

# THE IMPACT OF THE FINANCIAL CRISIS TO HIGHER EDUCATION

**The 1<sup>st</sup> Asia-Europe Education Workshop**  
25 – 26 March 2010  
Manila, the Philippines



© Asia-Europe Foundation, 2010

The views expressed herein are in no way taken to reflect the official opinion or position of the Asia-Europe Foundation or ASEF's partner organisations.

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical including photocopying, recording or any information storage or retrieval system, without the prior written permission of the copyright holder. Please direct all enquiries to the publisher:

Asia-Europe Foundation (ASEF)  
31 Heng Mui Keng Terrace  
Singapore 119595  
T: +65 6874 9700  
F: +65 6872 1135  
[www.asef.org](http://www.asef.org)

ISBN 978-981-08-7089-8

# Asia-Europe Education Report

**1<sup>st</sup> Asia-Europe Education Workshop:  
The Impact of the Financial Crisis to Higher Education**  
Makati City, Philippines, 25-26 March 2010

Co-organised by the  
**Asia-Europe Foundation's ASEM Education Hub (AEH)**  
and the  
**Asian Institute of Management (AIM)**



# Table of Contents

Foreword	6
About the Asia-Europe Education Workshops	7
I. Introductory Paper	8
II. Workshop Summary	25
III. Recommendations	43
IV. Annexes	46
Programme	46
List of Participants	52
Workshop Presentations and Papers (on CD for print version)	54
About the Authors	56
About the Asia-Europe Foundation (ASEF) About the ASEM Education Hub (AEH)	57
Acknowledgements	59

# Foreword

It is worth mentioning that higher education has played an important role in facilitating the process of globalisation, particularly in the integration of developing and emerging economies to the global production networks. The more recent global financial crisis has not stopped this process. Rather, it has hit all economies – still struggling to recover – to varying degrees, with a bearing on higher education as well.

To get a better understanding of the ways and the degree in which the crisis has affected higher education, the 1<sup>st</sup> Asia-Europe Education Workshop entitled “*The Impact of the Financial Crisis to Higher Education*” was jointly organised by the ASEM Education Hub (the *flagship programme* of the Asia-Europe Foundation that facilitates and promotes co-operation among higher education stakeholders in Asia and Europe) and the Asian Institute of Management (AIM) in the Philippines. On March 25-26, 2010, twenty experts from the fields of education and finance from Asia and Europe convened at the AIM premises in Makati City, to discuss the implications for higher education in ASEM countries and to create a ‘reliable snapshot’ of the situation of higher education institutions after the crisis in terms of experiences, consequences, measures, lessons learned and good practices.

Arising from the discussions and debates during the Workshop, the present publication, the first in a series of *Asia-Europe Education Reports*, will provide inputs to two of ASEF’s upcoming initiatives to be organised in October 2010 - the ASEM VIII Heads of State Summit (Brussels) and the 2<sup>nd</sup> ASEM Rectors’ Conference (Korea). The book features analysis from experts in the fields of education and economics on lessons learnt, issues to be further addressed at ASEM level, and best practices in Asia and Europe during the recent global financial crisis. The publication comprises of the following sections:

1. An *introductory paper* in preparation for the workshop;
2. A *summary* of the main discussion lines of the event; and
3. The *recommendations* by the expert group.

I would like to commend the AEH team and the participants of this workshop for their strong commitment to the start of the series of the Asia-Europe Education Workshops and for a successful first event. Special acknowledgement goes to Ms. Chripa Schneller and Dr. Sean Golden, the editors of the Report. I am entirely convinced that in sharing information and expertise, higher education initiatives such as this can pave the way for improved cooperation among ASEM countries.

**Zhang Hongtie**

Director, People-to-People Exchange Department  
Asia-Europe Foundation (ASEF)

# About the Asia-Europe Education Workshops

The series of the Asia-Europe Education Workshops was launched in 2010 by the ASEM Education Hub (AEH), the *flagship programme* of the Asia-Europe Foundation (ASEF) that facilitates and promotes co-operation among higher education stakeholders in Asia and Europe.

ASEF is the *only permanent institution* of the Asia Europe Meeting (ASEM), a dialogue and cooperation process, which was launched by the first Summit of heads of states and governments in Bangkok in 1996. ASEM currently consists of 45 members: the EU Member States, the members of the Association of South-East Asian Nations (ASEAN), China, India, Japan, Mongolia, Pakistan, South Korea, the European Commission and the ASEAN Secretariat. While ASEM does not have a permanent secretariat, the 1996 ASEM Summit paved the way for the establishment of the Asia-Europe Foundation (ASEF) one year later in 1997. Higher education cooperation has become a focal point upon the establishment of the ASEM Education Hub.

The *ASEM Education Hub* (AEH) was established at the ASEM II Summit (London, April 1998) to promote educational exchanges between Asia and Europe. It aimed at creating a network of ASEM Education Hubs, comprising of universities in Asia and Europe that could serve as centres of excellence in different academic fields relevant to Asia-Europe relations. AEH has since then evolved and in accordance to the mandate of ASEF of bridging ASEM governments and civil society through dialogue and cooperation pursued two overall objectives: (1) providing support to multilateral higher education cooperation initiatives; and (2) acting as a facilitator for higher education dialogue among ASEM countries through the creation of platforms for exchanges among relevant stakeholders.

The series of Asia-Europe Education Workshops was created in accordance with AEH's goal of knowledge exchange. It comprises of *1-2 workshops per year*, with the aim of bringing together expertise from both continents to present practical arguments to governments in ASEM countries in the form of policy analysis and proposals. The format of the Asia-Europe Education Workshops is a two-day experts' meeting of 20-25 researchers, practitioners and policy makers from ASEM countries, who are selected with the help of a Preparatory Group. The latter not only drafts an Introductory Paper (a document detailing the topic and providing an overview of research on it), but also coordinates the writing of the summary and recommendations of the meeting, published in a series of *Asia-Europe Education Reports*.

The publications are circulated through ASEF's networks and partners in the ASEM process and among its stakeholders. Feedback, comments and suggestions on the *Asia-Europe Education Reports* should be addressed to the ASEM Education Hub (AEH) Team at ASEF.

# I. Introductory Paper

(Chripa Schneller, AEH Special Advisor)

## Acknowledgement

This paper was prepared in the run-up to the 1<sup>st</sup> Asia-Europe Education Workshop on 25-26 March 2010, as a basis for discussions. The author wishes to acknowledge the contributions of all preparatory and expert group members, of ASEF colleagues, as well as the authors of the reports and studies mentioned. The usual caveats apply.

In recent years, the global higher education sector has witnessed a rapid expansion. The number of students in tertiary education worldwide has more than doubled from 68 to almost 101 million between 1991 and 2007 (UNESCO Global Education Digest, 2009). In Asia, according to a recent regional study carried out by the Asian Development Bank (ADB), demand for higher education is expected to double in 5 years and to triple in 10 years in many of ADB's developing member countries. While specific challenges vary across the globe, with many Western countries striving to widen access to tertiary education, others are focusing their efforts on universalising access to primary education. Questions of funding and access to education are at the heart of the debate ubiquitously. The current economic crisis has spurred this debate. Induced by the financial systems of the developed countries, the crisis must be considered global in its scope as middle and low income countries were also affected. Higher education (HE), in particular, has been affected in many countries as government, private sector and household resources have been reduced.

While much has been written about the crisis and even more has been said, there is no systematic overview of the impact of the crisis on higher education in the 43 ASEM countries (or of studies thereupon). The ASEM Education Hub (AEH), the *flagship programme* of the Asia-Europe Foundation (ASEF) that facilitates and promotes co-operation among higher education stakeholders in Asia and Europe, has therefore set out to bring together researchers, university stakeholders and policy-makers from both continents to learn with and from each other about the implications of and the reactions to the crisis. The 1<sup>st</sup> Asia-Europe Education Workshop on *The Impact of the Financial Crisis to Higher Education* brings together 20 European and Asian experts to exchange views and findings, and to formulate recommendations for wider political and stakeholder platforms.

The Introductory Paper serves two main purposes:

- 1) To provide an overview of current research and initiatives on the topic; and
- 2) To inquire about present references for commensurable criteria for both European and Asian members that could become the basis for further comparative studies. They also serve as a practical roadmap for the single sessions of the workshop.

## (1) Recent research and initiatives in the field of the impact of the financial crisis on (higher) education

A number of reports examining the impact of and responses to this crisis have been published by organisations such as the World Bank (WB), the Asian Development Bank (ADB), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and others. They vary in type and depth of analysis of the impact on education *per se*. Simply listing all of them would serve the purpose of illustrating the variety of research approaches rather than giving a general idea of the state of play in ASEM countries. Such an overview would easily go beyond the scope of an *introductory* paper. The following synopsis is therefore not exhaustive, but strives to provide palatable data for the upcoming Asia-Europe Education Workshop and is open for discussions among participants.

### UNESCO

In March 2009, the Education Sector of UNESCO launched a *Quick Survey* in order to assess the impact of the current financial and economic crisis on public expenditure on education in Member States<sup>1</sup>. The final report, dated June 2009, presents the findings and salient points of the survey based on the questionnaires completed by Field Offices in 51 countries; some other information sources were used to complement the country responses to the survey.

In general, it can be noted that the crisis stimulated patterns of financial autonomy of universities in terms of cost sharing (tuition and other fees), cost-recovery (different types of student loans) and financial diversification (income-generation and fund-raising), making them less reliant on government budgets.

Another UNESCO report worth consulting is *Globalisation and the Economic Crisis*, published by IIEP, the International Institute for Educational Planning<sup>2</sup>. The paper describes the recent expansion of the higher education sector and argues that higher education in the context of globalisation has become a market-determined process, replacing the near monopoly enjoyed by the state. It also points out that leaving the education sector to markets may not be a good option and makes a case for an active state intervention in higher education (e.g. by developing and safeguarding rules for establishing private and cross-border institutions and for putting in place mechanisms to ensure quality and regulations to ensure equity).

With regard to the implications of the current economic crisis for the globalisation and the development of higher education (sections 5 and 6 of the report), the author identifies six ways in which these have been affected:

- 1) Job prospects of graduates;
- 2) Reduced funding for education (government/private sector/households);
- 3) Loss of investments of some universities;
- 4) (Near) bankruptcy of providers of student loans;
- 5) Freeze on programmes and staff recruitment; and
- 6) The possible decline in aid to education by bilateral and multilateral agencies.

<sup>1</sup> United Nations Educational, Scientific and Cultural Organization, *The Impact of the crisis on public expenditure on education: findings from the UNESCO Quick Survey*, Paris: UNESCO, 2009.

<sup>2</sup> Varghese, N.V., *Globalisation, economic crisis and national strategies for higher education development*, Paris: IIEP-UNESCO, 2009.

To brace economies for the future, there is a strong plea for increasing investment and expanding access to good quality higher education. But there are diverging ideas on how funding for expansion will be organised and shared between public and private sectors, between domestic and external agencies, and between households and government. The author recommends that the State redefine its role, proposing it should assume more of a regulatory and facilitative role rather than simply a funding one.

As IIEP is further investigating the diversification of financial resources and management in higher education as a response to the financial crisis, the Institute's *EdSup Info link*<sup>3</sup> constitutes a useful source for AEH workshop participants. *EdSup* provides data on student support schemes, loans, grants and scholarship policies.

The global financial crisis has provided a stark reminder of the realities of global interdependence, as UNESCO's Global Monitoring Report *Education for All (EFA)* boldly illustrates<sup>4</sup>. There is a danger that, after a decade of achievements, continued progress towards the 2015 education goals will stall in the face of rising poverty, slower economic growth, and mounting pressure on government budgets. While the focus of the aforementioned report is not on higher education, it is crucial to understand its implications. Recommendations include the elimination of primary school fees and the reduction of household cost-barriers to education. The paper maintains that because of the crisis, slower growth and declining revenue are jeopardising public spending plans in education. It calls for increased international aid to help reduce budget pressures in the world's poorest countries.

The UNESCO Asia and Pacific Regional Office for Education (UNESCO Bangkok) organised a consultation meeting on October 2009 to discuss a *Research Study on the impact of the economic crisis on higher education in the Asia and Pacific region*<sup>5</sup>. More specifically, the objectives of the meeting were to:

- Establish a network of Education Research Institutes in the Asia-Pacific region;
- Design a research study on the impact of the economic crisis on higher education;
- Develop a research framework to analyse major issues, examine emerging policies and responses to crises, investigate their impact on educational and economic outcomes, identify key indicators to monitor impact, and suggest recommendations and action plans;
- Prepare a work plan, expected output, schedule and budget for the study; and
- Identify researchers to conduct the study.

Experts from research institutions in Australia, China-Hong Kong, India, Indonesia, Japan, Korea, Malaysia, Philippines, Singapore, Thailand and Vietnam were invited to attend this meeting.

<sup>3</sup> EdSup is a reference database, see: <http://lst-iiep.iiep-unesco.org/wwwisis/studsup.htm>

<sup>4</sup> United Nations Educational, Scientific and Cultural Organization, *Education for All – Global Monitoring report*, Paris: UNESCO, 2010.

<sup>5</sup> United Nations Educational, Scientific and Cultural Organization – Bangkok, *Concept note and summary of the consultation on the Impact of the economic crisis on higher education in the Asia and Pacific region*, Bangkok: UNESCO Bangkok, 2009. See: [www.unescobkk.org/...crisis09/concept\\_note-impact\\_of\\_crisis\\_on\\_he\\_meeting\\_29july09-revised.pdf](http://www.unescobkk.org/...crisis09/concept_note-impact_of_crisis_on_he_meeting_29july09-revised.pdf)

## **Asian Development Bank (ADB)**

The Asian Development Bank has long been providing financial and advisory assistance to its developing member countries (DMCs) for broadening the delivery and improving the quality of education services. Within the series *Focus on Education*, ADB surveys important topics including education sector policy, financing, and service delivery. The recent report *Good Practice in Cost Sharing and Financing Higher Education* discusses the debate and evolution of cost sharing and financing in higher education<sup>6</sup>. Cost sharing, in this context, refers to creating income for higher education beyond public subsidies, e.g. by introducing tuition fees.

The report provides background information on the composition of private and public funding across all educational levels (from early childhood to higher education). It further discusses the main questions in the current financing debate by juxtaposing arguments for increased public subsidies with financing through cost-sharing (fees, etc.), against the backdrop of factors such as market failure, equity, quality and financial sustainability. The underpinning of both sides of arguments by empirical evidence is particularly insightful.

While the author Jouko Sarvi sustains that cost-sharing in higher education will become inevitable, he also recognises that:

- Introducing cost sharing in higher education is not fundamentally a technical exercise, but a political one;
- There is need for developing strategies for identifying and obtaining information that will inform country-specific policy dialogue, rather than one “recipe” for good practice; and
- It will take many years before loan systems begin to generate additional revenue.

## **World Bank (WB)**

The World Bank has commissioned and carried out various studies on the public and private returns on investment in higher education. One that is particularly interesting for the AEH workshop is an international comparison from 1973 called *Returns on Education*, which was last updated in 2004<sup>7</sup>.

Furthermore, the World Bank collects worldwide data on education from national statistical reports, statistical annexes of new publications, and other data sources in its Education Statistics. It should be noted, however, that the online tool - *EdStats* - does not cover all countries. As methodologies of national data collection differ, the numbers may not be completely accurate<sup>8</sup>.

With particular relevance to the AEH workshop are the outcomes of the recent World Bank Conference *Financing Higher Education at a Time of Crisis* held in Budva, Montenegro, on 27-29 October 2009, which discussed the necessity for universities to adjust to budget cuts and strive for revenue generation<sup>9</sup>.

<sup>6</sup> Sarvi, Jouko, *Good practice in cost sharing and financing higher education*, Mandaluyong City: Asian Development Bank, 2009.

<sup>7</sup> Psacharopoulos, George, *Returns on Education: An International Comparison*, Amsterdam: Elsevier, 1973.

<sup>8</sup> See World Bank: <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTEDUCATION/EXTDATASTATISTICS/EXTEDSTATS/0,,menuPK:3232818~pagePK:64168427~piPK:64168435~theSitePK:3232764,00.html>

<sup>9</sup> World Bank, *Financing Higher Education at a Time of Crisis – conference materials (27-29 October)*, Washington, DC: World Bank, 2009 See: <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/ECAEXT/EXTECAREGTOPEUCATION/0,,contentMDK:22378811~pagePK:34004173~piPK:34003707~theSitePK:444608,00.html>

### **European University Association (EUA)**

In early 2009, the European University Association started to survey the National Rectors' Conferences on the situation faced by universities in times of economic downturn, creating a *snapshot of the crisis' impact on European higher education*<sup>10</sup>.

The answers varied across Europe. In countries such as Norway, universities had not felt any direct impact but expected more difficult times ahead and had in many instances engaged in proactive approaches to address the financial challenges. The university sector in Britain, has, for example, implemented a communications campaign entitled *Standing Together* to promote the role of universities in helping business in times of economic downturn. Governments, on the other hand, have reacted in different ways, announcing budget cuts for higher education (Hungary, Italy, Lithuania, Poland), or discarding earlier announced increases in investment in Higher Education (Austria). Others have increased the level of public funding (Denmark, France), especially on infrastructure expenditures (Germany, Switzerland), as part of national stimulus packages. It also appears that some countries are in the process of implementing reforms, which make it more difficult to announce new measures (Finland, Switzerland).

### **European Students' Union (ESU)**

In late 2009, the European Students' Union carried out its first *survey on the impact of the crisis among National Student Unions' in Europe*. Of the countries surveyed, 12 reported an increased financial burden on students and their families. According to the ESU survey, South Eastern Europe has been worst affected. The survey gives practical examples of the effects felt by students, such as increases in administrative fees. The results have not been published, as some data for the survey was still inconclusive. ESU is currently conducting an enhanced survey largely dedicated to financial issues and with longer response times. Another engaging piece on financing that incorporates as much a focus on reviewing medium-term policies in Europe as the financial crisis itself, is the *Financing of Higher Education* chapter of ESU's *Bologna at the Finish Line* publication<sup>11</sup>.

### **Organisation for Economic Co-operation and Development (OECD)**

The research work by the Organisation for Economic Co-operation and Development on the public and private returns on investment in education and its range of education data collection are very complex. The annual publication of the OECD indicators in Education at a Glance is recommended reading for anyone involved in international education research<sup>12</sup>. The 2009 edition of *Education at a Glance*, demonstrates that persons holding a university degree earn far more over the course of their lifetime than those without.

<sup>10</sup> European University Association, *Crisis snapshot among National Rectors' Conferences*, Brussels: European University Association, 2009. The latest version can be found at: [http://www.eua.be/fileadmin/user\\_upload/files/Newsletter\\_new/economic\\_crisis\\_19052010\\_FINAL.pdf](http://www.eua.be/fileadmin/user_upload/files/Newsletter_new/economic_crisis_19052010_FINAL.pdf)

<sup>11</sup> European Students Union, *Financing of Higher Education*. In: *Bologna at the Finish Line - An Account of Ten years of European higher Education reform*, (Brussels: European Students Union, 2010), 111-119.

<sup>12</sup> Organisation for Economic Co-operation and Development, *Education at a Glance: OECD Indicators 2009*, Paris: Organisation for Economic Co-operation and Development, 2009.

With particular relevance to the AEH workshop is the *OECD's Education Lighthouse* initiative, an online exchange for researchers, policy makers and practitioners<sup>13</sup>. Created in early 2009, this social network provides information, evidence and analysis on the impact of the crisis on education, with concrete examples of how governments and institutions in different countries are coping with the crisis. It also offers compelling insights on high priority issues such as education budgets, education in stimulus packages, the effect of unemployment on motivation and learning attitudes, and other issues.

As a specific part of the Lighthouse initiative, the OECD also carried out an *Education Today Crisis Survey* in June 2009 among its member countries. It first examines the impact of the crisis on education demand and participation, after which, the focus turns to supply side and education financing<sup>14</sup>. The paper suggests that while the education sector appeared to experience increased demand and benefit from growing governmental financing in several OECD countries in June 2009, the crisis may have hidden negative effects particularly on decentralised service delivery and private involvement in education.

One of the numerous OECD studies with particular relevance to the AEH workshop is on *The Social Outcomes of Learning*, which is a laudable attempt to shed light on the community benefits of high education levels<sup>15</sup>. The report gives empirical evidence of the higher levels of health and wealth among better-educated men and women. The community benefits are obvious: lower public spending on health and more private savings and consumption. Like many socio-economic studies, this one should be taken with caution: one finding is that education does not always induce health or healthy lifestyles. The authors make the argument that educated people consume more alcohol than those less-educated. The authors suggest that while education might shield against depression, it does not guarantee happiness or general well-being. On the contrary, it can cause stress and anxiety. The report found that some of the most noteworthy benefits of education include political stability, poverty reduction, and less water/air pollution.

### **National-level Research**

There have been several national impact studies on the effects of the crisis. One worth noting, as the main author is among the expert participants of the AEH workshop, is the *Impact of the Financial Crisis on Higher Education in Malaysia*<sup>16</sup>. With a view to lessons learned from the previous crisis, the report shows that the 1997 crisis marked the privatisation of higher education in the country, paving the way for the liberalisation of education that helped Malaysia become a regional centre for academic excellence and a regional exporter of educational services.

<sup>13</sup> Organisation for Economic Co-operation and Development (OECD)'s Education Lighthouse: <https://community.oecd.org/community/educationtoday>.

<sup>14</sup> Organisation for Economic Co-operation and Development, *Summary of the initial Education Today crisis survey, June 2009 – impact of the economic crisis on education*, EDU Working Paper no 43, Paris: Organisation for Economic Cooperation and Development, 2009. [http://www.oalis.oecd.org/oalis/2010doc.nsf/LinkTo/NT00000B12/\\$FILE/JT03278309.PDF](http://www.oalis.oecd.org/oalis/2010doc.nsf/LinkTo/NT00000B12/$FILE/JT03278309.PDF)

<sup>15</sup> Organisation for Economic Co-operation and Development, *Understanding the Social Outcomes of Learning*, Paris: Organisation for Economic Co-operation and Development, 2007.

<sup>16</sup> Sirat, Morshidi and Bakar, Rosni, *The Impact of the Financial Crisis on Higher Education in Malaysia*, 1<sup>st</sup> Asia-Europe Education Workshop: The Impact of the Financial Crisis to Higher Education, 2010, Makati City, Philippines. 25 - 26 March 2010. (to be published)

## (2) References for Further Studies

One very useful outcome of the AEH workshop is the definition of a set of commensurable criteria for both EU and Asian members that could serve as the basis for further comparative studies. The following is a thematic overview of sources with relevance to ASEM countries, which can supply the groundwork for further elaboration by the workshop experts. It also provides useful resources for the five AEH workshop sessions.

*Comparison of proportions of population that accede to higher education (public and private)*

Relevant to all sessions, in particular session 1,3,5
---

Today, more students than ever have entered tertiary education. As demand for higher education outpaces supply in many countries, the private sector has stepped in, especially in some Asian countries. Data on private enrolment in higher education are limited and not easily comparable. As mentioned above, IIEP's report *Globalisation, Economic Crisis and National Strategies* provides a thorough overview of the drivers of the growth of tertiary education. In quantitative terms, World Bank data constitutes a good source for comparing proportions of population that accede to higher education. As explained, the World Bank's *EdStats* collects worldwide data on education from national statistical reports, etc. Among others, *EdStats* tries to capture the percentage of enrolment in public and private higher education institutions (see Table 1). A recent analysis of the 93 countries for which tertiary enrolment and the share of students in private institutions are available indicates that over 37% of total enrolment is in private institutions. For the 13 ADB developing member countries, for which data are available, the percentage increases to 42%. In the Philippines, for example, about three-fourths of higher education students attend private universities.

**Table 1 – Percentage of Private Higher Education Enrolment in ASEM countries, for which data is available**

Country	Private (%)	Country	Private (%)
Austria	13.3	Laos	26.7
Belgium	55.4	Latvia	96.1
Brunei	0.3	Lithuania	8.3
Bulgaria	18.5	Malaysia	35.5
Cambodia*	58.4	Mongolia*	34.4
Cyprus	66.6	Netherlands	100.0
Czech Republic	8.9	Pakistan*	32.9
Denmark	1.1	Philippines*	65.8
Estonia	83.6	Poland	30.8
Finland	10.5	Portugal	25.0
France	16.6	Romania	26.3
Hungary	15.0	Slovakia	4.4
Indonesia*	61.2	Slovenia	9.2
Ireland	7.9	Spain	13.4
Italy	7.2	Sweden	7.8
Japan	79.9	Thailand*	16.6
Korea (Rep. of)	80.1	United Kingdom	100.0
		Vietnam*	10.2

Note: Figures listed reflect the most recent year for which data are available.

\* ADB's developing member countries with data on % private and higher education enrolment.

Source: ADB<sup>17</sup>.

It should be clear, based on the UK and Dutch percentages in particular, that understanding the applied definition of “privately funded” institutions is crucial. For the AEH workshop, the role of private institutions could yield some interesting insights. One of the policies adopted by several Asian governments, in response to the 1997 crisis, was the increase of support to students to allow them to pursue their studies irrespective of whether they were enrolled in public or private institutions.

<sup>17</sup> Source: Asian Development Bank, World Bank EdStats, 12 January 2009. <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTEDUCATION/EXTDATASTATISTICS/EXTEDSTATS/0,,contentMDK:21528247~menuPK:3409442~page PK:64168445~piPK:64168309~theSitePK:3232764,00.html>

## Structures of Higher Education Systems

Relevant to all sessions, in particular session 1,3,5

European higher education systems have been involved for a number of years in a convergence process: the European Higher Education Area (EHEA)<sup>18</sup>. The purpose of the EHEA is to facilitate mutual recognition of academic credentials in order to promote mobility. This process could be studied as a laboratory situation for the implications of promoting increased cooperation between higher education systems as well as the integration of higher education in a process of regionalisation and/or regionalism. Asian higher education systems are also taking steps to promote more cooperation and convergence. The historical, economic, social and cultural contexts of Asia and Europe are different, and even within both Asia and Europe there is a very wide range of diversity. As a result, the process is complicated and difficult. It would be strategically important to promote more convergence among HE systems in Asia and Europe as part of the ASEM process. To do so would require the establishment, by mutual consent of commensurate criteria to (1) define the different levels of HE, and (2) outline the objectives, skills and competences to be obtained at each level of HE, on a common ASEM basis.

A first step would be the elaboration of an “ASEM Qualifications Framework” that would establish a common basis for comparing the various educational levels in Asia and in Europe. The “European Qualifications Framework (EQF)”<sup>19</sup> could be consulted and debated to clarify the similarities and differences between HE systems in Asia and in Europe as well as within their respective member states. Subsequently, a proposal towards a mutually agreed ASEM-wide Qualifications Framework could be developed. Upon the establishment of the EQF for all levels of education (primary, secondary, tertiary), the “Dublin Descriptors”<sup>20</sup> were elaborated in Europe to distinguish among the various levels of tertiary educations (undergraduate, postgraduate, PhD) on the basis of commonly agreed competences to be acquired at each corresponding level. Similarly, the “Dublin Descriptors” could be consulted and debated in order to clarify the similarities and differences between HE systems in Asia and in Europe as well as within their respective member states, and proceed to develop a proposal on ASEM-wide Descriptors for HE systems. The elaboration of an “ASEM Qualifications Framework” and “ASEM Descriptors” would help provide the basis for commensurable criteria that would facilitate greater cooperation and convergence among HE systems in the ASEM context.

## Intra and Interregional Mobility Patterns Between Europe and Asia

Direct relevance to session 2

How did the crisis affect the development of higher education in general, and that of cross-border mobility in particular? To understand this development, it is crucial to examine international student mobility flows in each region over time, and, in particular, the mobility between them. Both the OECD and UNESCO collect international mobility data. As they are based on different national data sources with varied methodologies of collection, the end results diverge to some degree.

<sup>18</sup> European Higher Education Area (EHEA) popularly known as “the Bologna Process” since the first step was taken with a declaration signed in Bologna in 1999.

<sup>19</sup> European Qualifications Framework: [http://ec.europa.eu/education/lifelong-learning-policy/doc44\\_en.htm](http://ec.europa.eu/education/lifelong-learning-policy/doc44_en.htm).

<sup>20</sup> Dublin Descriptors: [http://www.uni-due.de/imperia/md/content/bologna/dublin\\_descriptors.pdf](http://www.uni-due.de/imperia/md/content/bologna/dublin_descriptors.pdf).

Global trends indicate that the international student market is growing. The OECD's annual data collection *Education at a Glance*<sup>21</sup> reveals that international student numbers are up from 1.7 million students in 2000 to 3 million in 2009, with a further upward tendency. 29.7% of all internationally mobile students are enrolled in the United Kingdom, Germany, France and the Netherlands alone. Even though the US remains the single largest magnet, with a share of ca. 20% of all international students, the 27 EU member states combined enrol almost as much as half of the world's international students. The single most popular Asian destination for international students, on the other hand, is Japan, which attracts 4.2%, followed by China. Japan is the single most popular Asian study destination for internationally mobile students and possibly the only Asian country with a higher inbound than outbound mobility rate. This means that more international students come to Japan than Japanese students leaving their country (note that internationally comparable data are not available for countries with less than a thousand mobile students). China, a heavily-populated country, is above all, the main sender of international students, but currently only attracts 1.4% of the global share. This discrepancy is even more striking when compared to the wider Asian region. While Asian ASEM countries account for at least one third of all students in tertiary education worldwide and include the top three countries exporting international students, the region does not receive more than 10% of the overall global international student market.

UNESCO's *Global Education Digest*<sup>22</sup> data back up this finding and show that some Asian ASEM countries have indeed the highest outbound mobility rates across the globe. This percentage accounts for all enrolled national students going abroad. Outbound mobility rates are as high as 47% in Brunei Darussalam, 20% in Hong Kong/SAR China, and 11% in Singapore.

Furthermore, *Eurodata*, a 2006 report by the Academic Cooperation Association (ACA), points out that mobility to European countries is mainly from *within* Europe<sup>23</sup>. ACA is due to deliver a follow-up to this report by the end of 2010. It will be interesting to analyse the changes in mobility patterns over the past four years. UNESCO data draws a similar picture for Asia.

According to the 1999 edition of *Global Education Digest*, almost half of the mobile students from East Asia and the Pacific flocked to North American higher education institutions (HEIs). Currently, a large proportion of these students (42%) remain within their own region – primarily in Australia<sup>24</sup> and Japan. Consequently, the region of East Asia and the Pacific has become the most popular destination for its own mobile students.

All available data suggest that student flows between Asia and Europe are unbalanced to a high degree (Figure 1 shows student mobility flows inside the EU, inside Asian ASEM members and between the EU and Asian ASEM members). And this does not suggest that all 27 EU countries are equally weighted as study destinations. The numbers of foreign students are generally higher in the north than in the south of Europe. Asian students in particular favour northern Europe over its southern part. No Asian ASEM country figures among the top ten nationalities of foreign students amongst the southern European countries listed in the *US Atlas of Student Mobility*.

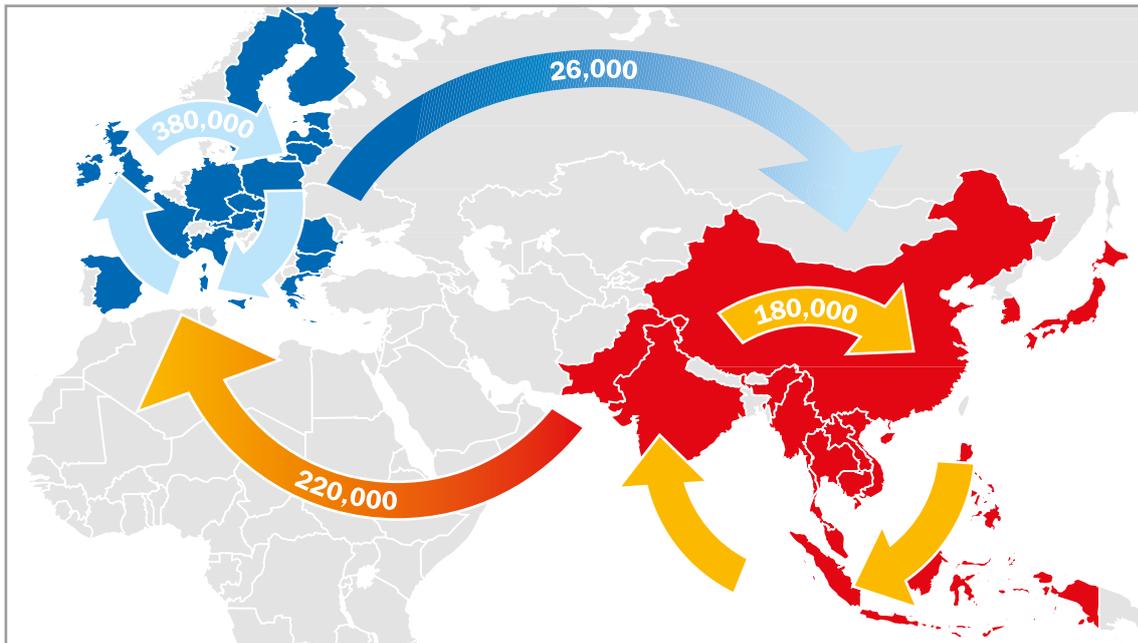
<sup>21</sup> Organisation for Economic Co-operation and Development, *Education at a Glance: OECD Indicators 2009*, Paris: Organisation for Economic Co-operation and Development, 2009.

<sup>22</sup> United Nations Educational, Scientific and Cultural Organization, *Global Education Digest 2009: Comparing education statistics across the world*, Montreal, Canada: UNESCO, Institute for Statistics, 2009.

<sup>23</sup> Kelo, M., Teichler, U. and Wächter, B. (eds.), *EURODATA. Student Mobility in European Higher Education*, Bonn: Lemmens, 2006.

<sup>24</sup> Australia officially joins the ASEM process at the ASEM8 Summit in Brussels on 4-5 October 2010.

**Figure 1 – Mobility flow between and within European and Asian ASEM countries**



Source: UNESCO Global Education Digest 2009

As universities (and whole economies) accord much importance to the presence of international students nowadays, it will remain to be seen how patterns have developed and to what extent the financial crisis has shaped them.

#### ***Data and Text on the Returns from Investment in Higher Education***

Direct relevance to session 4

European, Asian and US literature on private and public returns to higher education is abundant. Comparative international data has been collected and published regularly since 1973. As Sarvi points out, one source of information is the “Mincerian” Human Capital Earnings Function<sup>25</sup>. This is the widely used approach in which the logarithm of earnings is regressed based on years of schooling, experience, and experience-squared. The estimated coefficient on years of schooling is interpreted as an estimate of the private rate of return to investments in education.

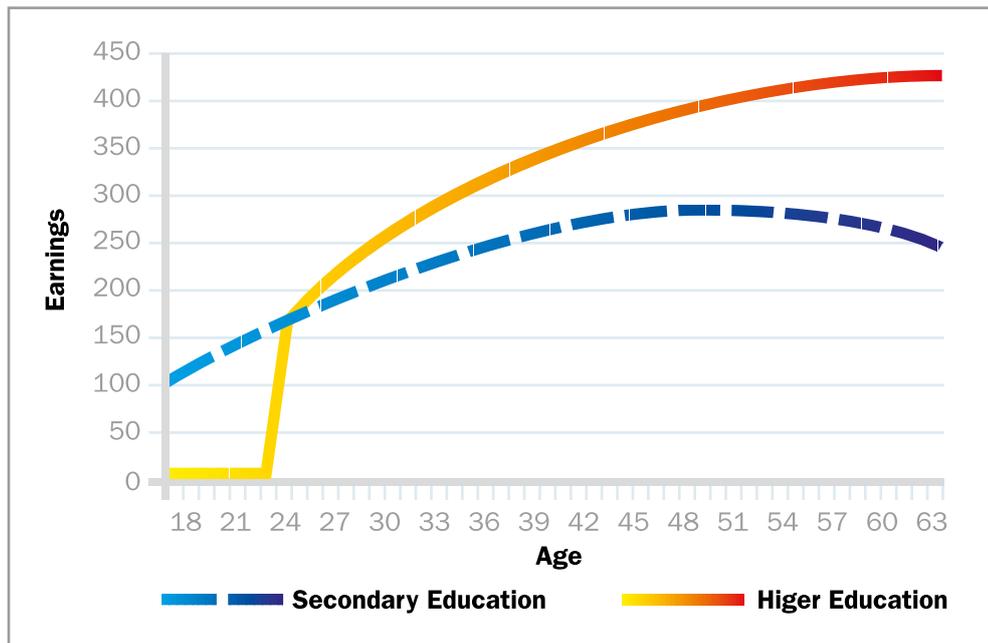
One of the most established scholars, who published work on the returns from higher education, is George Psacharopoulos, who formerly served with the World Bank managing education research and policy. In a 2004 estimate, covering 98 countries, he found the private rate of return on higher education to stand at 19%, compared with a social rate of return of 10.8%<sup>26</sup>. According to World Bank research, returns on higher education have risen over the period 1973–2004. In the report *Good Practice in Cost Sharing*<sup>27</sup>, the Asian Development Bank analysed the age-earnings profile for university graduates in its member countries. As illustrated in Figure 2, the typical age-earnings profile for tertiary students rises steeply during the first 10–15 years after entering the labour market and then reaches a plateau, before declining near retirement age.

<sup>25</sup> Sarvi: 2009.

<sup>26</sup> Psacharopoulos, George and Patrinos, Harry Anthony. 2004. *Economics of Education: From Theory to Practice*. Brussels Economic Review 47 (3-4): 341–357.

<sup>27</sup> Sarvi: 2009.

Figure 2 – Typical Age-Earnings Profile



Source: ADB Study Team in *Globalisation and Economic Crisis*

Other studies show a close association between investment in knowledge and innovations, which improve domestic innovations and economic competitiveness (see *Annex - Further reading by ADB*).

While investment in higher education undoubtedly yields returns, the actual questions revolve around how and by whom these investments should be financed. The issue of student loans and repayment are debated vigorously. Sustainability of funding models, the diversification of income streams, cost sharing, security measures and early warning systems are just some of the more specific questions in the debate.

### Reactions to the 1997 Crisis

Direct relevance to session 5

Establishing criteria for interregional comparison between Asian and European ASEM countries following the 1997 crisis does not apply to session 5. At most, criteria for intraregional comparison could be discussed. As a reference for this session, IIEP's publication *Globalisation, Economic Crisis and National Strategies for Higher Education Development*<sup>28</sup> should be consulted again, as it was authored by the same person, who carried out one of the few large-scale regional analysis of the impact of the 1997 East Asian economic crisis on higher education: Prof. N.V. Varghese (former Head of Educational Planning at NUEPA, New Delhi, now with UNESCO IIEP).

<sup>28</sup> Varghese: 2009.

In early 2001, UNESCO-IIEP, SEAMEO<sup>29</sup> Regional Centre for Higher Education and Development (RIHED) Bangkok and the Ministry of Education, Malaysia, jointly organised a Policy Forum bringing together regional researchers and policy makers. The report entitled *Impact of the Economic Crisis on Higher Education in East Asia*, led by Prof. Varghese, includes case studies of several Asian economies modelled around questions such as: How did public policies and the public sector respond to the crisis? What are the short-term and long-term effects? How can higher education systems be better prepared for future crises?<sup>30</sup>

Another worthy source is a paper by Prof. Gerard Postiglione, which will be presented at the China-ASEAN Forum on Social Development and Poverty Reduction in Hanoi on 28-30 September 2010 (published in March 2010)<sup>31</sup>. The study entitled *Education Impact Study: The Global Recession and the Capacity of Colleges and Universities to Serve Vulnerable Populations in Asia* looks at root causes of and government responses to the current and previous Asian economic crises. One of the lessons the author draws from the 1997 crisis is that governments' tendency to protect basic and secondary education budgets during a recession, while understandable, can be short-sighted. Inequity in higher education during a recession can have serious long-term effects. Aside from the obvious loss of talent and the marginalisation of the poor, social and economic development of poor communities suffer from a widespread loss of knowledge and skills.

Among the recommendations are:

Tuition assistance, subsidies for poor and vulnerable students, and loans;

- Information and guidance for students from poor and vulnerable populations;
- Cost sharing in higher education;
- Diversification and differentiation of institutions; and
- Regional strategies to attract international students.

<sup>29</sup> The Southeast Asian Ministers of Education Organization (SEAMEO) was established on 30 November 1965 as a chartered international organisation whose purpose is to promote cooperation in education, science and culture in the Southeast Asian region. <http://www.seameo.org>.

<sup>30</sup> Varghese, N.V., *Impact of the economic crisis on higher education in East Asia: country experiences*. Paris: IIEP-UNESCO, 2001.

<sup>31</sup> Postiglione, Gerard, *Education Impact Study: The Global Recession and the Capacity of Colleges and Universities to Serve Vulnerable Populations in Asia*, Paper to be presented at China-ASEAN Forum on Social Development and Poverty Reduction, 2010 Hanoi, 28-30 September 2010, ADBI Working Paper 208. Tokyo: Asian Development Bank Institute. <http://www.adbi.org/working-paper/2010/03/29/3644.education.impact.study/>

## Annexes to the Introductory Paper

Further reading on the impact of the crisis (provided on CD and in print during the workshop)

- European Commission, *The University Business Forum: From the Crisis to Recovery – The Role of Higher Education and Business Cooperation – conference report (2/3 February 2010)*, Brussels: European Commission, 2010.
- European Students Union, *Financing of Higher Education. In: Bologna at the Finish Line - An Account of Ten years of European Higher Education Reform* (Brussels: European Students Union, 2010), 111-119.
- European University Association, *Crisis Snapshot among National Rectors' Conferences*, Brussels: European University Association, 2009. Latest version: [http://www.eua.be/fileadmin/user\\_upload/files/Newsletter\\_new/economic\\_crisis\\_19052010\\_FINAL.pdf](http://www.eua.be/fileadmin/user_upload/files/Newsletter_new/economic_crisis_19052010_FINAL.pdf)
- Organisation for Economic Co-operation and Development, *Education at a Glance: OECD Indicators 2009*, Paris: Organisation for Economic Co-operation and Development, 2009.
- Organisation for Economic Co-operation and Development, *Summary of the Initial Education Today Crisis Survey, June 2009 – Impact of the Economic Crisis on Education*, EDU Working Paper no 43, Paris: Organisation for Economic Cooperation and Development, 2009. [http://www.oecd.org/olis/2010doc.nsf/LinkTo/NT00000B12/\\$FILE/JT03278309.PDF](http://www.oecd.org/olis/2010doc.nsf/LinkTo/NT00000B12/$FILE/JT03278309.PDF)
- Organisation for Economic Co-operation and Development, *Understanding the Social Outcomes of Learning*, Paris: Organisation for Economic Co-operation and Development, 2007.
- Postiglione, Gerard, *Education Impact Study: The Global Recession and the Capacity of Colleges and Universities to Serve Vulnerable Populations in Asia*. Paper to be presented at China-ASEAN Forum on Social Development and Poverty Reduction, Hanoi, 28-30 September 2010. ADBI Working Paper 208. Tokyo: Asian Development Bank Institute, 2010. <http://www.adbi.org/working-paper/2010/03/29/3644.education.impact.study/>
- Prakash, Brahm, *Towards a Framework for Examining the Global Economic and Financial Crisis and Its Impact on Education*, Paris: UNESCO, 2009. (to be published)
- Sarvi, Jouko, *Good Practice in Cost Sharing and Financing Higher Education*, Mandaluyong City: Asian Development Bank, 2009.
- Sirat, Morshidi and Bakar, Rosni, *The Impact of the Financial Crisis on Higher Education in Malaysia*, 1<sup>st</sup> Asia-Europe Education Workshop: The Impact of the Financial Crisis to Higher Education. Makati City, Philippines. 25 - 26 March 2010.
- United Nations Educational, Scientific and Cultural Organization, *The Impact of the Crisis on Public Expenditure on Education: Findings from the UNESCO Quick Survey*, Paris: UNESCO, 2009.
- United Nations Educational, Scientific and Cultural Organization – Bangkok, *Concept Note and Summary of the Consultation on the Impact of the Economic Crisis on Higher Education in the Asia and Pacific Region*, Bangkok: UNESCO Bangkok, 2009. [www.unescobkk.org/...crisis09/concept\\_note-impact\\_of\\_crisis\\_on\\_he\\_meeting\\_29july09-revised.pdf](http://www.unescobkk.org/...crisis09/concept_note-impact_of_crisis_on_he_meeting_29july09-revised.pdf)

- United Nations Educational, Scientific and Cultural Organization, *Education for All – Global Monitoring report*, Paris: UNESCO, 2010.
- Varghese, N.V., *Globalisation, Economic Crisis and National Strategies for Higher Education Development*, Paris: IIEP-UNESCO, 2009.
- Varghese, N.V., *Impact of the Economic Crisis on Higher Education in East Asia: Country Experiences*, Paris: IIEP-UNESCO, 2001.
- World Bank, *Financing Higher Education at a Time of Crisis – conference materials (27-29 October)*, Washington, DC: World Bank, 2009.

**Further reading on higher education finance (as summarised by the Asian Development Bank in: Sarvi, Jouko. *Good Practice in Cost Sharing and Financing Higher Education*. Mandaluyong City: Asian Development Bank 2009.**

- Annotated bibliography of higher education finance. Library and annotated bibliography of 500 works on higher education finance. International Comparative Higher Education Finance and Accessibility Project, Center for Comparative and Global Studies in Education, State University of New York at Buffalo. [docs.google.com/View?docid=dgc8h4k2\\_1dddmxrdk](https://docs.google.com/View?docid=dgc8h4k2_1dddmxrdk)
- Databases on private higher education. The Program for Research on Private Higher Education provides a database on private higher education provision in 92 countries and produces a working paper series. [www.albany.edu/dept/eaps/prophe/](http://www.albany.edu/dept/eaps/prophe/)
- Education statistics. Time series data on a wide range of education statistics. These data are also available through a number of international agencies, including ADB and the World Bank. Data on higher education finance are generally fragmented and incomplete, particularly for ADB Pacific Island DMCs. [www.usi.unesco.org](http://www.usi.unesco.org)
- Loan systems in Asia. Review of higher education student loans systems in five Asian countries, including discussion and recommendations of best practice (Ziderman, 2004).
- Methodology for comparative higher education cost and finance studies. The Delta Project on Postsecondary Education Costs, Productivity, and Accountability has developed a methodology and database on almost 2,000 US higher education institutions. [www.deltacostproject.org](http://www.deltacostproject.org)
- Methodology for public education expenditure review. World Bank. Preparing PERs for Human Development: Core Guidance. [siteresources.worldbank.org/EXTPERGUIDE/Resources/PER-Complete.pdf](http://siteresources.worldbank.org/EXTPERGUIDE/Resources/PER-Complete.pdf)
- Private higher education finance. The Global Center on Private Financing of Higher Education provides a clearinghouse on data and analysis of trends in private higher education finance. [www.ihep.org/Research/gcpf.cfm](http://www.ihep.org/Research/gcpf.cfm)

## Further reading on returns on investment in higher education

- Becker, Gary S., *Human Capital: A Theoretical and Empirical Analysis*, New York: National Bureau of Economic Research, 1964.
- Card, David, *Estimating the Return on Schooling: Progress on Some Persistent Econometric Problems*, (*Econometrica* 69 (5), 2001), 1,127 – 1,160.
- Duflo, Esther. *Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment*, (*American Economic Review* 91 (4), 2001), 795 - 813.
- Haveman, Robert H., and Wolfe, Barbara, *Schooling and Economic Well-Being: The Role of Non-Market Effects*, (*Journal of Human Resources* 19 (3), 1984), 128 - 140.
- Organisation for Economic Co-operation and Development, *Human Capital Investment: An International Comparison*, Paris: Organisation for Economic Co-operation and Development, 1997.
- Organisation for Economic Co-operation and Development, *Education Policy Analysis 2001*, Paris: Organisation for Economic Cooperation and Development, 2001.
- Pissarides, Christopher A., *Human Capital and Growth: A Synthesis Report*, Paris: OECD Development Centre, 2000.
- Psacharopoulos, George. *Returns on Education: An International Comparison*, Amsterdam: Elsevier, 1973.
- Psacharopoulos, George, *Returns on Education: A Further International Update and Implications*, (*Journal of Human Resources* 20 (4), 1985), 583 - 604.
- Psacharopoulos, George, *Returns on Investment in Education: A Global Update*, (*World Development* 22 (9), 1994), 1,325 – 1,343.
- Psacharopoulos, George, and Patrinos, Harry Anthony, *Returns on Investment in Education: A Further Update*, Washington, DC: World Bank, 2002.
- Psacharopoulos, George and Patrinos, Harry Anthony, *Economics of Education: From Theory to Practice*, (*Brussels Economic Review* 47 (3-4), 2004), 341–357.
- Weisbrod, Burton A., *External Benefits of Education*, Princeton, NJ: Princeton University, Industrial Relations Section, 1964.
- World Bank, *Ethiopia: Education Sector Development Program*. Report No. 17739-ET, Washington, DC: World Bank, 1998.
- Venniker, Richard, *Social Returns on Education: A Survey of Recent Literature on Human Capital Externalities*, A CPB (Netherlands Bureau for Economic Policy Analysis) Report, 2001. [www.cpb.nl/eng/cpbreport/2000\\_1/s3\\_4.pdf](http://www.cpb.nl/eng/cpbreport/2000_1/s3_4.pdf).

### Further reading on higher education, crisis and skills (as suggested by OECD)

- Higher Education (vol. 1): Demography: [http://www.oecd.org/document/11/0,3343,en\\_2649\\_35845581\\_41788555\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/11/0,3343,en_2649_35845581_41788555_1_1_1_1,00.html)
- Higher Education (vol. 2): Globalisation: [http://www.oecd.org/document/18/0,3343,en\\_2649\\_35845581\\_43908242\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/18/0,3343,en_2649_35845581_43908242_1_1_1_1,00.html)
- Four Future Scenarios for Higher Education: <http://www.oecd.org/dataoecd/18/36/42241931.pdf>
- OECD Innovation Strategy for Education and Training: <http://www.oecd.org/dataoecd/16/44/43325673.pdf> and [www.oecd.org/edu/innovation](http://www.oecd.org/edu/innovation)

### Further reading on international student mobility

- Institute for International Education, *US Atlas of Student Mobility 2009*, New York: Institute for International Education, 2009.
- Kelo, M., Teichler, U. and Wächter, B. (eds.), EURODATA. *Student Mobility in European Higher Education*, Bonn: Lemmens, 2006.
- Organisation for Economic Co-operation and Development, *Education at a Glance: OECD Indicators 2009*, Paris: Organisation for Economic Co-operation and Development, 2009.
- United Nations Educational, Scientific and Cultural Organization, *Global Education Digest 2009: Comparing education statistics across the world*, Montreal, Canada: UNESCO, Institute for Statistics, 2009.

## II. Workshop Summary

The 1<sup>st</sup> Asia-Europe Education Workshop, held on 25-26 March 2010 at the premises of the Asian Institute of Management (AIM) in Makati City, Philippines was opened by welcoming addresses of Ambassador Rosario Manalo, ASEF Governor for the Philippines and Dr. Edilberto de Jesus, the President of AIM. Both underlined the timeliness and the relevance of the workshop for the ASEM region.

The workshop group was comprised of 20 experts from the fields of higher education and finance from various ASEM countries. They were chosen with the help of a workshop preparatory group composed of Dr. Marrik Bellen of NESO, Indonesia, Dr. Sean Golden of the Autonomous University of Barcelona, Dr. Igor Kitaev of UNESCO's International Institute for Educational Planning (IIEP), Paris, and Ms. Chripa Schneller of the ASEM Education Hub (AEH). The preparatory group was assisted by Dr. Arne Carlsen of the ASEM Education and Research Hub for Lifelong Learning Hub (ASEM LLL Hub), Dr. De Jesus of AIM, and Mr. Thomas Estermann of the European University Association (EUA).

### *Event Structure and Summary*

The event was organised in five topical sessions, structured as plenary panels of three to five speakers. Each session was introduced by a Chair and followed by presentations of the Session Speakers. The core elements of the sessions were the ensuing discussions among all workshop participants. The topics discussed in these five sessions were:

- (1) How has the crisis affected a) institutions, b) governments?
- (2) What is the impact of the crisis on the mobility of students and staff?
- (3) What has been the response to the crisis from a) institutions, b) governments?
- (4) Why study? What is the return on investment in higher education?
- (5) Are there any lessons to be learned from the previous (1997) Asian crisis?

As the discussions of the sessions overlapped, the workshop synthesis did not follow the points above, but was instead presented *summa summarum*. Rather than providing a session-by-session description, the summary picked up the main issues discussed throughout both workshop days. These were:

- (1) Overall impact of the crisis – data and evidence;
- (2) Funding of (higher) education in ASEM countries;
- (3) Return on investment in (higher) education;
- (4) The crisis' impact on the mobility of students and staff;
- (5) What do we mean when we speak about *higher* education?
- (6) Public policy in education; and
- (7) Aspects of equity.

The limitations of this approach were the following:

- The Final Report does not give a detailed account of each presentation (the presentations are, however, annexed to this publication as a CD attachment for the printed version).
- Not all points were discussed to the same depth. For the sake of readability, some were omitted, whereas others were emphasised.
- As the expert group was composed of 20 participants, not all ASEM countries could be represented. The case examples given were therefore limited to the geographic origins/expertise of the workshop participants.

The Recommendations following the Workshop Summary should be read taking these variables into account.

## (1) Overall Impact of the Crisis – Data and Evidence

When speaking of the current financial crisis, we must be aware that while the crash was induced by the financial systems of developed countries, its impact must be considered global as middle and low-income countries are affected as well. According to Prof. Prakash's research, the problem of global imbalances that was responsible for the 2008 global financial and economic crisis is a product of *labour arbitrage*<sup>32</sup> driven by Asian production networks as well as wage-productivity differentials across the major partners, especially with US and China. The immediate impact of the crisis on higher education in ASEM countries varied: in many countries, governments, private sector and household resources witnessed cuts. The discussions among the expert participants at the 1st Asia-Europe Education Workshop revealed a more detailed picture (also cf. Introductory Paper: summary of research carried out by other organisations).

On the one hand, the global financial crisis has not affected higher education institutions across ASEM countries as badly as initially assumed. This does not mean, however, that no budget adjustments had to be made. The impact of the crisis has simply been less severe in many countries in the Asia Pacific, which have avoided a recession despite a declining GDP growth rate (thanks to government stimulus packages, continued overseas remittances, etc.). In some European states, promises to increase investment in higher education and research had been made before and upheld after the crisis (e.g. France with a major reform in higher education, Germany at the federal level, and all Nordic countries).

- For Europe, the continuous monitoring undertaken with the help of the national Rectors' Conferences, carried out by European University Association since early 2009, exemplifies this. While there is a group of countries with no strong direct impact on public funding (but increased financial pressure with higher student demand), a slightly larger number of countries saw substantial cuts in public funding: Czech Republic (5%), UK (2010-2011: 7,2%). Others experienced cuts exceeding 5%: Croatia, Estonia, Iceland, Ukraine, Italy (10%, over 3 years). Only in two countries (Ireland and Latvia) did the financial crisis turn into a major *structural* one. There, the crisis led to salary cuts, redundancies, closing of programmes, discussion of mergers, and the restructuring of the whole system.
- Most Asian countries, which had suffered severe crisis in 1997 with substantial impacts on higher education, have been hit less harshly by the current crisis than by the previous (1997) one. As a number of case studies presented by Asian expert participants illustrated, the crisis was generally softer on Asia (because it adjusted after the 1997 crisis) than on Europe or the USA in terms of slower economic development and related pressure on government budgets for education. As Prof. Kuncoro of the Universitas Gadjah Mada, Yogyakarta, noted, Indonesia has probably suffered more from natural disasters than from economic crisis - thanks to continued government expenditure on education.

<sup>32</sup> (Global) labor arbitrage describes an economic phenomenon in which jobs move to countries where the cost of labor (including the business framework, e.g. environmental regulations) is low. The term also describes the migration of impoverished labor to countries with higher paying jobs. Both are induced by the dissolution or removal of international trade barriers.

On the other hand, the global credit crunch did accelerate changes and trends that had already begun before the crisis. As stressed by many speakers who presented research findings at both international and national level, the *long-term* effects of the crisis are likely to be underestimated, as the impact on higher education systems cannot yet be assessed. One of the trends discussed by the workshop participants is the expansion in the demand for higher education. In Asia, as Dr. Prakash noted, this is likely to spill much beyond the limits of public finance. Hence, higher education will be increasingly sought to be provided through the private sector (see point (2) *Funding of (higher) education*). The regulation of private higher education provision must be addressed through public policy, with the involvement of civil society organisations and other relevant stakeholders.

Interestingly, university enrolments continued to grow in all regions, as students seem to view higher education as an investment and a 'safe harbour' to sit out the hard times. There are many similar and converging trends observed in both Asia and Europe. As Dr. Kitaev of UNESCO IIEP pointed out, such crises are an opportunity for correction, adjustment and improvement in a usually conservative higher education sector, for example internal re-structuring and innovations in university management.

The meeting also identified additional data needed to provide appropriate policy inputs in recommendations for the future. For one, as Dr. Carlsen pointed out, the impact on higher education systems has not yet been assessed. Furthermore, there is no common overview of funding structures in ASEM countries. To address the gap(s), a mechanism to assist in compiling, analysing and comparing the data needed to monitor the trends (i.e. funding structures) in Europe and Asia could be explored and discussed amongst higher education stakeholders.

## (2) Funding of (Higher) Education

How should education be funded and what should be the role of the state, of private providers and of business? One recurring question throughout any discussion on the impact of the financial crisis on higher education will be related to the funding structure of national education systems. Such was the case during the 1<sup>st</sup> Asia-Europe Education Workshop. Funding in ASEM countries is, unsurprisingly, very unevenly distributed among public and private sources. How countries and institutions have weathered the financial storms in the past and will deal with them in the future is ultimately related to the question of how education is financed in each nation. Comparing the various types of public and private sources in ASEM countries without any common indicators, however, would be an attempt to compare apples with oranges. The understanding of publicly versus privately funded education varies across the board, as does the understanding of higher education itself (see point (5) *Understanding of Terms*). Prof. Mudrajad Kuncoro, among others, pointed out that we need to better examine education structures in ASEM countries, in particular the composition of the main funding sources. An ASEM definition of systems and sources would help to discern similarities and differences between Europe and Asia and to assess how money should be allocated to prepare for and ride out times of crisis.

### *Private Provision*

As Prof. Prakash pointed out, the global financial and economic crisis can be seen as a product of labour arbitrage driven by wage-productivity differentials across countries (e.g. China and the US). He foresees that this crisis is likely to dampen the appetite for risk, and increase the risk premiums. It will increase the price at which capital is likely to be available for the emerging markets, which will further accentuate pressures for labour arbitrage and will, in the process, further augment the demand for higher education in Asia-Pacific. Keeping this in mind, Prof. Prakash envisages that the pace of expansion of higher education will continue unabated for several reasons. These include a) demographic pressures, b) growing enrolments in secondary education, and c) greater opportunities and pressures for labour arbitrage. The enhanced earning capacity enabled by higher education is going to be the critical driving force. This expansion in the demand for higher education in Asia is likely to spill much beyond the limits of the public finance. Hence, higher education will increasingly be provided by the private sector.

Some Workshop presentations shed light on the actual level of private provision of higher education. Dr. De Jesus of AIM gave a case example of the Philippines, pointing out that it was the deviant in the Asia-Pacific region: from the American colonial period to independence and in times of crisis, it was traditionally the private sector rather than the government that largely provided tertiary education opportunities. The Philippine experience, however, may now offer lessons on the promise and the peril of relying on the market for the delivery of higher education services. While recourse to fee-charging private schools broadened access to higher education, the system has faced problems of cost, quality and equity. The government has tried to address these issues by establishing more state universities and colleges. The private sector's share of higher education enrolment has gone down from a high of almost 80% in the 60s to about 65% today. Given resource constraints this government approach has tended to exacerbate the problems facing higher education.

Prof. Ka Ho Mok's presentation further illustrated the trend towards privatisation in Singapore, Malaysia, Thailand, Vietnam and other Asian countries. The declining importance of state/public higher education goes hand in hand with the growing role of private higher education. Prof. Mok continued to explain that private provisions could also take the form of international branch or off-shore campuses. Singapore, for example, has invited some reputable, world-class universities to set up private campuses on its terrain. Hye-Rim Kim of UNESCO Bangkok sustained that - with all due reservations - the contribution of the private sector to the massification of higher education should be recognised. Igor Kitaev (UNESCO IIEP) also noted that the growth of private universities and the privatisation or outsourcing of services in public universities needs to be seen in the light of business incubators and public-private partnerships. Other participants raised the question of whether it was not timely to actively stimulate the private sector, as many parallels could be drawn to health sector. The stimulation of the private sector to invest further in education might also be more feasible than the politically unpopular alternative of raising taxes.

### ***Tuition Fees (Cost-sharing)***

It should be borne in mind, that in order to be more *expansive*, university education will be more *expensive*. Whether the money is raised through taxes, the privatisation of education or the introduction (or expansion) of tuition fees, it is, at first glance, a mere technicality; *more will cost more*. Demand for higher education is rapidly rising in all ASEM countries. Even though the question of who should pay for higher education may be a technical matter, it is a major political issue, especially in countries with a long tradition of "free" university education. It is interesting to see, in this context, that research by UNESCO, the Asian Development Bank, and many others organisation on the funding of education revolves around the issues of *public spending versus cost-sharing*, i.e. state financing as opposed to charging tuition fees slanted towards the latter with corresponding state control and support for students from poorer backgrounds and/or geographically 'challenged' areas without HE infrastructure nearby. Igor Kitaev, who presented UNESCO's research in the field, reported that tuition and user fees, where they existed, are increasing faster than inflation and that this trend will be sustained or introduced ubiquitously. Fees in Asia are already quite common. In Continental Europe, where fees in higher education used to be inexistent, they are being introduced even in public universities under different pretexts (for non-EU students, for repeaters, for a second diploma, for courses in demand, such as management, law, medicine, computer sciences, etc.). Dr. Lindberg-Falk, for example, explained that Sweden's move towards fees for third-country students is justified by the fact that Swedish students also pay abroad and by an attempt to achieve international comparability - helping Swedish universities to compete for international students on the same terms as their international counterparts.

Whether or not higher education will yield to the mechanisms of a full-fledged global market and adhere to the rules of supply and demand is also dependent on the role of the State. Unquestionably, the exponential growth of tuition fees for courses in demand (management, business studies, etc.) could negatively affect non-market driven disciplines (liberal arts, anthropology, natural sciences). Hence, the role of the governments should be to help guide the 'invisible hand' of the market and to support the departments offering courses which have more value for the society at large than for a particular industry.

## **Alternative Funding Sources?**

Can public universities generate new sources of income in addition to state money or tuition fees? As Thomas Estermann of the European University Association (EUA) maintained, sufficient state funding for public universities is essential, but universities must also look into ways of *diversifying* their income. Funding should not be seen as a purpose in itself but as a backbone for universities to achieve their main mission. The aim is not only to increase the amount of money available, but also to have a diversified funding base and thus be less vulnerable to unilateral changes. EUA, which is currently conducting a Europe-wide study on the sustainable funding of universities, proposes three pillars for a successful model:

- Ability of institutions to identify the full costs of all of their activities;
- A reasonably diversified income structure to mitigate risks; and
- Sufficient and reliable public funding.

Prof. Ka Ho Mok also confirmed that private funding, and fundraising in particular, is becoming increasingly important for public institutions, also in the context of diversifying funding sources.

Dr. Carlsen, Chairman of the ASEM Education and Research Hub for Lifelong Learning (ASEM LLL Hub), raised the question of the potential of lifelong learning in funding universities. He maintained that providing services can be profitable for universities. However, rather than being viewed as an *alternative*, such services should act as a *complementary* financial source. In fact, the Leuven Communiqué (2009) was quoted as a reference on several occasions to exemplify that vocational education and training (VET) and higher education are being “merged”.

Another model, which has never been implemented in any country, was briefly introduced by Robert Santa from the European Students' Union. Cost-recovery through a *graduate tax*, i.e. a lifelong surcharge on the income tax of graduates once they begin to work, raised the interest of other participants. Yet, the practical implementation of such a model is highly questionable, as it is expected to stir emigration and result in a situation of brain drain. As noted in the Workshop Introductory Paper, emigration is considered the “repayment black hole” of such a financing model.

## **Student Support**

If cost-sharing, i.e. the introduction of tuition fees should be the path to take, it must integrate a system of differentiated student support where students are provided with student loans or grants that are relative to the nature of their studies and social backgrounds. Igor Kitaev, who carried out extensive research in various countries on this topic, suggested that both tuition fees and student support can be designed in a differential way. For example, there might be high tuition fees with an option for a 100 per cent student loan for studies in management; or a 50 per cent grant and a 50 per cent loan for studies in agriculture or engineering; or a 100 per cent grant for teacher training or subjects with a high social return on investment. While student support models have not been discussed extensively throughout the workshop, it should be kept in mind that cost-recovery is the most difficult part of any student loan scheme, as experience in several countries has shown. The Australian model is often cited as a good practice example (cf. Introductory Paper).

## **University Governance**

Related to the question of funding and income generation, some presentations touched upon the allocation of funds within institutions and their governing flexibility. Dr. Golden chose Spain as a case example, where the “Campus of Excellence” initiative provides focused funding for a given number of institutions. On the other hand, problems of governance have restricted the country’s institutions from using their resources effectively. In the end, funding was distributed to a larger number of higher education institutions than originally envisaged, resulting in lower net funding per institution. In some cases, extra funding was needed to make up for budgetary deficits in the financing of new buildings.

Gundars Berzins, Finance Director of the University of Latvia, reported how institutions in his country, which has witnessed a decline in GDP of 90 per cent, have reacted to the crisis. In what he describes as the *Noah’s Ark* survival strategy, scientific sub-fields are being reduced. A major problem for universities in adjusting to reduced state funding, are higher fixed costs, over which they have little or no autonomy. He argued that if governments are flexible when it comes to cutting funds, universities must be given corresponding flexibilities to, for example, lower their fixed costs.

Prof. Saenghiran’s advice, resulting from the lessons learned by the 1997 Asian crisis, was simple but clear: institutions should not spend what they do not have.

### (3) Returns and Benefits of Education

“The illiterate of the next century are those that cannot learn, unlearn and relearn”. Citing the American writer Alvin Toffler, Ms. Cheng Loo, who gave a presentation on Intel’s engagement in education and of return on investment in education (for business and society at large), provided a significant reference for all workshop discussions on the issue of private and social returns and benefits of education. The development of welfare will depend on the ability to “manage knowledge”. The workshop therefore included a session on the return on investment in education, both private and social returns. *Private returns* concern the individual student (or household) investing in his or her education, whereas *social returns* are the income of the state. *Social benefits* would be public goods produced by HE, which are not specifically financial.

#### **Evidence**

As mentioned in the Introductory Paper, there are several studies on the return on investment in education. George Psacharopoulos of the World Bank has shown that there are both private returns and social benefits. The latter can be externalities of education, and the question arises how to convince governments to come to different allocations in education. Dr. Golden, who introduced the topic during the workshop also pointed out that the Leuven Communiqué rightly mentions the social dimension of education, thus also considering *social* returns and benefits of education. OECD, in its turn, spoke of the *Social Outcomes of Learning* (The report gives empirical evidence of the higher levels of health and wealth among better-educated men and women and the obvious community benefits: lower public spending on health and more private savings and consumption. Cf. Introductory Paper). The current edition of OECD’s *Education for a Glance* cannot yet assess the impact of the crisis on education systems, but its indicators provide insights about how investments in human capital can contribute to the recovery. It is expected that the social consequences of the financial crisis’ impact on education will last longer than the financial ones (health, political interest, interpersonal trust, etc.). Dr. Prakash warned that such crisis would reduce the ability to provide social services (health, etc.). One of the key messages from the meeting pointed out the long-term correlation between education and development.

#### **Costs of University Dropouts**

Dr. Carlsen, Chairman of the ASEM LLL Hub, said that universities should see their role as investing in society by producing critically minded citizens. This also means that they need to consider dropout rates, in particular. It is crucial to keep students motivated and interested. As Robert Santa of ESU confirmed, it is difficult (and costly) to make up for losses in primary and secondary education in HE. Proper career counselling should therefore be an integral part of education.

## **Strategic Value**

What is the return on investment in ASEM countries? What are and what will be the competencies that students should acquire? The experts concluded that while there is sufficient research on the topic, there is a need for ASEM-wide data on private/social returns and benefits of education. They discussed the possibility that in order to further cooperation and exchange in ASEM countries, an ASEM equivalent to the Dublin Descriptors would be of strategic value. It is necessary to find models and indicators and define a set of commensurable criteria, such as the composition of private versus public education, the rates of access, qualification frameworks, etc. It is furthermore crucial to reach a common understanding of the term and the concept of higher education (cf. section (5) *What do we mean when we speak of higher education?*)

## **(4) Mobility of Students and Staff**

International student mobility is the most palpable sign of the “global war for talent”, i.e. the worldwide competition for foreign students, in particular from China, India and other booming Asian nations. International marketing of higher education has moved up on the agenda of many (mostly Western) countries. American and British branch campuses in Asian countries and other forms of transnational education are complementing the traditional physical mobility of students and staff. At the same time, English-speaking countries in the Asia-Pacific region (Australia, Malaysia, Singapore, Hong Kong) are striving to become regional hubs for higher education and also invest heavily in marketing. Australia, for example, ranks higher education as its number three export commodity. Malaysia is becoming quite successful in attracting students from the Middle East. India, a country with a high outbound mobility ratio, plans to open 800 new universities to retain young people in the home country.

The mobility of students should not be understood as an objective as such, but as a tool to reach or to improve other goals, e.g. the quality of education. Therefore, one session during the Asia-Europe Education Workshop was dedicated to the topic of the crisis’ impact on student and staff mobility, in order to meaningfully assess the overall impact of the financial crisis on higher education. The topic was picked up at several occasions throughout the meeting.

## **Case Examples**

Dr. Marrik Bellen, Director of the NESO Office in Jakarta, highlighted the crisis’ impact on student mobility from and to the Netherlands. The numbers have remained stable, and it seems that the crisis has not had a noticeable impact on the mobility of students. But like Prof. Wei Shen, who gave insight into student mobility to and from China, Dr. Bobae Park from the Korean Ministry for Education and Robert Santa from the European Students Union, he stressed that it was too early to assess the full impact of the crisis on mobility. The speakers agreed that the crisis most probably added fuel to some already emerging trends. For European countries, it is likely that the global war for talent, for PhD students in particular, has even been spurred on by the crisis. In the Dutch case, as Dr. Bellen explained, this implies that immigration procedures will need to be revised. In China, as illustrated by Prof. Shen, the crisis has not had a significant impact on mobility - yet. The trend of Chinese students studying abroad is likely to be intensified as it has become (ca. 30%) cheaper for them to study abroad. Unemployment threats in the home country are also a major push factor for Chinese students.

While China is the main sender of international students, its inbound mobility is on the rise at the same time. Previously, Chinese language and medicine were the main subjects to attract foreigners to China. This is changing as China has ambitions to become a regional or even global education hub, offering courses tailored to attract foreigners. Another trend is the increase in the number of Chinese students with an overseas qualification returning to China (so-called 'sea-turtles'). Dr. Park also gave insights into how her country is trying to increase inbound mobility to Korea. She drew a broader picture of the practical implementation and legal aspects of the Korean government's rising focus on internationalisation. Korea has launched new programmes and scholarships to attract foreign students, but also initiatives for Koreans to go abroad. A major objective in the Korean government's new strategy is internationalisation at home, in particular through the internationalisation of teaching staff.

### ***Patterns and Trends***

The Introductory Paper provides an overview of information sources and mobility flows in ASEM countries. The meeting specifically stressed the following trends in student mobility:

- The number of mobile students is still *rising*. European countries remain popular study destinations for international students. Asian countries are catching up. In total, mobility in ASEM countries is still highly unbalanced.
- Mobility patterns indicate a stronger *intra-regional* focus: South-North patterns (often in Europe, but also in the US) are still dominant, but changing as China, India, Malaysia, Singapore, etc. are building up their higher education systems.
- Other forms of mobility are on the rise, e.g. *transnational* education (branch campuses, distance education, etc., where not the student, but the institution or the programme crosses a physical border).
- Instead of one or a few long stays, students opt for more, but *shorter* stays abroad.
- Instead of one destination, students opt for *multiple* ones.
- In some countries, mobility is shifting from the postgraduate to the *doctoral* level.
- Universities are increasingly becoming *reliant* on international students, often for economic reasons (fees), but also for meeting their internationalisation and thus overall objectives.
- *Funding* mobility is an issue. The demand for scholarships and government grants is increasing.

At this point in time it appears that the crisis has not changed, only reinforced these trends.

## Challenges

Robert Santa expressed ESU's concern about future government cuts in education. It is generally acknowledged that the quality of primary education, for example, will impact on students' mobility later in life. Obviously, a 25% growth of the tertiary student body across countries as recent estimates suggest, will pose huge challenges on the financing of higher education and of mobility as an integral part thereof. It will be crucial to facilitate the portability of grants and loans. To date, financial support is mainly provided for nationals.

Keeping pace with the growing number of students, however, is only part of the picture. Few countries have balanced mobility rates; the winners tend to be those with specific brain gain efforts (e.g. marketing). A better mobility balance is necessary to prevent brain drain in sending countries.

Balance is also an issue in the context of the social backgrounds of students. Referring to outbound mobility from some Asian countries, Dr. De Jesus of AIM said that there is a perception that the quality of education is typically higher in the HEIs of developed countries, such that international mobility has become an aspiration for serious students looking for better quality of education. The opportunity to study abroad, however, is a real option only for the wealthy. A comprehensive government policy to ensure equal access and participation will, hence, be important. Other speakers, from both Europe and Asia, stressed this aspect well.

Removing mobility obstacles goes hand in hand with promoting mobility. On the one hand, countries should therefore further enhance mobility, e.g. by facilitating visa regulations, etc. On the other hand, national efforts might be supported by an ASEM-wide mobility scheme, e.g. an ASEM equivalent to the Fulbright Programme<sup>33</sup>.

As mentioned in the Introductory Paper, we lack verifiable indicators for measuring mobility in ASEM, as international data sources strongly rely on national statistical offices or other national sources. The approaches and definitions used by these organisations tend to diverge, as qualitative studies have showed. Some participants therefore suggested picking up this issue in a future Asia-Europe Education Workshop.

<sup>33</sup> Fulbright is the most widely recognized and prestigious international exchange program in the world, supported for more than half a century by the American people through an annual appropriation from the U.S. Congress and by the people of partner nations. <http://fulbright.state.gov/fulbright/about/whyis>.

## (5) What Do We Mean When We Speak of Higher Education?

Despite a variety of terms available (university education, tertiary education, etc.) to describe the concept of *higher education*, it is not always clear what people mean when they refer to it. Aside from their geographic and cultural context, their individual reference would make a difference. While higher education is generally understood as academic studies following secondary school education, the meeting identified some aspects that are not always - but should be - considered as an innate part of higher education. These are:

- Private provision of higher education (in some Asian countries, the private sector accounts for the larger part of all higher education provided);
- Research, development and innovation;
- Knowledge transfer to the productive sectors;
- Culture transfer to social sectors;
- Training; and
- Lifelong learning.

Referring to the above points, the meeting discussed what competencies students should acquire. As Robert Santa of ESU rightly said, (higher) education needs to help students to become good lifelong learners. Dr. Golden stressed that education must be capable of transforming society and of transforming itself. If quality and equity – according to the Lisbon Goals<sup>34</sup> - are to be enhanced in Europe and public expenditure cannot be enlarged, we need a better balance between private and public funding. (see section (2) *Funding of (higher) education*). Kiira Karkkainen of OECD/CERI pointed out to OECD's *Innovation Strategy for Education and Training*, which explores the innovation capacity of education to improve, among others, learning outcomes, equity, cost-efficiency and student satisfaction.

As regards to higher education institutions – the issue of the social responsibility of universities was raised by Dr. Golden who reported that a part of his university's (the Autonomous University of Barcelona) mission was, indeed, corporate social responsibility. UAB, for instance, actively recruits from the marginalised sector of the population, through programmes aimed at developing the community and cultivating the awareness of families with little or no tradition of academic education on the importance of their children going to university. There is no financial reward for UAB in doing this; the rationale is social responsibility. It was generally agreed that universities must be encouraged to take an active step in increasing access from underprivileged parts of the population.

When we speak of challenges to higher education, we need to be aware that they are subject to diverging understandings of the concept of education itself. One of the challenges discussed was equity. As the workshop acknowledged, the allocation of higher education opportunities is a highly political issue, particularly in a system of one-person, one-vote. This allocation must be perceived as equitable. But equity has several dimensions. In developing countries, equity of access is the priority issue, and this will tend to be the default mode of politicians. Equity, in the sense of access to comparable quality of education, becomes a second priority, especially since quality is more difficult to evaluate than access. In this context, Prof. Ka Ho Mok, referring to the trend of massification/privatisation of higher education, said that the state must also lay the structure for the social dimension of higher education, exerting soft power.

<sup>34</sup> The Lisbon Goals referred to here are the aims expressed in the Lisbon Agenda, also called Lisbon Strategy. See [http://europa.eu/scadplus/glossary/lisbon\\_strategy\\_en.htm](http://europa.eu/scadplus/glossary/lisbon_strategy_en.htm).

As regards vocational education and training (VET), Dr. Prakash of AIM, who had earlier worked at the Asian Development Bank, noted that ADB had previously focused on VET and primary and secondary education in their education analysis, but now also integrates higher education. This is because higher education in Asia is seen increasingly to be an instrument of economic growth. Dr. Prakash reminded the meeting that the bearing of environment on society had been ignored for a long time, and this should not be replicated in the case of education.

Higher education also comprises knowledge transfer to the productive sectors. As Dr. De Jesus and others stressed, education and labour policies are linked. Opportunities for employment need to be considered; data on the mismatch between graduate skills and labour market needs should be collected and analysed. Prof. Ka Ho Mok, giving a case example in Hong Kong, related to the universities' role in fostering entrepreneurship. Ms Cheng Loo of Intel said that economic growth depends on academic research and innovation. Some of the challenges for higher education, from her perspective, are employability and entrepreneurship.

The question of what higher education means reappeared throughout the workshop. The participants concurred that we need to talk about research, development and innovation, the transfer of knowledge to productive sectors and culture to social sectors, as well as training and lifelong learning, when we speak of higher education. Information about higher education institutions and systems, however, is not easily available for all ASEM countries. It was thus recommended to create/collect this kind of information, as we would need standards, databases, etc. for further comparative studies, and to organise regular AEH workshops to present, analyse and debate the results with a view to proposing ASEM HE policies.

## (6) Public Policy

Education is important for global competition. But is education a right or a commodity? Is investment in research, development and innovation (R+D+I) a necessity? As several presentations showed, the costs for education and research are increasing. There is widening participation; in some Asian countries, demand-driven mass education is confronting governments with substantial financial challenges. The meeting therefore raised the question of what it is that governments should guarantee or control or subsidise, in terms of higher education, as a public good or as public goods. Should governments invest: or should society invest?

The development of welfare will depend on the ability to “manage knowledge”. As Dr. Prakash explained in his presentation, the role of government should thus be to put in place regulators of technology transmission. He referred to the “HE Inc.” model presented in OECD’s *Four Future Scenarios for Higher Education* saying that he believed this would be the Asian way. Looking at the past, Prof. Saenghiran, who spoke about lessons learned from the 1997 crisis, said that governments must try to protect investments in education. The crisis has and will lead to more institutional autonomy and a change in admission policy. Dr. De Jesus also maintained that access is/should be the default value. It would be helpful if international organisations, in particular UNESCO with its global network, could examine what strategies governments have adapted and which ones have worked. Dr. Golden reminded the meeting, that - above all - *inertia* would be bad advice. Governments should invest in education, also bearing in mind the costs of doing nothing or reacting late. Thomas Estermann underlined that the financial situation of universities is rapidly changing in Europe as a result of the impact of the economic crisis, and that data is quickly outdated. However, policy recommendations based on outdated data could become counterproductive. One recommendation should therefore be the support of regular ASEM data collection.

The role of the private sector was brought up several times. With certain parallels to the health sector, some participants raised the question of whether the private sector needed to be encouraged. Prof. Ka Ho Mok stated that if the state cannot be the sole provider, it must open to non-state providers. He also stressed the importance of entrepreneurialism. Referring to the four tiger states and regions in Asia (Hong Kong, Singapore, South Korea and Taiwan), he pointed out that their public expenditure on education ranged between 3.5% and 4.5%. The total spending on education, however, amounts to about 20% of the total national budget in these four countries; marketisation has substantially contributed to their rapid expansion of higher education enrolments. He concluded that state intervention mattered, and that the private sector must step in. The state should establish (and regulate) the structure for the social dimension and massification of HE, and thus exert soft power. As a point for orientation in education spending, he suggested the Global Innovation Index<sup>35</sup>. Ms. Cheng Loo of Intel also maintained that government should continue to play a role laying the framework and defining regulations for private provision. As regards the interplay between universities and business, she said that academia should help to chart the path, whereas the private sector (business) should bridge the gap by identifying what skills are needed for the workforce and what the best methods to train will be. From her perspective, the private sector should get directly involved via shared resources and responsibility, and also provide evaluation parameters. The common responsibility of the public and the private sector was also stressed by Dr. Carlsen, who underlined the synergies between the use of existing knowledge and the creation of new knowledge.

<sup>35</sup> See [www.globalinnovationindex.org](http://www.globalinnovationindex.org).

Dr. Golden added that the question is not only who pays for education, but also who oversees the provision (at ASEM level). The suggestion was raised whether there should be – if national government is unable to cope or to monitor – a supranational response for the region.

With a view to universities in times of crisis, Ms. Karkkainen from OECD/CERI drew on the initial June 2009 OECD survey on the impact of the economic crisis on education. Several governments were focusing their investment so as to best alleviate unemployment, and to meet increasing demand for education, but also to prepare for the future growth. Institutional responses appeared to be aimed for example to adjust to education budgets. Dr. Berzins referred to this dual challenge when demanding that universities must be given flexibilities (e.g. lower their fixed costs) – if governments are flexible enough to cut funds. The autonomy of universities was also stressed by Prof. Saenghiran, who proposed that institutions should make better use of human resources development. His suggestion to them was to not spend what they do not have. Also, it is important that governments allow institutions to save and invest, i.e. to prepare in good times for bad ones.

As regards subjects on offer, Dr. Carlsen, referring to the social benefits of education noted that “man does not need bread alone”. The meeting agreed that the issue of disciplinary equity needed to be addressed by public policies. Similarly, money spent on education and on research by universities was also an issue as regards international rankings – the discussions briefly touched upon the fact that the strong research focus in the major international rankings could lead governments and universities to a distorted allocation of funds.

Mobility, as discussed in section (4), needs to be addressed by public policy as well. Countries should realise the importance of mobility, as a tool to achieve overall education goals (exchange of ideas, quality, etc.). One important issue is the support of the portability of grants and loans. Mobility obstacles need to be reduced. Visa regulations, for one, still hamper student mobility. As regards mobility flows, we need to achieve a better mobility balance, in order to limit brain drain. A question to be addressed, possibly by an ASEM platform, is who should ultimately pay for mobility: the sending or receiving country? Similar to the provision of higher education, the discussions lead to the question of whether there should be a supranational (ASEM) instance to step in where national governments are unable to react/monitor.

## (7) Equity

The issue of equity relates to its territorial, socioeconomic, and disciplinary dimensions.

Market-driven HE policy cannot guarantee an equitable distribution of higher education institutions throughout a national territory, nor does it make economic sense to reduplicate expensive HE infrastructures throughout the territory. The market cannot guarantee an offer of the full range of academic disciplines, nor of the full range of basic scientific research or cultural production. Market-driven HE policy will always respond to short to medium term priorities and cannot guarantee continuity or strategic planning. Under these circumstances the role of government in HE policy becomes clearer: *it should compensate for the shortcomings of market-driven HE by guaranteeing access to HEIs for students from households that are marginalised territorially or socio-economically, on the one hand, and it should subsidise the disciplines and research fields that are not supported by market forces.* At the same time, government should monitor the quality and the efficiency of HEIs, whether or not they are financed publicly or privately. This would be the role of government in guaranteeing the nature of HEIs as a 'public good', and of training, *Research + Development + Innovation*, transfer and lifelong learning as 'public goods'. Within the ASEM context, however, the role of cooperation among member states should be taken into consideration. An ASEM-wide policy of convergence in HE and an ASEM-wide policy of facilitating both student and staff mobility might provide economies of scale that would be more efficient in guaranteeing equity than relying only on national responses to the funding crisis in higher education, since there are wide disparities in terms of economic development among member states both in Asia and in Europe.

## Synthesis

Based on the above points, there are one main and one follow-up question emerging from the 1<sup>st</sup> Asia-Europe Education Workshop:

- a) What is the role of government (or public policy) in guaranteeing the maintenance of higher education as a public good (understood to include training in all of the disciplines, both basic and applied, both scientific-technological-health related and human and social sciences related, plus Research + Development + Innovation, as well as the transfer of knowledge, technology and culture from higher education institutions to the various social sectors), in a globalised context of financial crisis, so as to mediate between market-driven forces that would discriminate in favour of certain disciplines and fields of research, on the one hand, and public policy-driven forces that would compensate in favour of disciplines, research fields, geographical areas and socioeconomic groups that would not be funded by private or market-driven forces?
- b) To what extent should public policy responses to the global financial crisis as it affects higher education and higher education institutions be coordinated on a regional or cross-regional basis (i.e. the ASEM process itself), and to what extent should public policy responses be national or local?

# III. Recommendations

Based on the expert discussions at the 1<sup>st</sup> Asia-Europe Education Workshop on “The Impact of the Financial Crisis to Higher Education”, the *ASEM Education Hub (AEH)*, the *flagship programme* of the Asia-Europe Foundation (ASEF) that facilitates and promotes cooperation among higher education stakeholders in Asia and Europe, has the pleasure to submit three main recommendations addressed to ASEM governments.

## 1) *Long-term Effects of the Crisis*

The meeting found that the initial impact of the crisis was not as harsh as commonly assumed, in particular not in most Asian countries, which had been affected more severely by the 1997 Asian financial crisis.

ASEM Governments should realise, however, that all current research on the impact of the financial crisis on (higher) education suggests that the long-term effects of the crisis on this sector are yet to be felt and that the *overall impact is underestimated*.

ASEM governments should therefore be *committed to ensuring that higher education institutions have the necessary resources* within a framework established and overseen by public authorities, especially in difficult economic times. This commitment has been expressed in the Vienna/Budapest Declaration 2010 signed by the Ministers responsible for higher education in the countries participating in the Bologna Process as well.

The experts also identified additional data needed to provide appropriate policy recommendations at the ASEM level for the future. These comprise:

- Education structures in ASEM (private versus public education);
- Higher education systems and institutions in ASEM (definitions);
- Spending on education (composition of main funding sources);
- Rates of access; and
- Private/social returns and benefits of education in ASEM.

To address the gaps, synergies among organisations collecting data on ASEM countries in the fields mentioned as well as a *mechanism to assist in compiling, analysing and comparing the data needed at ASEM level should be explored*.

## 2) *Aspects of Public Funding*

In terms of long-term planning, *public funding must remain a top priority* to guarantee equitable access and to further the sustainable development of higher education institutions (see Leuven Communiqué 2009).

At the same time, *HEIs should be provided with incentives to seek new and diversified funding sources and methods*, not merely to increase the funds available, but to mitigate risks. Furthermore, they should be able to identify the full costs of all of their activities.

In terms of short-term adjustments, higher education institutions should be granted a *sufficient level of autonomy*, to be able to flexibly react to sudden budgetary adjustments. The current crisis has shown that this was one of the main challenges for universities.

ASEM governments should reaffirm that “higher education is a major driver for social and economic development and for innovation in an increasingly knowledge-driven world”. It is a *public responsibility* (see Vienna/ Budapest Declaration).

### 3) *Active Role Towards Growing Private Sector*

As the global demand for higher education continues to rise, respect for the diversity of situations is important. The challenges for governments and higher education systems vary across the globe. The meeting noted that in several Asian countries in particular, higher education will increasingly be provided by the private sector.

Where the State is unable to meet the growing demand for tertiary education on its own, it should stimulate and regulate the growth and the emergence of private providers. It should *establish the structure for the massification of higher education through the private sector*.

At the same time, it should *monitor the quality and the efficiency of higher education institutions*, whether or not they are financed publicly or privately.

Governments must also ensure that expansion takes place in a balanced manner, and that students from different social backgrounds are able to participate equitably in private higher education.

Furthermore, the meeting put forward the suggestion that ASEM governments should *explore a supranational response for the region*, if national government is unable to cope with or to monitor the expansion of private higher education provision.

# IV. Annexes

## Programme

Wednesday, 24 March 2010	
	Arrival and Check-in at AIM Conference Center Manila (ACCM)
	Co-ordination Meeting of the ASEM Education Hub (AEH) and AIM
19.00	Dinner Venue: Carte Blanche, 5th Floor, ACCM

## Thursday, 25 March 2010

Venue: Jollibee E-Library, 2<sup>nd</sup> Floor, AIM Conference Center Manila (ACCM)

09.15 Registration

09.50 Welcome Address by the Host of the Meeting  
*Dr. Edilberto de Jesus*, President, Asian Institute of Management (AIM)

10.15 Special Message  
*Ambassador Rosario Manalo*, Governor, Asia-Europe Foundation (ASEF)

10.35 Coffee break

11.15 **SESSION 1:**  
How has the crisis affected a) institutions, b) governments?  
This session will provide an impact assessment of the crisis in both regions.

- Clearly, all countries have been affected, but to what degree?
- Which systems were most vulnerable  
(e.g. public/private institutions? low income/middle income/high income countries)?

Chair:

*Ms. Chripa Schneller*, AEH Special Advisor

Speakers:

- *Mr. Thomas Estermann*, Head, Unit Governance, Autonomy and Funding, European University Association (EUA), Brussels, Belgium
- *Dr. Igor Kitaev*, Programme Specialist, International Institute for Educational Planning (IIEP)/ UNESCO, Paris, France
- *Dr. Edilberto de Jesus*, President, Asian Institute of Management (AIM)
- *Prof. Mudrajad Kuncoro*, Head, Department of Economics, Faculty of Economics & Business, Universitas Gadjah Mada, Yogyakarta, Indonesia

Discussion (Q&A)

12.45 Lunch

14.00

**SESSION 2:**

The impact of crisis on the mobility of students and staff

This session will look at one specific impact of the financial crisis on higher education: the trends in student and staff mobility. As “one man’s meat is another man’s poison“, the session will explore the following:

- What are the push and pull factors for student and staff mobility from a national perspective?
- Sneaking a peak at the debate on return on investment in higher education: (how) can the return on investment on mobility be meaningfully assessed?

Chair:

*Arne Carlsen*, ASEM LLL Hub

Speakers:

- *Dr. Marrik Bellen*, Director, Nuffic Netherlands Education Support Office (Neso) Indonesia
- *Mr. Robert Santa*, Academic Affairs Committee Member, European Students’ Union (ESU), Brussels, Belgium
- *Prof. Wei Shen*, Assistant Professor, International Affairs, ESSCA Graduate School of Management, Angers, France
- *Dr. Bobae Park*, Team Head, Overseas Korean Education Team, National Institute for International Education (NIIED), Korean Ministry of Education, Science and Technology

Discussion (Q&A)

15.30

Coffee break

16.00	<p><b>SESSION 3:</b>  What has been the response to the crisis of a) institutions,  b) governments?  This session will look more concretely on the measures taken by stakeholders. Above all, it strives to analyse the rationale behind long-term measures and the use of emergency mechanisms.</p> <p>Chair:  <i>Mr. Thomas Estermann, EUA</i></p> <p>Speakers:</p> <ul style="list-style-type: none"> <li>• <i>Dr. Arne Carlsen</i>, Chairman, ASEM LLL Hub</li> <li>• <i>Ms. Kiira Kärkkäinen</i>, Education Analyst, Centre for Educational Research and Innovation (CERI), OECD</li> <li>• <i>Mr. Gundars Berzins</i>, Director, Finance Department, University Latvia</li> <li>• <i>Mr. Brahm Prakash</i>, Adjunct Professor, Asian Institute of Management (AIM)</li> <li>• <i>Dr. Rosni Bakar</i>, Associate Research Fellow, National Higher Education Research Institute (IPPTN), Universiti Sains Malaysia</li> </ul> <p>Discussion (Q&amp;A)</p>
17.30	End of first workshop day
18:30	Welcome Reception and a Cultural Presentation hosted by <i>Intel Corporation</i> Venue: Function Room 1-4, Ground Floor, ACCM

## Friday, 26 March 2010

Venue: Jollibee E-Library, 2<sup>nd</sup> Floor, AIM Conference Center Manila (ACCM)

9.30

### SESSION 4:

Why study? Return on investment in higher education

This session will look at the alleged mismatch between education and work and embark on a theoretical discussion of investment in higher education from an economic perspective. Questions to be addressed are:

- (Why?) should governments invest more?
- (Why?) should governments step in – how and where?
- Picking up on the previous sessions: what is the rationale behind countercyclical reactions (e.g. in India, Scandinavia)?

Chair:

*Dr. Igor Kitaev, UNESCO-IIEP*

Speakers:

- *Prof. Sean Golden*, Director, Institute for International & Intercultural Studies (IEII), Universitat Autònoma de Barcelona (UAB), Spain
- *Dr. Monica Lindberg-Falk*, Director of Studies, Centre for East and South-East Asian Studies, Lund University, Sweden
- *Prof. Ka Ho Mok*, Associate Vice President (External Relations), Hong Kong Institute of Education
- *Ms. Cheng Cheng Loo*, Corporate Affairs Manager, Intel Malaysia

Discussion (Q&A)

11.00

Coffee

11.30	<p><i>SESSION 5:</i>  Are there any lessons to be learned from the previous crisis?  The Asian Financial Crisis gripped much of Asia in July 1997, and raised fears of a worldwide economic meltdown. This session will address the following questions:</p> <ul style="list-style-type: none"> <li>- How have national higher education systems reacted then?</li> <li>- With what effect from today's perspective?</li> </ul> <p>Chair:  <i>Mr. Brahm Prakash, AIM</i></p> <p>Speakers:</p> <ul style="list-style-type: none"> <li>• <i>Dr. Bancha Saenghiran</i>, President, Assumption University, Thailand</li> <li>• <i>Ms. Hye-Rim Kim</i>, Associate Programme Specialist in Education, Asia-Pacific Programme of Educational Innovation for Development (APEID), UNESCO Bangkok</li> </ul> <p>Discussion (Q&amp;A)</p>
13.00	Lunch
14.00	<p>Preparation of Recommendations</p> <p>Chair:  <i>Prof. Sean Golden</i>, Universitat Autònoma de Barcelona (UAB)</p>
16.30	<p>Wrap-up and Closing of the Meeting  <i>Mr. Zhang Hongtie</i>, Director-in-Charge  ASEM Education Hub (AEH), Asia-Europe Foundation (ASEF)</p>
18:00	<p>Farewell Dinner  Venue: Via Mare, Greenbelt, Makati City</p>

## List of Participants

### PREPARATORY GROUP (PG)

1. Dr (Mr) Marrik Bellen, Director, Nuffic Netherlands Education Support Office (Neso) Indonesia
2. Dr (Mr) Sean Golden, Director, Institute for International & Intercultural Studies (IEII), Universitat Autònoma de Barcelona (UAB), Spain
3. Dr (Mr) Igor Kitaev, Programme Specialist, UNESCO International Institute for Educational Planning (IIEP), Paris, France
4. (Ms) Chripa Schneller, Special Advisor, ASEM Education Hub (AEH), ASEF

### ASSISTING THE PREPARATORY GROUP

1. Dr (Mr) Arne Carlsen, Chairman, ASEM Education and Research Hub for Lifelong Learning (ASEM LLL Hub); Director, International Affairs, Danish School of Education (DPU), Aarhus University, Denmark
2. Dr (Mr) Edilberto de Jesus, President, Asian Institute of Management (AIM), Philippines
3. (Mr) Thomas Estermann, Head, Unit Governance, Autonomy and Funding, European University Association (EUA), Brussels, Belgium

### EXPERTS GROUP (EG)

1. Dr (Ms) Rosni Bakar, Associate Research Fellow, National Higher Education Research Institute (IPPTN), Universiti Sains Malaysia
2. Dr (Mr) Marrik Bellen, Director, Nuffic Netherlands Education Support Office (Neso) Indonesia
3. (Mr) Gundars Berzins, Director, Finance Department, University of Latvia
4. Dr (Mr) Arne Carlsen, Chairman, ASEM Education and Research Hub for Lifelong Learning (ASEM LLL Hub); Director, International Affairs, Danish School of Education (DPU), Aarhus University, Denmark
5. Dr (Mr) Edilberto de Jesus, President, Asian Institute of Management (AIM), Philippines
6. (Mr) Thomas Estermann, Head, Unit Governance, Autonomy and Funding, European University Association (EUA), Brussels, Belgium
7. Dr (Ms) Monica Lindberg Falk, Director of Studies, Centre for East and South-East Asian Studies, Lund University, Sweden

8. Dr (Mr) Sean Golden, Director, Institute for International & Intercultural Studies (IEII), Universitat Autònoma de Barcelona (UAB), Spain
9. (Ms) Kiira Kärkkäinen, Education Analyst, Centre for Educational Research and Innovation (CERI), OECD
10. (Ms) Hye-Rim Kim, Associate Programme Specialist in Education, Asia-Pacific Programme of Educational Innovation for Development (APEID), UNESCO Bangkok
11. Dr (Mr) Igor Kitaev, Programme Specialist, UNESCO International Institute for Educational Planning (IIEP), Paris, France
12. Prof (Mr) Mudrajad Kuncoro, Head, Department of Economics, Faculty of Economics & Business, Universitas Gadjah Mada, Yogyakarta, Indonesia
13. (Ms) Cheng Cheng Loo, Corporate Affairs Manager, Intel Malaysia
14. Prof (Mr) Ka Ho Mok, Associate Vice President (External Relations), Hong Kong Institute of Education (HKIEd)
15. Dr (Ms) Bobae Park, Team Head, Overseas Korean Education Team, National Institute for International Education (NIIED), Korean Ministry of Education, Science and Technology
16. Dr (Mr) Brahm Prakash, Adjunct Professor, Asian Institute of Management (AIM), Philippines
17. Dr (Mr) Bancha Saenghiran, President, Assumption University, Thailand
18. (Mr) Robert Santa, Academic Affairs Committee Member, European Students' Union (ESU), Brussels, Belgium
19. Prof (Mr) Wei Shen, Assistant Professor, International Affairs, ESSCA Graduate School of Management, Angers, France

#### **ASEM Education Hub (AEH)**

1. (Mr) Zhang Hongtie, Director, People-to-People Exchange Department (P2P)
2. (Ms) Edwige Rozier, Project Manager, P2P
3. (Ms) Helen Sophia Chua Balderama, Project Executive, ASEM Education Hub (AEH), P2P
4. (Ms) Chripa Schneller, Special Advisor, AEH

#### **GUESTS AND OBSERVERS**

1. Ambassador (Mrs) Rosario Manalo, Governor, Asia-Europe Foundation (ASEF)

## Workshop Presentations and Papers (on CD attachment for print version)

1. *"Global Financial and Economic Crisis and the Higher Education: Philippine Scenario and Responses"*, Dr Edilberto de Jesus, President, Asian Institute of Management (AIM), Philippines.
2. *"The Impact of the Financial Crisis to Higher Education"*, Dr Igor Kitaev, Programme Specialist, UNESCO International Institute for Educational Planning (IIEP), Paris, France.
3. *"The Global Economic Crisis and its Impact on Indonesia's Education"*, Prof Mudrajad Kuncoro, Head, Department of Economics, Faculty of Economics & Business, Universitas Gadjah Mada, Yogyakarta, Indonesia.
4. *"How Has the Crisis Affected Institutions? The European Picture"*, Mr Thomas Estermann, Head, Unit Governance, Autonomy and Funding, European University Association (EUA), Brussels, Belgium.
5. *"Mobility"* (Policy Paper and Presentation), Mr. Robert Santa, Academic Affairs Committee Member, European Students' Union (ESU), Brussels, Belgium
6. *"Challenges of Financial Crisis and Mobility in Higher Education: Korean Experience"*, Dr Bobae Park, Team Head, Overseas Korean Education Team, National Institute for International Education (NIIED), Korean Ministry of Education, Science and Technology.
7. *"The Crisis and International Student Mobility in ASEM"*, Prof Wei Shen, Assistant Professor, International Affairs, ESSCA Graduate School of Management, Angers, France.
8. *"ASEM LLL Hub"*, Dr Arne Carlsen, Chairman, ASEM Education and Research Hub for Lifelong Learning (ASEM LLL Hub); Director, International Affairs, Danish School of Education (DPU), Aarhus University, Denmark.
9. *"The Impact of the Financial Crisis to Higher Education – What has been the response to the crisis of (a) institutions and (b) governments?"*, Dr Brahm Prakash, Adjunct Professor, Asian Institute of Management (AIM), Philippines.

10. *"The impact of the Crisis on Institutional Strategy: The Case of the University of Latvia"*, Mr Gundars Berzins, Director, Finance Department, University of Latvia.
11. *"Higher Education, Crisis Response and Future Scenarios: An OECD Perspective"*, Ms Kiira Kärkkäinen, Education Analyst, Centre for Educational Research and Innovation (CERI), Organisation for Economic Cooperation and Development (OECD).
12. *"The Impact of the Financial Crisis on Higher Education in Malaysia"*. Dr Rosni Bakar and Dr Morshidi Sirat, National Higher Education Research Institute (IPPTN), Universiti Sains Malaysia.
13. *"Education in Today's World: An Intel Perspective"*, Ms Cheng Cheng Loo, Corporate Affairs Manager, Intel Malaysia.
14. *"The Liberation of the Privatness in Higher Education: Funding Strategies, Changing Governance and Policy Implications in Asia"*, Prof Ka-Ho Mok, Associate Vice President (External Relations), Hong Kong Institute of Education (HKIEd) and Chang Jiang Chair, Zhejiang University, China.
15. *"Higher Education in Time of Crisis: Sweden introduces tuition fees for Foreign Students"*, Dr Monica Lindberg Falk, Director of Studies, Centre for East and South-East Asian Studies, Lund University, Sweden.
16. *"The Strategic Value of Rates of Return on Investment in Higher Education in The ASEM Context"*, Dr Seán Golden, Director, Institute for International & Intercultural Studies (IEII), Universitat Autònoma de Barcelona (UAB), Spain.
17. *"Impact of the Financial Crisis on Higher Education in Thailand: Lesson Learned from Previous Crisis (1997)"*, Dr Bancha Saenghiran, President, Assumption University, Thailand.

## About the Authors

**Chripa Schneller** joined the ASEM Education (AEH) as Special Advisor in July 2009. As an expert and practitioner in the field of higher education, Ms. Schneller contributes to the development of AEH's overall strategy and outreach. She led the preparatory group for the 1<sup>st</sup> Asia-Europe Education Workshop on "The Impact of the Financial Crisis on Higher Education". Prior to joining AEH, Ms Schneller worked as a Policy Officer at the Academic Cooperation Association (ACA)<sup>36</sup>, where she was in charge of projects aiming at improving availability and accessibility of European higher education, amongst others. She has authored a range of papers on international education and has organised and represented the organisation at various international conferences. Ms Schneller studied at the Universities of Passau (Germany), Bologna (Italy), and Lisbon (Portugal) and holds Master's degrees in cultural studies, economics as well as foreign languages. She is currently preparing a PhD on the topic of access of migrants to higher education. **E-mail: [aei.advisor@asef.org](mailto:aei.advisor@asef.org).**

**Dr Sean Golden** is Full Professor of East Asian Studies at the Autonomous University of Barcelona (UAB), Spain. He was former Dean of the Faculty of Translation & Interpreting (UAB); Director of the Institute of International & Intercultural Studies (IEII) of UAB and Director of the Asia Programme at CIDOB Foundation, Barcelona. He is currently a member of the Board of Advisers of *Casa Asia* (Asia House), Barcelona, and the Venice International University. Dr Golden received his PhD from the University of Connecticut (USA). **E-mail: [sean.golden@uab.es](mailto:sean.golden@uab.es).**

<sup>36</sup> The Academic Cooperation Association (ACA) – based in Brussels - is the umbrella organisation of national organisations from Europe and beyond, which all fund and encourage the internationalisation of their higher education systems. [www.aca-secretariat.be](http://www.aca-secretariat.be)

# About the Asia-Europe Foundation (ASEF)

The Asia-Europe Foundation promotes greater mutual understanding between Asia and Europe through intellectual, cultural and people-to-people exchanges. Through ASEF, civil society concerns are included as a vital component of deliberations of the Asia-Europe Meeting (ASEM<sup>37</sup>). ASEF was established in February 1997 by the participating governments of ASEM and has since implemented over 450 projects, engaging over 15,000 direct participants as well as reaching out to a much wider audience in Asia and Europe. [www.asef.org](http://www.asef.org).

# About the ASEM Education Hub (AEH)

The ASEM Education Hub (AEH) is the *flagship programme* of ASEF within the People-to-People Exchange Department (P2P) which aims to facilitate the development and exchanges of educational (formal and non-formal) policies and practices in ASEM countries for the benefit of the next generation of leaders.

AEH promotes co-operation among higher education stakeholders in Asia and Europe. Its current structure was defined in 2006. ASEF called it the revitalised ASEM Education Hub (AEH) initiative aimed at fostering higher education co-operation among ASEM countries, pursuing two (2) overall objectives:

- providing support to multilateral higher education co-operation initiatives; and
- acting as a facilitator for higher education dialogue among ASEM countries through the creation of platforms for exchanges among relevant stakeholders.

<sup>37</sup> ASEM now brings together 43 member states (Austria, Belgium, Brunei Darussalam, Bulgaria, Cambodia, China, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Indonesia, India, Ireland, Italy, Japan, Korea, Laos, Latvia, Lithuania, Luxembourg, Malaysia, Malta, Mongolia, Myanmar, the Netherlands, Pakistan, the Philippines, Poland, Portugal, Romania, Singapore, Slovakia, Slovenia, Spain, Sweden, Thailand, United Kingdom, Vietnam) plus the European Commission and the ASEAN Secretariat. [www.aseminfoboard.org](http://www.aseminfoboard.org).



# Acknowledgements

Production & Copy Editors: Edwige Rozier and Helen Sophia Chua Balderama

Coordinating Editors: Nhu Quynh Do and Dominika Jajkowicz

Photos: iStockphoto

Cover Design & Lay-out: fFurious

Printed by: Octogram Press Pte Ltd



Asia-Europe Foundation  
31 Heng Mui Keng Terrace, Singapore 119595  
Tel: (65) 6874 9700 Fax: (65) 6872 1135 Email: [info@asef.org](mailto:info@asef.org)  
[www.asef.org](http://www.asef.org)



ASEF's contribution is with the financial support of the European Commission