



P H I N M A
E D U C A T I O N
N E T W O R K

POLICY ALTERNATIVES FOR HIGHER EDUCATION

LA SALLE INSTITUTE OF GOVERNANCE

May 31, 2007



KEY ISSUES

QUALITY

- in 1997, only 6% had PhDs, 33% had some graduate qualification
 - Non majors teaching majors
 - 97% of 4th year HS students flunked in the 2005 achievement test but all graduated
- lack of basic education years – first two years of college (GenEd) is continuing high school (algebra, grammar, social studies, biology, etc.)
- Market failure: courses offered & course content
 - Why do tertiary institutions continue to offer courses that the industry doesn't need?
Because it's what the parents want

EFFICIENCY

- Average enrollment size is small (1,300)
 - Phenomenon for 2nd floor colleges
- Overabundance of SUCs despite stagnant budgets
 - Special education fund is now used to put up local universities and colleges
 - ✓ Funding driven by enrollment not quality [by enrollment], thus overall quality of SUCs low
 - ✓ SUCs offer same commercial programs private institutions offer and at an average higher cost
 - ✓ No regulation



KEY ISSUES

AFFORDABILITY

- Quality traditionally comes at high tuition fees creating an elite and nonelite system
- Lack of access to financing

OTHER ISSUES

- Less than half reach senior year, 3 out of 5 of those that do graduate within than fourth year = overall completion rate of 30%
- Tendency to offer less expensive programs with lowers social return



OVERALL FRAMEWORK: DEREGULATION

“A sophisticated economy needs a variety of universities pursuing a wide variety of missions. These two principles [diversify sources of income and let a thousand flowers bloom] reinforce each other: the more the state’s role contracts, the more education variety will flourish.”

AMERICA’S SYSTEM OF EDUCATION

(“The Brains Business,” The Economist September 10th 2000)

-all sorts of different types of schools

- 17 of top 20 universities; 35 of top 50
- Employs 70% of world’s nobel prize winners
- Produces 30% of the world’s output of articles in science and engineering
- A larger proportion of American go to higher education than almost anywhere in the world



REFORM DIRECTIONS: Secrets of Success

The federal government plays a limited part – America does not have a central plan for its Universities

- ✓ Limits on how much to increase tuition fees (now must follow the inflation rate)
- ✓ Determines how to spend increase (70% for salaries)
- ✓ Curriculum and even the names of the programs are decided centrally
- ✓ SO number

Competition – universities compete for students to professors

- ✓ Central control and regulation limits competitive space and innovation
- ✓ SUCs not regulated to the same extent

In the Phil.

- always turn into a central solution that will satisfy hopefully everything
- SUCs are competing with the private sectors

Use university resources to make money – consultants, links between industry and academe



SPECIFIC REFORMS

1. Deregulate the industry and foster academic freedom
 - regulate the people they give taxpayer's money to
 - **Balance between standards and market**
 - **Free flow of information to the market on passing rates and quality**
 - **Introduce industry driven information**
2. Rationalize SUCs and level the playing field
 - **Cost recovery systems**
 - Social benefit – social cost, private benefit-private cost.
 - If the benefits in the community are social in nature, therefore, the state bears the burden of the course. If the benefits are private in nature then the private individual must carry the cost
 - US - it's very hard to get a scholarship for graduate school of business or law because they know you'll going to make tons of money when you finish
 - **Quality control on state institutions and cost-recovery systems**
 - If you go to a state school, you have to find something to have them to pay back
 - **Focus on high social return programs (e.g., sciences)**
 - Front running programs, get out of accounting, get out of nursing. Stop spending state money on those programs

Quality oriented reforms

- **Pre Bac/more years of basic education**
 - put two years after HS to those who wants to enter to college
- **Reduction of GenEd for more room for ProfEd** —Why offer BE in college?
- **Support for graduate education (with matching quality checks on graduate schools)**



PHINMA
EDUCATION
NETWORK

PBEEd AGENDA

Working Committee Meetings (developing the reform agenda)

- Teacher Quality
- Financing Educ'n and the SUCs
- Basic Education Cycle -12 years. Universal preschool
- Business Focus
- English as MOI mini forum

A Focus for the Business Community

- Educating business
- 57-75: Making business activities results oriented
- 57-75: Workbook campaign
- Campaign for Teachers
- Medium of Instruction Forum
- National Summit on Education



P H I N M A
E D U C A T I O N
N E T W O R K

THANK YOU!!!