

Private Higher Education in Taiwan: From Prosperity to Adversity

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Abstract

Demographic changes, underenrollment, the COVID outbreak, and growing geopolitical tensions pose many challenges to the private higher education (PHE) sector in Taiwan. This article discusses the state's governance model relating to the underenrolled PHE sector and analyzes the pluralist-market oriented strategies adopted by semielite private institutions, in a context of local and global competition.

Taiwan's higher education has experienced substantial changes in policy orientations over decades. Like in other East Asian countries, the system was highly regulated by the state. During the 1980s, following a process of political democratization and economic development, the Taiwanese government was pressed to provide students with more opportunities for higher learning.

Taiwan's Private Higher Education

As a result, the higher education system, especially its private sector, was expanded significantly and rapidly both in terms of institutions and of student enrollments. By the late 2000s, private higher education (PHE) institutions in Taiwan had by far outnumbered public institutions. In 2020, 102 out of 149 higher education institutions were private, with an enrollment of 1,244,822 students, equal to 68.5 percent of the total student population.

Taiwan's PHE institutions are diverse and follow patterns observed in East Asia and beyond. As in Japan and South Korea, where PHE has also held the majority of enrollment, types of private institutions range from religiously affiliated, entrepreneur-funded (associated with enterprises and industries), and philanthropic (family donors). The first private university, Tunghai University, was religiously affiliated, reestablished in Taiwan by the United Board for Christian Education in China in 1953. Currently, most private universities and colleges in Taiwan are characterized as "demand-absorbing" institutions: They depend principally on tuition income and focus primarily on teaching-heavy programs, while receiving only limited donations. In fact, approximately half of the "demand-absorbers" focus on vocational programs.

Only a small portion of Taiwan's private universities—such as Chang Gung University, Taipei Medical University, and China Medical University—can be categorized as semielite. These institutions are well connected to industry, normally own a medical school, and offer a handful of STEM programs. In general, they are regarded more highly than second-tier public institutions.

The State-Steering Governance Model in Taiwanese PHE

The distinction between the public and private higher education sectors (intersectoral distinctiveness) in Taiwan is insubstantial. Under the Private Higher Education Act 1974 and the University Act 1994, private and public institutions are subject to the same regulations concerning varying important aspects, including establishment, appointment of presidents, program development, financial management, faculty and staff recruitment, student enrollment, tuition schemes, etc. For example, after having been selected by the institutional committee, a president of a private university needs to be approved by the ministry of education (MOE). This procedure is basically the same for the public sector. In a similar vein, the Teachers' Act hardly distinguishes the two sectors when it comes to the appointment, promotion, suspension, and dismissal of faculty members. Moreover, both public and private universities must be accredited based on the same quality standards, by the same quality assurance agencies.

An intriguing aspect of limited intersectoral distinctiveness, and of substantial state control, relates to tuition policy. On one hand, the MOE provides headcount-based subsidies to private universities to protect students from receiving low-quality education as well as to ensure the accountability of private institutions. Between 2014 and 2019, the total value of this fund increased from USD 750 to 877 million—or 17 percent. Currently,

MOE subsidies account for more than a fifth of the regular income of private institutions. On the other hand, all private institutions, whether they receive MOE subsidies or not, have been prohibited from raising tuition and fees. Although intermingled with political complexities, this tuition-ceiling policy poses a threat to institutional governance, financial sustainability, quality maintenance, and global competitiveness.

Across the PHE sector, the governance of Taiwan's PHE has changed from a "state-steering" to a "pluralist-market" model. For example, the revised Private Education Act of 1997 stipulated that private universities and colleges would have autonomy in the operation of their governing board and the execution of faculty promotion. However, the MOE still keeps a close check on quality via a variety of external reviews and assessments.

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The State's Role in an Era of Demographic Changes

In 2022, the fertility rate in Taiwan fell to a historic low of 0.89. Fifty-one universities, including 29 private universities, together had a deficit of 14,000 students, while the acceptance rate, at 98.94 percent, was the highest recorded. Demographic changes and underenrollment appear to have caused a dual reaction from the state.

On one hand, the MOE passed the "Act Governing the Closure of Private Educational Institutions," for the purpose of protecting students' learning rights and teachers' interests. Through this "exit plan" scheme, the MOE intends to resume its control upon underenrolled private universities. For instance, in 2022, 12 private institutions that met less than 60 percent of their recruitment target were forced to close down. In fact, for a long time prior to the enactment of the exit plan, the MOE had been closely monitoring the academic and administrative aspects of underenrolled private institutions.

On the other hand, to be able to cope with the dramatic drop in local student enrollment, semielite private institutions are encouraged to foster and consolidate their international outreach and simultaneously become more responsive to the labor market. A couple of private universities with longer histories (hence, sufficient resources and network heritage), a strong academic focus and professional performance, or running a medical school (in pursuit of global rankings with advanced research and publications) started to transform into research-oriented universities seeking academic excellence. Two private institutions, Chang Gung University and Yuan Ze University, were successfully awarded MOE Research Academic Excellence Initiatives (AEI) from 2005 to 2016. Several semielite private institutions awarded with Teaching AEIs have attempted to strengthen their industry linkages and engage students through offering a variety of internship programs. The partnership between Yuan Ze University, a private institution, and Far Eastern Group, an international telecommunications and manufacturing conglomerate, is a telling case. Another strategy, currently adopted by Feng Chia University, I-Shou University, and Fu Jen Catholic University is to seek international partners in order to offer collaborative cross-border programs and recruit more fee-paying international students. In general, the "exit plan," together with the AEIs, has created both pull and push factors that help transform many semielite private universities, some of which outperform public universities in global rankings.

Despite the public's persistent discriminatory attitude, Taiwan's PHE institutions have made great efforts to demonstrate their accountability and to gain public confidence. However, demographic changes, underenrollment, the COVID outbreak, and the region's growing geopolitical tensions have posed many challenges to the sector. In that context, the Taiwanese state has departed from the state-steering model to instill a pluralist-market one. ▲

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