 Comparison

Within domestic HEI's, Singapore's public sector has a predominant position with a higher national and international reputation and better student intake compared to its private sector. The public sector provides a wide variety of degree choices and scholarships, has a high percentage of overseas exposure, charges reasonable tuition fees and can award degrees independently.

Most students who excel in the Cambridge-Singapore GCE A-Level enroll into public universities while private HEI's are alternatives for those who underperform in

the examination or have pursuits in arts, air force or other specialized education. For many Singaporeans, private HEI's serve as a "second chance." Under these circumstances, domestic firms tend to prefer graduates from the public sector as they are more capable and more all-rounded. Thus, graduates from public HEI's have higher salaries, lower unemployment rate, and better social status.

### 7.3 Main Issues

There are three main issues in tertiary education. The first problem is that public HEI's are all under the direct charge of the Ministry of Education and the University Grants Commission, which restricts financial and management autonomy. The government plays an active role in intervening, controlling, and directing universities' decisions, even in academic matters. Both NUS and NTU have the president of Singapore, Halimah Yacob, as their chancellor. Although Singapore has attracted prestigious schools and Nobel winners to contribute to the education system, the question of academic freedom and pressure remains a barrier and has caused academics to leave and schools not to locate locally, such as the University of Warwick.

The second problem is the single-minded gearing towards social and economic development. University education is directed by the government to meet social needs and economic advancements. The NUS medical faculty, which is heavily subsidized by the government, has experienced quotas in 1979 as a result of government policy. There are quotas on the percentage of top students admitted in NUS medicine and dentistry to spread talents evenly on other fields. Besides, the female proportion enrolled is also kept at about one-third deliberately as woman doctors require a high attrition rate and are choosy. Although the discriminatory quota was lifted in 2003, it is clear that the government policies profoundly influence public HEI's. The university tuition grant is

under the political aim of attracting foreign talents. All international students in local universities have to sign a contract to work in Singapore-based companies for at least three years upon graduation.

The last issue involves minority underrepresentation. In 2000, the ethnic breakdown in domestic HEI's was 92.4% Chinese, 2.7% Malay, and 4.3% Indian (Altbach & Umakoshi, 2004). Unlike Malaysia, Singapore refuses to adopt admission quotas based on ethnicity but insists on meritocracy instead. There are various initiatives to help improve ethnic representation but are futile eventually. This continued problem has raised questions such as "*Chinese privilege*."

#### 7.4 Recommendations

Singapore has been quite successful in its economic transformation from a low productivity trade center into an international business center. The next step is a knowledge-based economy which requires to tap on tertiary educational resources to supply enough talents in required fields. The study by Krugman and Young in 1994 concluded that Singapore has to distribute more funds on research, development, and innovation for sustainable growth. Thus, one recommendation is to direct more public funding to invest in innovation education.

Based on studies which suggest that autonomous HEI's are more effective compared to government HEI's, Singapore may gradually give out more autonomy freedom to universities' management board. This will mostly ease the academic pressure faced by the faculty and attract more overseas schools to set up local campuses.

## Chapter 8. Vietnamese Higher Education System

Religious types are non-existent under communist rule until the establishment of the National Catholic University in 2016, which can be explained by the low proportion of religious believers in Vietnam (Table 9.1). As for semi-elite, Phong Dong University is an excellent example. The programmes of private HEI's usually focus on low-cost but high return fields such as business, economics, IT, and foreign languages (Table 8.1). However, some private HEI's innovate programmes in tourism, nutrition, fashion, Vietnamology, and labor protection.

**Table 8.1.** Representative Universities.

<i>Public HEI's</i>		<i>Private HEI's</i>	
<i>University</i>	<i>Ranking</i>	<i>University</i>	<i>Ranking/Status</i>
Viet Nam National University Ho Chi Minh City	701-750	Phong Dong University	Semi-elite
Vietnam National University, Hanoi	801-1000	National Catholic University	Religious
-	-	Van Lang University	-
-	-	Hong Bong University	-
-	-	Duy Tan University	-
-	-	Ho Chi Minh City University of Foreign Languages and Information Technology	-

*\*Sources: QS University Ranking (2019)*

### 8.1 Governance

Vietnamese government's pace in allowing and promoting private HEI's is lagging compared to other ASEAN counterparts. The privatization is still in stage one where

private HEI's are peripheral. Due to the ideology of socialism, higher education is under central control. The doi moi (economic renovation) in 1986 has led to the gradual introduction of private higher education. However, the government is still implementing cautious regulations over private HEI's. Currently, the provisional regulations and accreditations are only available for public HEI's. Before the promotion of privatization, the government should establish a thorough quality assurance scheme.

## 8.2 Main Issue and Recommendations

The academic quality suffers from shortage and low degrees of the staff. Vietnamese lecturer-to-student ratio of 1:29 is one of the highest in the world. As for faculty qualifications, 15% has doctoral degrees, 15% has master's degrees, and 70% has only bachelor's degrees. Not just the majority of the staff hold only a bachelor's degree, but also doctoral degree holders are approaching retirement. Among 927 full professors, none are less than 50 years old, which means that they will retire soon. Besides, only 10 to 30 percent of staff in private HEI's are full-timers. The quality issue can be addressed by expanding domestic graduate education and funding to support staff to do graduate work abroad (Altbach & Umakoshi, 2004).

However, a severe lack of financial resources may be an obstacle to the improvement of quality. Vietnamese HEI's generally lack cutting-edge equipment, technology, libraries, and spacious classrooms. In libraries, not only the amount of book storage is low, but the materials are often outdated or in the Russian language. The lack of facilities, laboratories, and access to the Internet causes problems for conductions of researches. As the current tuition fees are kept at a meager rate of \$250 for private and \$150 for public per year, HEI's could try to charge more to subsidize the purchase of facilities (Chikezie, 2018).



Besides, teaching methods are spoon-feeding, passive, and lacking in independent projects. Reforms towards active learning and American efficient credit system are necessary to keep up with international norms.

## Chapter 9. Conclusion

This dissertation serves as a preliminary summary of the privatization of higher education in Indonesia, Philippines, Thailand, Malaysia, Singapore, and Vietnam. The above six countries are chosen as they represent a balanced spectrum of privatization stage. In general, there are three stages of privatization (Table 9.1). Peripheral stage implies that the public sector plays a dominant role while the private sector is peripheral. Parallel stage means that the private sector is comparable to the public sector. Thailand is a representative country in the parallel stage. Extensive stage means that the private sector is prominent in percentage share and number of HEI's. Table 9.1 compares the six selected countries across five attributes.

**Table 9.1.** Critical data on privatization.

<i>Attribute</i> <i>Country</i>	<i>Governance</i>	<i>Root reasons</i>	<i>Legal ization year</i>	<i>Years of growth</i>	<i>Enrollment% share</i>	<i>Stage of privatization</i>
<i>Indonesia</i>	Prohibit for-profit private sector	Islam majority seeking for religious tertiary education	1980s	33	70.9	Extensive
<i>Philippines</i>	Foreign ownership is limited to 40% maximal	Insufficient spending and low quality of public tertiary education (except UP) Christian majority seeking for religious tertiary education	1980	38	60.9	Extensive

<i>Thailand</i>	Permission of private colleges to offer degree programmes with rigid regulations under 1979 the Private Higher Education Institution Act	Need for mass education	1979	39	20	Parallel
<i>Malaysia</i>	Place racial quota on public enrollment and strict rules over the private sector	Governance on racial admission quota creates a demand for private HEI's	1996	22	46	Parallel
<i>Singapore</i>	Allows 100% foreign ownership and for-profit education subject to very minimal limitations. But policy changes frequently	Different demand for special HEI's and demand from academically low performing students	Mid-1990s	23	28	Peripheral
<i>Vietnam</i>	Lift caps on locals allowed at international schools and require foreign investors to build their facilities before recruiting students Place a limit of 1500 students per year allowed to enroll in private universities	Limited national budget to develop public universities	2005	13	13	Peripheral

*\*Sources: World Bank (2019), ADB (2012) & T & J (2017).*

The essential factors that affect the privatization in education are years of legalization, tuition fees for private HEI's, tuition fees for public HEI's, private enrollment share, private institutional share, government expenditure index, % of religious believers, number of HEIs per million, and a country's GDP (Table 9.1, 9.2 & Table 9.3).

When the government is drafting policies for tertiary education, several essential parts should be considered. These essential parts are quality regulations, access and

affordability, regulation of ownership, the target market of various HEI's, as well as the religion, population, and the number of HEI's in respective countries.

**Table 9.2.** Key facts and background of each country.

<i>Attribute</i> <b>Country</b>	<i>Main Religion</i>	<i>Total population (million)</i>	<i>Number of HEI's</i>	<i>Tuition fees per year private(\$)</i>	<i>Tuition fees per year public(\$)</i>
<b>Indonesia</b>	87% Islam 9% Christianity	265.32	3000	10168	116 ~ 1160
<b>Philippines</b>	94% Christianity	107.02	436	(2068 ~ 5080) + 365 one-time fee	1655 + 122 one-time fee
<b>Thailand</b>	94.6% Buddhism	69.18	310	3766 ~ 8788	1883 ~ 8788
<b>Malaysia</b>	61.3% Islam 20% Buddhism	32.45	111	(5496 ~ 8765) + (427 ~ 542 one-time fee)	(404 + 635) + 113 one-time fee
<b>Singapore</b>	33% Buddhism 14% Muslim	5.66	34	17000	7000
<b>Vietnam</b>	16% Buddhism 6.8% Christianity	94.58	419	200	150
<b>Average</b>	-	95.7	1038.3	58774.83	5497.83

\*Sources: World Bank (2019), ADB (2012).

typo: 5877.4

Collection of relevant data on the key factors allows the dissertation to perform essential analysis (Table 9.3). The Excel spreadsheet does the calculation. The expenditure index and Education index has a positive relationship, demonstrating the importance of government funding on educational quality.

**Table 9.3.** Key analysis.

<i>Attribute</i>  <b>Country</b>	<i>HEI per million</i>	<i>% GDP allocated to education</i>	<i>% of tertiary expenditure out of educational expenditure</i>	<i>Expenditure index</i>	<i>Education index</i>
<b>Indonesia</b>	11.3	3.58	15.8	56.564	0.622
<b>Philippines</b>	4.07	2.7	12	32.4	0.661
<b>Thailand</b>	4.48	4.12	15.5	63.86	0.661
<b>Malaysia</b>	3.42	4.8	23.4	112.32	0.719
<b>Singapore</b>	6	2.9	35.3	102.37	0.833
<b>Vietnam</b>	4.71	5.6	15	84	0.626
<b>Average</b>	5.66	3.95	19.5	75.25	0.687

*\*Sources: for %GDP allocated to education and Education index, see The World Bank Data (2019); Expenditure index indicates % GDP allocated to tertiary education; Education index indicates the relative quality of education.*

*\*Equation: HEI per million = Number of HEI's/Total Population (millions);*

*Expenditure index = %GDP allocated to education \* % of tertiary expenditure out of the educational expenditure.*

Based on the analysis of critical factors and data, this dissertation identifies the main problems in each of the six countries and guides the formulation of educational policies to address those problems. The dissertation studies six out of ten ASEAN member states. As ASEAN countries are facing largely similar yet different challenges, further studies to include Cambodia, Laos, Myanmar, and Brunei are encouraged. With the trend of privatization, countries in the SEA region should maximize the advantage of the geographical closeness to communicate, cooperate, and provide supply to meet the continually increasing demand for tertiary education.

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