

Economic Crisis Accelerates the Reform of Higher Education in Thailand

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In the midst of the current economic turmoil, Thai higher education is embarking on its most drastic reform in nearly a century: all public universities will become autonomous in financial and administrative terms by the year 2002. Faced with diminishing financial support from the central government, the presidents of all Thai public universities reached a consensus on this reform in February 1998.

In Thailand, public universities are defined as "government-owned," and while they have gained considerable autonomy in academic matters, their financial management and administrative mechanisms are still strictly controlled by the federal bureaucracy. Being independent means that public universities will receive less funding and be forced to become more accountable. At the same time, they will be freed from the existing system of detailed financial and administrative controls. The movement toward this independent status has been discussed for over three decades, but it took the current fiscal crisis to spur the universities into action.

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The economy is expected to recover within a couple of years, but the period of high growth is over. The Thai government is being forced to reassess its method of funding projects and government agencies, and this will have an impact on education as well. While the government announced that it was attempting to maintain its budget for education, the 1998 budget decreased for the first time this century, by 1.4 percent. Considering that the budget increased by 22 percent from 1996 to 1997, and the inflation rate in 1998 is expected to be 11 percent, the decrease is significant. In higher education alone, 2 percent of the budget was cut. As a consequence, work on new and existing projects, investments in equipment and buildings, and employment of new faculty and administrators will be constrained. Regarding human

resource development, the Thai government has given nearly 2,000 scholarships to study abroad for postgraduate degrees over the last five years. However, all new scholarships have been canceled, and students currently studying overseas are experiencing hardships.

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No longer able to depend on government funding, public universities are forced to reform. In fact, the new policy is to be implemented in accordance with conditions set by the \$1.5 billion structural adjustment loan program funded by the World and Asian Development Banks as a part of the International Monetary Fund's \$17.2 billion bailout package. In particular, the IMF agreement encourages the privatization or corporatization of government projects and agencies as well as increased transparency by all government bodies. The financial autonomy and public accountability that this reform will bring is a major step toward meeting the IMF conditions.

The Ministry of University Affairs (MUA) has been encouraging universities to be more autonomous since the 1960s. It was extremely difficult for public universities to agree on reforms, however, since 80 percent of their budgets come from the central government. Independence means that the universities will receive less government funding than previously. They will have to raise funds by increasing tuition fees and cooperating with the private sector in research and development.

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and research. Each public university has its own charter and considerable autonomy in curriculum matters and in the maintenance of academic standards. Self-evaluation of programs is conducted, but the results are not public information. Under the reforms, however, universities will be required to have external examinations. In fact, the MUA is planning to establish an independent agency, the Quality Assurance Center, in 1998 to ensure that the high academic standards of the public universities are maintained. The universities once rejected the idea of the Center, but the new independence means they must accept the fact that a third-party agency is necessary for transparency.

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At the same time, universities will be freed from the government's bureaucratic restrictions on their financial and administrative autonomy. Currently, public universities seeking to receive government funding must submit annual budget proposals to the MUA one year in advance. The MUA then submits proposals to the Budget Bureau, which considers the proposals submitted by all ministries and government departments, before presenting the national budget proposal to the Cabinet. Finally, the Cabinet approves and gives legislative authorization. All budgets are itemized and universities are not allowed to transfer funds from one item to another. Moreover, university income and accounts are closely scrutinized by the MUA, and any income surplus must be returned to the Budget Bureau at the end of each year. For example, research using foreign equipment and materials will be abandoned in 1998 since the price has doubled in Baht terms due to devaluation. However, the universities cannot use these monies for other purposes and must return all funds to the Budget Bureau. Given such cumbersome bureaucratic procedures, it is impossible for universities to be efficient and flexible while adjusting to changing circumstances.

The universities' new autonomous status means that faculty and staff will no longer be civil servants. To date, employees of public universities have enjoyed the privi-

leges of being government officials—such as full medical coverage, housing allowances, and the right to receive royal decorations. Critics of the reform contend that academics' prestigious status will be threatened. Reformers point out that the universities are not able to attract and retain highly qualified faculty with the current regulations. As civil servants, the procedures and rules governing the academic staff's appointment, salary, and conditions of service and promotion must conform to civil service regulations. Under these rules, faculty receive only one-third to one-seventh of the salary of those with equivalent backgrounds in the private sector. Due to the low salaries (starting at \$250 per month), many faculty resort to side businesses such as consulting. Moreover, teaching loads are quite heavy, often as many as 16 hours per week. Additionally, there are few professional administrative staff at the public universities, and the general administration burden has to be shared among faculty. Under these circumstances, faculty cannot spend sufficient time on teaching and research. Only a handful of faculty (1.8 percent) hold the rank of professor, partly because they are not given an environment conducive to concentrating on teaching and research, and partly because the promotion procedures closely follow civil service rules. When public universities become independent, they will be free to offer more competitive compensation.

The economic crisis is negatively impacting higher education in a number of ways. At the same time, the severe nature of the crisis is the driving force of this reform. Obviously, the movement toward becoming autonomous is just beginning and many bureaucratic and financial hurdles remain for universities. Still, the consensus reached by the universities to initiate this reform is a significant step toward making Thai public universities more financially independent, more accountable to the public, and of higher quality. —

Higher Education on the WWW

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