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Higher Education in Asia

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THE SHIFT TOWARDS ASIA

I may start my paper with a quote from the Jakarta Globe

“Asian Universities have gained significant ground on their Western counterparts and could overtake them within two decades”

June 11, 2013

ANOTHER QUOTE ON HIGHER EDUCATION

By 2020 China will be the world's largest power in terms of population that has received higher education. In 2020 nearly 200 million Chinese citizens will have college degrees, more than double the number that did in 2008 [84 million]. This means that the number of college-educated Chinese nationals will nearly equal the working-age population of the United States [220 million] and will be larger than the total employed population of the United States [180 million].

Hu Angang [2011]

'China in 2020'

SINGAPORE STORY

In the introduction to Singapore's Post-Secondary Education Brochure, their Education Minister has a fascinating observation to make;

“Singapore university education aspires to prepare students not only for today's world but also for a world where there will be jobs that have yet to be invented and challenges not yet foreseen”.

Higher Education in Singapore

INDIA

- Looking at the India story, one might note the huge expansion in higher education.
- Enrolment having risen six times in the last 30 years.
- India has nearly 26 million youngsters [2012] in its higher education institutions.
- This number gives it the 2nd in rank in the world in the annual output of graduates – 6 million, A GRE of 18.8%.
- Almost the same story of active growth could be heard in most Asian countries irrespective of their history or geography.

THE SURGE ALL ACROSS

- There is a 40 to 50 times growth in the number of graduates produced in India, China, Indonesia, the Philippines, Korea or Malaysia compared to that of, say, 1961.
- The surge is picking up further momentum in most of the Asian countries.
- Such vigorous growth has no doubt led to some unintended consequences.
 - Higher levels of educated unemployment.
 - The graduates' aversion for lower level jobs.
 - A craze for office jobs as opposed to manufacturing jobs.
 - The emergence of 'graduates slums' like the 'ant tribe' of China where these youngsters live in the periphery of large cities in pitiable conditions, waiting for a job.

A FREEZE

- Some countries like Malaysia reached such a pass in the vast growth in turnout of graduates that the education minister had to call a halt to further expansion of IHE.
- Almost the same kind of a situation had also arisen in India where the production of engineering and management graduates, largely thanks to the private sector, has far exceeded the market needs
- Resulting in very many institutions to be content with 60 to 70% capacity utilization .
- Some of them even forced to close down due to poor enrolment.
- Indonesia which is hugely dependent on private sector institutions was also faced with the situation of there being too many social science graduates and too few engineering or technology graduates.

THE EMPLOYABILITY ISSUE

One of the recent Indian studies indicated that only 22% of India's engineering graduates are immediately employable.

Although there was some sensationalism in the study, still it highlighted the fall-out of an unregulated growth in certain areas of higher education, anomalously including engineering, management, computer applications and even biotechnology.

THE VAST NUMBERS

The unprecedented 'gold rush' that happened in some segments of higher education appears to have led to the inevitable intervention of market forces resulting in a much needed correction in the demand-supply situation. The annual production of graduates in India in some of the major professional disciplines are :

Engineering & Technology-		1,750,000 approx.	
Management	-	350,000	„
Law	-	75,000	„
Medicine	-	50,000	„

Except for medicine, there has been a huge over supply of graduates in the country resulting in unemployment, underemployment, disguised employment, wide-spread demotivation of graduates and such other adverse outcomes.

FROM THE ADB STUDY ON HIGHER EDUCATION IN S.E ASIA

“As higher education systems across Asia look forward, they face four overarching challenges:

- *Maintaining and improving education quality, even in the face of serious financial constraints;*
- *Increasing the **relevance** of curriculum and instruction at a time of rapid change in labor market needs;*
- *Increasing and better utilizing the **financial resources** available to higher education; and*
- *Balancing the continued expansion of access to higher education with greater attention to **equity** and to the need to raise quality.”*

ADB ADDS

A paradox of higher education particularly evident across Asia is that, even at a time when countries are producing a record number of graduates, employers complain of a shortage of qualified workers, and graduate unemployment continues to creep higher.

There is growing concern among employers that graduates' knowledge and skills are not consistently aligned with labor market needs.

Indeed, whether countries have too few or too many graduates depends on what kinds of graduates are being produced.

'DIFFERENTIATION'

In answering some of these issues, several governments have resorted to developing a 'differentiating' system of institutions:

- A group of 'Super Stars' of global standards, followed by
- High calibre 'National Level' institutions and in
- The third tier, 'Local Institutions' meeting local needs.

In the field of engineering and technology this is the kind of policy that the Federal government and State governments seem to have followed in India – starting at the top with 16 IITs and IISc., followed by almost 30 National Institutes of Technology and a dozen good private sector engineering colleges, and in tier 3, about 3500 average type of engineering and technology institutions. In a way it worked out well in India.

LATEST QS UNIVERSITY RANKINGS

The rankings highlighted some interesting trends:

- Although the domination of American Universities still continues, one could notice the emergence of a respectable number of Universities from the East finding a place in the list as world-class institutions.
- Asia is catching up with continental Europe in the number of top-class Universities.
- Some of the smaller countries of Asia, namely, Singapore, Korea, Taiwan and Japan [smaller compared to India, China, Indonesia and Pakistan] producing world-class universities – and obviously top-class graduates too.

EMERGING CHINA

In terms of higher education, the Tenth Five-Year Plan set the goal of raising the general enrolment to 15 percent by 2005. That goal was met by 2002.

The population with access to higher education reached nearly 98 million by 2009, 543 times that of the 1949 figure [185,000].

This achievement marked the transition of higher education in China from a system of elite education to a system of mass education. The number of students at regular institutions of higher education stood at 21 million, while those in other forms of college programs [part-time and correspondence courses] reached 11.80 million.

During the transition, China surpassed the United States [18 million] to rank first in the world in terms of students in higher education.

A similar situation is discernible in India too. Noted economist Arvind Panagariya [2008] says:

“The higher education world has changed equally dramatically on the demand side. Students now fully appreciate the private value of education. They have access to information to judge which universities offer good education and which courses are valued in the marketplace. One measure of their ability to access and process information is that there are currently 150,000 Indian students studying in the United States, Canada, the United Kingdom, and Australia, spending close to \$2 billion.”

REGULATORY FRAMEWORK - INDIA

On the regulatory framework of higher education obtainable in the country, the National Knowledge Commission led by the visionary, Sam Pitroda [2009], had this to say:

“In sum, the existing regulatory framework constrains the supply of good institutions, excessively regulates existing institutions in the wrong places, and is not conducive to innovation or creativity in higher education. The challenge is therefore to design a regulatory system that increases the supply of good institutions and fosters accountability in those institutions. An independent regulator has to be the cornerstone of such a system.”

This has not been achieved so far.

THE GER SITUATION

In India's eleventh Five Year Plan [2007-12] the country achieved a rise of general enrolment ratio [GER] from 12.3% to 17.9%.

The private sector, in keeping with its role as the principal source of economic growth, had a significant share in this growth by having within its fold 64% of the total number of higher education institutions.

Now in the current 12th Five Year Plan [2012-2017] the target is to raise the GER to 25% . This is lower than that of China, [besides the Philippines and Malaysia]. However, India's higher education is the largest in the world in terms of the number of institutions [45000] while being second to China in respect of the number of students enrolled.

INCREASING ROLE OF PRIVATE SECTOR

The India story in higher education has a dynamic source of growth in the country's private sector now gaining in visibility and impact.

- Almost 80% of the Management Education is in the Private sector.
- The same applies in Engineering Education too.

Yet another dimension of India's higher education is what competent observers have always emphasised: India is the leading source of well trained professionals in the world for the US and other OECD nations.

MANAGEMENT EDUCATION

India is perhaps the first country in the Asian region to start the American system of MBAs way back in the mid-50's.

- This was followed by the establishment of two National Institutes of Management [IIMs in Calcutta and Ahmedabad] during 1962-63.
- Some of the vibrant private sector institutions such as XLRI, Jamshedpur, S.P. Jain Institute of Management and NMIMS in Mumbai, followed.
- The National regulatory agency for Engineering, Management and Computer Education [AICTE] came into being in 1987.
- After the advent of this body, and as a true reflection of the growing market demand, there was an unprecedented growth of these sectors of higher education in India.

EMPLOYABILITY

The huge building of numbers in these areas had the inevitable impact on their quality. It is in this context that the 'employability' issue of graduates appeared. Perhaps this is a continental issue seen almost all over from Mongolia to Malaysia to Myanmar to Indonesia to India to Korea and China.

India's MBA No: 3,50,000 a year.

THE NEW FORCES OF INFLUENCE ON INDIAN B.SCHOOLS

MBA is a universal product and as such the programme and the product are continuously influenced by what happens outside, particularly in the Western World.

The huge competition that has emerged between Business Schools both nationally and internationally, had a salutary effect on quality upgradation.

The willingness to have global accreditation like AACSB, ACBSP, Equis and Amba had pushed many B-Schools into a quality improvement drive.

The impact of international bodies like AACSB, EFMD, CEEMAN, ADISGM, AMDISA, CFDMAS, ABBS etc. on their members and associates in terms of quality improvement.

The triumphant march of English as the medium of instruction in most leading business schools of the world [even in France] has had a tremendous impact on B-Schools, irrespective of their geography.

CONCLUSION

There have been some powerful forces that swept through the entire landscape of the 'Flat World' in the recent past

Liberalisation, privatisation, globalisation, connectivity, international tourism and the relentless flow of money to lucrative markets.

Perhaps a change driver among them all, whose impact was not all that understood, has been the three letter product called MBA. Its triumphant course in the domain of education continues, with greater impact in the developing world.

THANK YOU