

almost universal participation. It recommended that the government “declare its commitment to the establishment of a learning society in which all Australians, of whatever social, cultural or economic background, have access to postsecondary education of excellent value.”

On this basis, it went on to recommend a funding and policy framework with these elements:

- a student-centered funding system with public contributions toward tuition costs driven by student choice for both undergraduates and research students, and with institutions able to set their own fee levels;
- more emphasis on priority setting and national coordination in research; and
- a more competitive and entrepreneurial higher education system, one better able to compete internationally and with the capacity to make investments in information technology and infrastructure.

The review’s vision for higher education was couched in terms of a strong commitment to lifelong learning and almost universal participation.

Under the student-centered funding system, all school leavers and adults accessing postsecondary education for the first time would have a lifelong learning entitlement that could be used at an existing university, a Technical and Further Education (TAFE) college, or at a private university or Vocational Education and Training (VET) provider. Institutions would be able to set their own fees, and a Higher Education Contribution Scheme (HECS) loan system with repayment contingent on future income would be available to all students to allow deferment of payment of any tuition fees not covered by the government entitlement.

Almost immediately after the final report was released, David Kemp, minister for employment, education, and training, quickly distanced himself from key recommendations on the student entitlement system of funding and the freedom for institutions to set their own fee levels. More recently, in a carefully crafted speech given on April 21, 1998, to an OECD seminar in Sydney, he set out the government’s agenda should it be returned to a second term. This has been interpreted as being meant to take the spotlight off the West Committee’s report. —

Note

1. *Learning for Life: Final Report, Review of Higher Education Financing and Policy* (Canberra: Department of Employment, Education and Training, 1998).

Thailand’s Economic Crisis Slows Down Public and Private Higher Education

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After more than three decades of contentious discussion, Thailand’s public universities have finally agreed to privatize by the year 2002. Reduced government funding is the engine behind this reform. State-owned universities have suffered immediate cuts in budget (generally 20 to 30 percent) as the national budget itself was trimmed down two or three times in the past 12 months. The reductions affect not only operating expenses, but also faculty research and further training. Thus, units at public universities need to show reductions on bills for the use of paper, telephones, water, and electricity. A ban on the purchase of imported instrumentation is making the continuation of some research projects in science and technology next to impossible. No support is given for overseas conferences. Academic seminars and conferences cannot be organized on campus, within Bangkok, or up-country.

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In addition, there is a freeze on salary increases this year as well as talk of other cuts in pay. If the contract runs out for an existing expatriate professor, she or he will not be replaced with another foreigner. Because no replacements are planned for retiring staff either, openings for new jobseekers become very questionable. Young staff members are hit in still another way. Financial support for study abroad has been stopped until further notice. Those already on overseas scholarships are left stranded or encouraged to continue their studies at home. The one recent ray of hope for them was President Clinton’s promise of scholarship assistance given to Prime Minister Chuan Leekpai during his March visit to Washington. As a result of all this retrenchment and the uncertainty it brings into their professional lives,

many faculty at public universities are beginning to feel demoralized.

Ironically, even as the public universities suffer all these cuts, a new Ministry of University Affairs policy asks them to admit 20 percent of the students who have failed the annual university entrance examination. The idea is to keep those unsuccessful applicants with the highest scores from becoming part of the unemployment figures. The rector of the prestigious King Mongkut's Institute of Technology immediately announced that his university cannot comply with this quota because budget cuts are already affecting the quality of education for existing students.

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As for private colleges and universities, the first noticeable impact of the economic crisis has been a sharp drop in enrollment (some report as much as 30 to 40 percent). With less family funds available, more students are flocking to the cheaper public universities. Because of smaller enrollments, private institutions need to dip into reserve funds or lay off teachers to make ends meet. Among those students remaining in the private schools, more need to rely on scholarship, grants, and deferred payment arrangements. However, it is still too early to see whether there will be a lasting significant drop in enrollment at private institutions.

Even before the economic crisis, only 30,000 of the 190,000 annual applicants for higher education found places in Thai universities. Of the remaining 160,000, those who could afford it would pursue their studies overseas. In the past year, a good number of these students have been returning from abroad because of financial constraints. Local private colleges and universities have tried to help them continue their studies without interruption through flexible entrance requirements. Assumption University, for example, is allowing such students to take a series of placement tests instead of the normal entrance examination, provided they show evidence of good academic records overseas. Even those forced to return home just a few months short of obtaining their secondary school diplomas are being accepted in this way. By May 1998, some 300 students returning from Australia, Canada, England, New Zealand, and the United States have been admitted

to Assumption University alone.

Generally speaking, private universities have followed methods similar to the public institutions in trying to control operating costs and salaries. However, Brother Martin Prathip Komolmas, rector of Assumption University, has insisted on continuing to pay normal bonuses and annual increases. He has also continued grants for overseas conferences and scholarships for further studies. Difficult as this has been, he considers it crucial to maintaining faculty morale.

Private universities are also cooperating with each other to meet the crisis. Brother Bancha Saenghiran, vice-president for academic affairs, Assumption University, and chairman for academic affairs, Association of Private Higher Education Institutions in Thailand, reports that the association has set up a cost-saving joint purchasing plan for essential supplies like paper. It is also developing a quality Doctor of Business Administration program through the pooling of resources of several private universities to avoid the now prohibitive expenses of overseas education.

With cash flow problems, both public and private universities have stopped or slowed down new building projects. A most dramatic example is Assumption's new Bangna campus, began some five years ago 21 kilometers outside the city. It was originally projected to cost 2 billion baht. Estimates now raise the total for completion to 5, even 10 billion baht. The construction of buildings not yet begun must be postponed, and the university must take out huge loans to pay current costs of this massive project. Nonetheless, plans are still moving forward to open this campus in the year 2000.

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It is still too early to see large differences between the impact of the crisis on private and public institutions other than increased enrollment for the public and declining enrollment for many private institutions. Among the private universities, older, better-established institutions are most likely to survive. Less-established schools and those not yet off the drawing board may have to be closed or axed.

In the spring issue of IHE, Rie Atagi suggests that Thailand's current economic crisis, coupled with IMF conditions for recovery, is accelerating the century's "most dras-

tic reform” in higher education. According to Atagi, the budget cuts for state-owned universities may suggest that privatization can help the public universities gain freedom from cumbersome government “bureaucratic restrictions on their financial and administrative autonomy.” She also proposed they can then also become “more accountable to the public, and of higher quality.”

My own reading of this proposed reform is less sanguine. Even before the economic meltdown, 70 percent of Thailand’s 60 million people lacked the financial means for university education. Today, a mere 14 percent of the population goes into higher education. The substantial rise in tuition fees inevitably following upon privatization will only lower this percentage even more.

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Commendably, the rectors of Thailand’s state universities insisted on government scholarships and low-interest loans for poor students as one of the conditions for privatization. However, as Dr. Rapin Thongra-ar of Ramkhamhaeng University (one of Thailand’s two open universities) has observed, most students needing such loans will be unable to pay them back within the present economic system.

The altruistic motives of the founding vision led many private institutions to maintain generous scholarships for financially strapped but promising students. However, in most cases they simply cannot do so to the same extent that a national system can. Private goodwill can never fully replace national commitment to the common good for the next generation. Privatization weakens that commitment.

While the government clearly needs to divest itself of certain state-owned enterprises in order to solve the present economic crisis, universities should not be grouped among these enterprises too lightly. If done carelessly, and without genuine concern for the integral development of the nation, privatization of public universities will only be another tragic example of short-term gain and long-term loss. Unless the state universities privatize for larger reasons than the profit motive or meeting IMF paybacks, unless they preserve their mission of service to the entire population, both quality and equity will deteriorate.

Mexico’s Approach to Quality Assurance

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The last decade has seen substantial growth throughout the world in higher education quality assurance systems. As one knowledgeable observer notes, more than 50 agencies now exist worldwide that have roles related to quality assessment or quality assurance.¹ In most cases, these agencies have been mandated by government decrees and follow a design developed by ministry officials. Often these agencies have encountered resistance or criticism. In other instances, their approach has had to be revised extensively—or even disbanded—after a short time.

By the late 1980s, Mexican institutions of higher education were in dire need of additional funding. The financial crisis of the 1980s caused a 50 percent decline in the purchasing power of faculty salaries, forcing many qualified academics to quit their jobs or to take on additional employment. This resulted in severe staffing problems and a deterioration in teaching conditions at a time of increasing enrollments. This led to public concern and government demands for improving the quality of higher education. With the economic recovery in the late 1980s, the government was ready to increase public expenditures on higher education but insisted on reforms and increased public accountability.

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Mexico’s Pluralistic Approach

Since 1989, the Mexican government has taken steps to strengthen quality assurance. However, instead of imposing a single model, it has supported the development of different assessment mechanisms. Rather than one agency for quality assurance, for example, the country has multiple programs that are carried out by several separate organizations. The Mexican approach has been participatory, with both government and higher education involved in numerous meetings, commissions, and planning committees.