Opportunities and Challenges in the Internationalisation of the Philippine Higher Education Sector

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Acronyms

AQAF - ASEAN Quality Assurance Framework

ASEAN - Association of Southeast Asian Nations

AUN - ASEAN University Network

BID - Bureau of Immigration and Deportation

BIS - Department of Business, Innovation and Skills

CHED - Commission on Higher Education

CMO - CHED Memorandum Order

DFA - Department of Foreign Affairs

ETEEAP - Expanded Tertiary Education Equivalency and Accreditation Programme

FAPP - Federation of Accredited Agencies of the Philippines

FHEI - Foreign Higher Education Institution

FHEP - Foreign Higher Education Provider

GCI - Global Competitiveness Index

GDP - Gross Domestic Product

HE – Higher Education

HEI – Higher Education Institution

IAS - International Affairs Staff

IHE - Internationalisation of Higher Education

IMF - International Monetary Fund

INQAAHE - International Network for Quality Assurance Agencies in Higher Education

NNQAA - National Network for Quality Assurance Agencies

PRC - Philippines Regulatory Commission

PSG - Policies, Standards and Guidelines

R&D - Research and Development

RIHED - Regional Centre for Higher Education and Development

SEAMEO - Southeast Asia Ministers of Education Organisation

TNE - Transnational Education

UNESCO – United Nations Educational, Scientific and Cultural Organisation

WEF - World Economic Forum

Acknowledgements

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Authors: Pat Killingley and Dr Janet Ilieva, June 2015

Contents

Executive Summary

This report was commissioned by the British Council to identify opportunities, challenges and ways forward for the internationalisation of higher education (IHE) in the Philippines.

The methodology comprised desk research as well as a scoping visit to the Philippines that involved a wide range of consultation meetings with higher education agencies and organisations.

The report provides an analytical insight into the higher education system in the Philippines and its readiness to engage internationally. It also sets out some of the opportunities and challenges for the Philippine higher education sector within a global and regional context, and for international higher education institutions (HEIs) looking to engage with the Philippines.

The first part of the report is based on desk research. It reviews the Philippines' economic and demographic outlook and their implications for the higher education sector. The country is compared with selected peer countries from the Association of Southeast Asian Nations (ASEAN) that have economies and education systems of a roughly commensurate size. The comparator group includes Indonesia, Malaysia, Thailand and Vietnam.

The economic performance of the Philippines has picked up substantially in recent years, and the investment climate has improved significantly, signalled by two consecutive credit rating upgrades by Moody's.[1] A distinctive feature of the economy is the high level of remittances from overseas workers, which accounts for around nine per cent of gross domestic product (GDP) and is an important driver of consumption.

The majority of overseas migrants from the Philippines are aged between 25 and 34 years old. Many of them are college-educated, with excellent English skills,yet many are underemployed in the jobs they take overseas. This raises questions about the balance between the contribution of remittances to the economy and the loss of highly educated talent from the domestic labour market. As the ASEAN economic community develops, higher education (HE) will have an important role in delivering national wealth and competitiveness. If too much talent leaks overseas, this may result in the economy failing to capitalise on a key resource.

The continued growth in wealth in the Philippines is expected to increase future demand for higher education. This trend will be further boosted by steady growth in the university age population (20 to 24 year olds) as far into the future as 2050. The Philippines has one of the youngest demographics in the East Asia region and the highest rate of population growth across the ASEAN comparator group.

The ASEAN region's use of English as its official language potentially positions the Philippines' HE sector favourably within the region. The ASEAN economic community will come into being by the end of 2015, enabling highly skilled mobility across the region and further increasing demand for higher education.

The second part of the report, also based on desk research, evaluates prospects for internationalisation in the Philippines at three levels: (i) national policy level; (ii) higher education institution level (focussing on the internationalisation of teaching and research); and (iii) internationalisation of the student body.

Our analysis of the IHE at the national policy level draws on a conceptual framework developed by the British Council (2011), which measures the extent to which the policy environment facilitates international collaboration and

1 Asian Development Bank (2015), Asian Development Outlook 2015, www.adb.org/sites/default/files/publication/154508/ado-2015.pdf

2 UNESCO (2013), http://www.unicef.org/philippines/Youth-Migration-Philippines-Brain-Drain-Brain-Waste.pdf

engagement.[3] Overall, the Philippines compares favourably with ASEAN peer countries. However, an area of weakness is the relative lack of the openness to international students and academics. For example, the process for student visa applications is complex and involves dealing with several different offices. Similarly, international academics face significant difficulties should they wish to practise their profession in the Philippines.

Internationalisation at the level of HEIs is evaluated based on the ability of institutions to engage internationally through transnational education (TNE) and through research collaboration. However, the study does not consider the internationalisation of curricula, which would have required a detailed assessment of individual HEIs' approaches.

The framework we have used for evaluating TNE builds on Shape of Things to Come in Transnational Education 2 (British Council 2013).[4] A strong point for the Philippines is the existence of a comprehensive TNE strategy, which sets out the terms of engagement between domestic and international HEIs. From an overseas HEI perspective, however, the limitations on operating in the Philippines represent a significant drawback. At present, it is only possible to operate through a local partner institution which must have at least 60 per cent ownership of the venture. This is likely to discourage HEIs with strong global brands, many of which will be keen to retain ownership and direct control over the quality of the education being provided. Under current provisions, quality assurance of TNE programmes takes place through assurance of the local partner.

Our analysis of internationalisation through research looks at the research capability of the Philippines higher education system and at research produced in international collaboration. The Philippines' ability to retain and attract talent is less strong than its peers. So, too, is the number of researchers per million of the population. However, even though research output is low compared to ASEAN peer countries, citation impact is the highest in the comparator group, and 11 per cent higher than the world average.[5] This may be explained by the relatively high proportion of international collaboration within the country's research output (research that is based on international collaboration generates higher impact). While overseas collaboration is a strong point, further effort is required to nurture and develop domestic research capacity. The Philippines performs competitively in environmental sciences and agricultural and biological sciences.

There are significant data gaps for international students studying within the Philippine tertiary education system. Nevertheless, the data indicate that the country has the lowest number of international students among the ASEAN comparator group. This suggests that the competitive advantage of the English language has not yet been realised. Notwithstanding the importance of ensuring access to higher education for its own citizens (reflected in a maximum threshold for international students of 30 per cent of total enrolments), with streamlined student visa processes and a clearly-defined HE offer in place, the Philippines has the potential to attract a significantly higher number of international students, if it chooses to go in this direction.

The final part of the report builds on the desk research, adding findings from the consultation meetings in the Philippines. It provides reflections, perspectives and opinions on the challenges, risks and opportunities for internationalisation. Some fundamental questions about the future direction for both the government and the HE sector are raised and explored, including:

3 British Council (2010), 'Global Gauge: International Education Policy Index'.

4 British Council (2013), Shape of things to come in Transnational Education 2'; www.britishcouncil.org/education/ihe/knowledge-centre/transnational-education/the-shape-of-things-to-come-2

5 Elsevier (2015), ASEAN research position and collaboration partners, report prepared for the British Council and the British Foreign & Commonwealth Office

- How will the Philippines meet the major challenge of future growth in demand for higher education? Specifically, how can IHE be used to meet some of this demand - either by encouraging more Filipino students to study overseas, or by encouraging more foreign HEIs to operate in the Philippines?

- How can more Filipinos be encouraged to study overseas? How feasible or desirable is this?

- What can be done to encourage more high quality foreign HEIs to operate in the Philippines? What are the legislative and regulatory barriers, and how can these be addressed?

- Could foreign providers be used to build research and teaching capacity (for example, improving research rankings or developing teaching to produce 'job-ready' graduates)? How can this be achieved–and are there examples of this strategy working successfully in the ASEAN region?

- What is the possible impact of an integrated ASEAN economic community on the Philippine HE sector? How competitive will its graduates and HEIs be in this context?

- Should the Philippines set out to become an education hub for the ASEAN region? What are the opportunities? What are the challenges and risks?

There are major opportunities as well as risks for the Philippines within a growing and evolving ASEAN region. These provide a set of different paths for the development of a robust Philippine HE system. There are significant challenges, largely in the legislative and regulatory frameworks, which need to be addressed before opportunities are capitalised upon. The path the country chooses is largely determined by the scale of its ambition and level of its commitment.

I. Introduction and Background

1. 1 BRIEF

This research was commissioned by the British Council to inform its engagement and activity under its international higher education (IHE) programme. The goals are to:

- Provide an analysis of the current higher education sector in the Philippines and how it compares to its neighbours in the Association of South East Asian Nations (ASEAN) region in terms of internationalisation;
- Present an analysis of the readiness and potential of the higher education sector for (further) internationalisation and reform; and
- Identify possible strategies for internationalisation.

A separate internal report sets out recommendations for British Council activity to support the Philippines higher education (HE) sector in its aims for internationalisation and global engagement.

1. 2 METHODOLOGY

Desk research was conducted to produce an analysis of the Philippine HE sector and how it compares to its ASEAN neighbours in terms of internationalisation. Drawing on existing literature, the research assesses current policies, their context, and the degree to which they enable internationalisation. Areas explored were:

i Broad demographic and economic outlook;

ii Overview of higher education trends in the Philippines; and

iii Internationalisation of the Philippine higher education system at the levels of:

a. National policy, and the extent to which this provides an enabling environment for the country's HEIs to engage internationally.

b. HEIs in terms of the internationalisation of teaching (through transnational education (TNE), including a review of the current regulatory framework, the internationalisation of research, and the internationalisation of the student body (inward and outward mobility).

A scoping visit to the Philippines took place between 11th and 15th May 2015. The main objectives were to explore the current status of the Philippine higher education sector, and to examine how it can be developed and supported to achieve its goal of internationalisation. This included analyses of:

- The priorities of the Commission on Higher Education (CHED) and other stakeholders in the internationalisation of the higher education sector;
- Stakeholder perceptions of the opportunities and challenges for internationalisation as well as their priorities and plans;
- Existing policies and regulations relating to the internationalisation of higher education (including quality assurance practices and accreditation).

The scoping visit consisted of face-to-face meetings and discussions with key stakeholders selected by the British Council, as well as discussions with British Council members of staff. The visit programme is attached in Appendix 1.

Findings from the desk research and from the scoping visit produced a list of specific recommendations on how the British Council and the UK higher education sector can support CHED and Philippine HEIs to achieve further internationalisation and global engagement.

1. 3 LIMITATIONS

The research was limited by the number of stakeholder meetings that were possible during the five-day scoping visit, and by the relatively small quantity of data that was available both on international research collaboration and on student mobility. Internationalisation of the curricula by Philippine HEIs would have required extensive data collection and, for this reason, has not been covered in this study.

1. 4 CONTENT

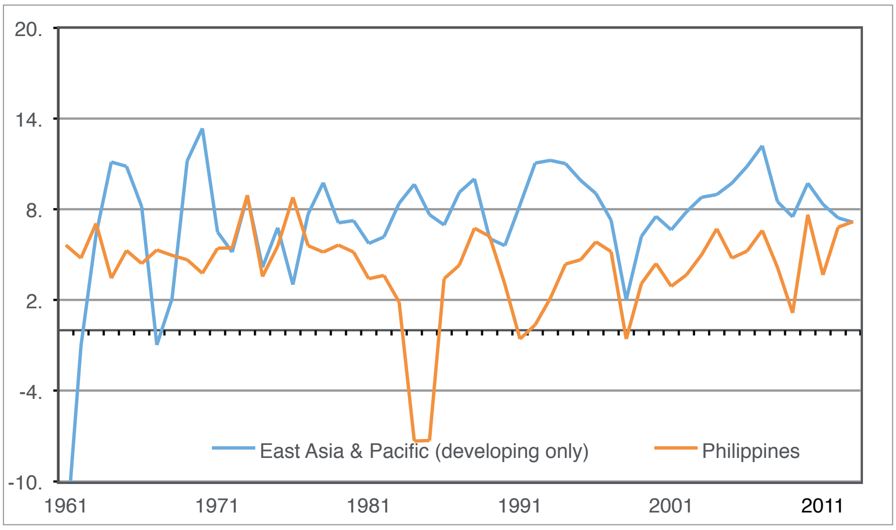
The first part of the report (Section 2) provides a brief overview of higher education in the Philippines. Section 3 provides an analysis of the internationalisation of the Philippine higher education sector, benchmarked against a set of comparator ASEAN countries. Section 4 builds on this analysis by adding the findings from the consultation meetings and raising key questions about the future roadmap for the internationalisation of the Philippine higher education sector.

2. Context of Higher Education in the Philippines

2. Context of Higher Education in the Philippines

Previous research by the British Council identifies economic and demographic factors that drive demand for domestic higher education. This section reviews the Philippine economic and demographic outlook and explores their impact on the higher education sector. The country is compared with selected ASEAN peers with economies and education systems that are roughly commensurate in size. Country selection was also informed by an earlier piece of British Council research, which enables a deeper level of comparison. The comparator countries are Indonesia, Malaysia, Thailand and Vietnam.

***Figure 1**. East Asia and the Pacific and the Philippines annual GDP growth from 1961 to 2013.*



Source: Analysis based on the World Bank Development Indicators

2. 1 ECONOMIC OUTLOOK

The Philippine economy grew 6.1 per cent in 2014, with private consumption accounting for over 60 per cent of this growth. Private consumption was largely driven by remittances from overseas Filipino workers, which were estimated at US$ 24.4 billion in the year to February 2015, up 4.2 per cent from the year before. According to an estimate by Focus Economics, remittances contributed 8.5 per cent to the country's gross domestic product (GDP) in 2014.[6]

The Philippines ranked 3rd worldwide in terms of the monetary value of overseas remittances received in 2014, behind only China and India, two much larger economies.[7]

The economy is forecast to stay buoyant, with further GDP growth of 6.4 per cent and 6.3 per cent in 2015 and 2016, respectively.[8] Services play a key role in the Philippine economy, contributing up to 60 per cent of output in 2014. The country's credit rating was upgraded in 2013, followed by another upgrade by Moody's to Baa2 in 2014, signalling an improving investment climate.[9] In January 2015, unemployment fell to 6.6 per cent, its lowest level in a decade, although this still equates to 2.6 million unemployed, half of whom are aged between 15 and 24 years old.

With a few exceptions, the Philippine economy's year-on-year growth rate has been consistently lower than that of other emerging economies in East Asia over the past few decades. Figure 1 shows comparative figures between 1961 and 2013. However, in contrast with the Asian crisis in 1997 and 1998, the recent global financial crisis has not had a substantial impact on economic growth in the

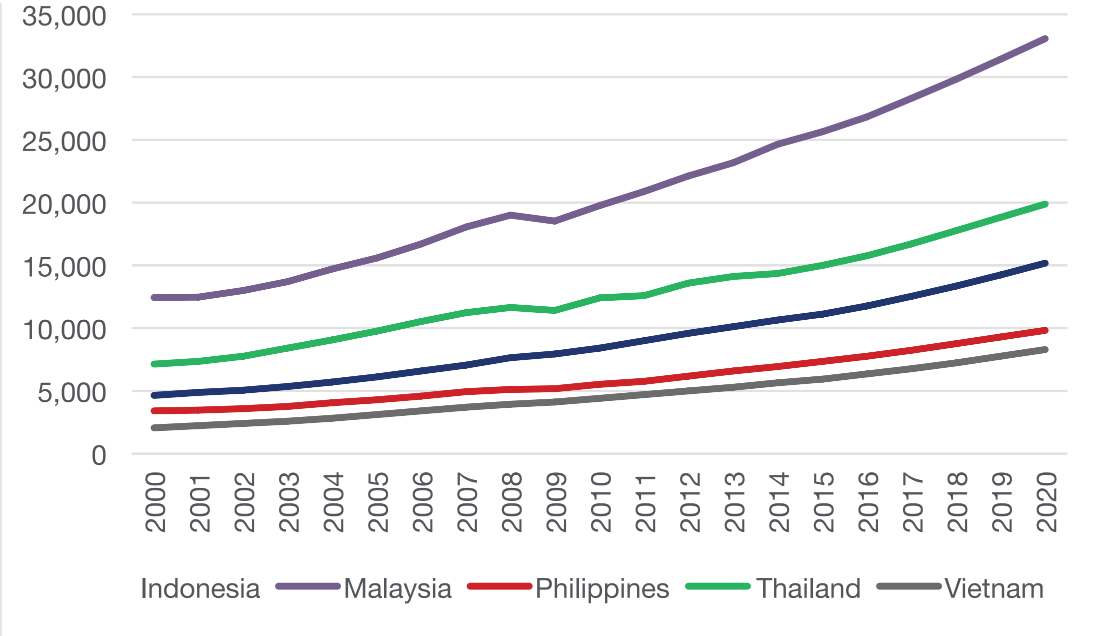
6 Focus Economics (2015), Remittances growth picks up from six-year low in February, www.focus-economics.com/news/philippines/remittances/remittances-growth-picks-six-year-low-february

7 World Bank (2015), Bilateral remittances matrix: www.unicef.org/philippines/Youth-Migration-Philippines-Brain-Drain-Brain-Waste.pdf

8 Asian Development Bank (2015), www.adb.org/countries/philippines/economy

9 Asian Development Bank (2015), Asian Development Outlook 2015, www.adb.org/sites/default/files/publication/154508/ado-2015.pdf

***Figure 2**. Gross domestic product based on purchasing-power-parity (PPP) per capita GDP.*



Source: International Monetary Fund (2015), World Economic Outlook Database https://www.imf.org/external/pubs/ft/weo/2015/01/weodata/weoselgr.aspx (Accessed on 9 May 2015).

Philippines, despite a temporary dip in remittances in late 2008 and 2009.[10]

The Philippines' score in the Global Competitiveness Index (GCI) by the World Economic Forum has also improved significantly in the past few years. The index measures global competitiveness in 144 countries across 12 broad categories. The Philippines has moved to the 52nd spot, up seven places in the global rankings. The macroeconomic environment was praised as particularly good and was ranked 26th in the world.

Notable improvements were made in the quality of the education system as the country moved to 29th place in 2014-15, up from 40th in the previous year. Improvements were also noted in the area of higher education and training, which moved up three places to 64th. The country's ability to retain talent has also improved slightly since 2013, moving from 71st to 60th in 2014-15. Ability to attract talent ranked 82nd, up four places over the same period.[11]

The International Monetary Fund forecasts good levels of economic growth for the Philippines up to 2020, even though per capita levels will remain substantially below many of its ASEAN peers (see Figure 2).

10 The World Bank (2009), Remittances and the Philippines economy: the elephant in the room: http://blogs.worldbank.org/eastasiapacific/remittances-and-the-philippines-economy-the-elephant-in-the-room

11 World Economic Forum (2014), Global Competitiveness Index: http://reports.weforum.org/global-competitiveness-report-2014-2015/economies/#economy=PHL

2.2 DEMOGRAPHIC OUTLOOK

The Philippines is the second most populous nation in ASEAN after Indonesia. Its population is estimated to have passed 100 million in 2014.

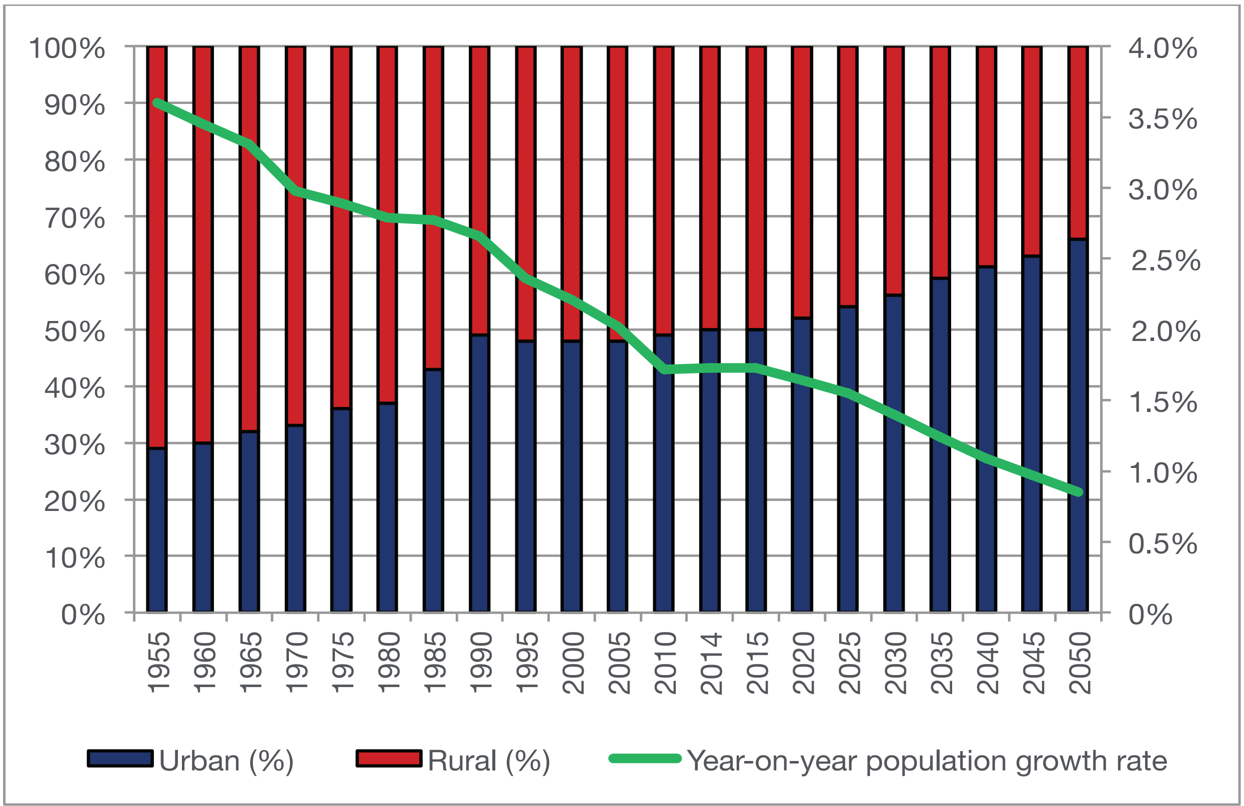
The United Nations forecasts that by 2045 the Philippines will have a population of 150 million, making it the world's 10th most populous nation, and overtaking Japan to become the 3rd most populous in East Asia.

Although rates of population growth will decline as urbanisation increases, the United Nations forecasts that the Philippines will continue to have a very young population for the next few decades.[12]

While overall population growth has slowed compared to the 1990s, growth within the 20 to 24 years old age group is forecast to remain the highest of any country in the ASEAN comparator group.

Figure 3 shows a strong inverse correlation between rates of urbanisation and birth rates (correlation coefficient -0.97).

***Figure 3**. Population projections to 2050 and annual growth rate: urban vs. rural population.*



Source: Analysis based on Source: Worldometers (www.Worldometers.info) Elaboration of data by United Nations, Department of Economic and Social Affairs, Population Division. World Population Prospects: The 2012 Revision.

12 United Nations Population Division (2015) World Population Prospects: 2012 Revision; The Philippines, http://esa.un.org/wpp/Demographic-Profiles/pdfs/608.pdf (Accessed 8 June 2015)

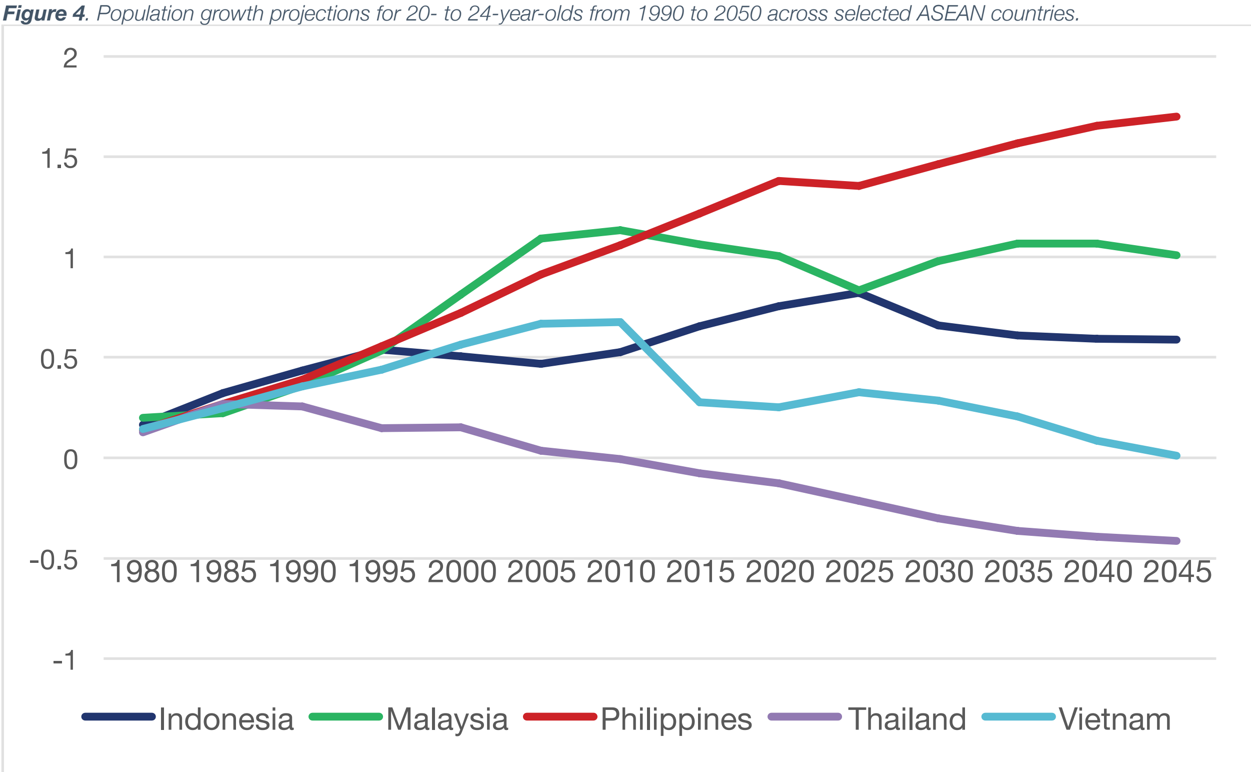
Table 1 shows the highest growth rates across the ASEAN comparator group.

Table 1.*Selected ASEAN countries population projections to 2050 ('000)*

	1990	1995	2000	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Indonesia	178 633	194 113	208 939	224 481	240 676	255 709	269 413	282 011	293 482	303 382	311 334	317 280	321 377
Malaysia	18 211	20 725	23 421	25 843	28 276	30 651	32 858	34 956	36 846	38 471	39 850	41 050	42 113
Philippines	61 949	69 607	77 652	85 821	93 444	101 803	110 404	119 219	127 797	135 919	143 516	150 591	157 118
Thailand	56 583	58 984	62 343	65 559	66 402	67 401	67 858	67 900	67 554	66 774	65 520	63 814	61 740
Vietnam	68 910	76 020	80 888	84 948	89 047	93 387	97 057	99 811	101 830	103 293	104 155	104 310	103 697

Source: United Nations Population Division 1990 – 2050 (Accessed on 7 June 2015).

Figure 4*. Population growth projections for 20- to 24-year-olds from 1990 to 2050 across selected ASEAN countries.*



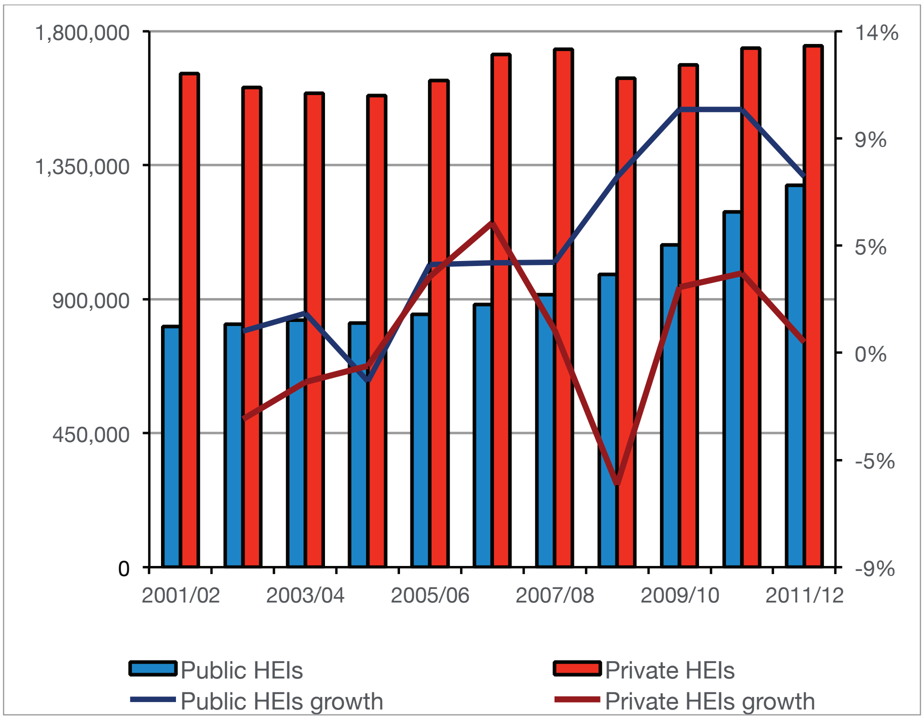
Source: United Nations Department for Economic and Social Affairs, Population Division: http://esa.un.org/unpd/wpp/index.htm (Accessed on 7 June 2015).

2.3 HIGHER EDUCATION

In 2011, the Philippines had over three million students enrolled in higher education, with an estimated gross participation rate in tertiary education of 28 per cent. Most of the student population is enrolled in the private sector despite a more volatile and slower rate of enrolment growth than in the public sector for the ten-year period from 2001 to 2011.

One-third of all students were enrolled in public sector HEIs in 2001, but this proportion had grown to 42 per cent by 2011. Figure 5 shows a steep dip in the number of students enrolled at private institutions in 2008, which suggests that the global financial crisis may have affected enrolment in private HEIs. A slowdown in remittances from overseas Filipino workers at the end of 2008 and early 2009, may have lowered private consumption and, in turn, private spending on education. The operation of private institutions may also have been affected by CHED's Memo 40 'Manual of Regulations for Private Education of 2008'.[13]

***Figure 5**. Enrolments at public and private HEIs in the Philippines and annual growth rates.*



Source: Commission for Higher Education, Philippines: http://www.ched.gov.ph/index.php/home/media/data/statistic/ (Accessed on 29 May 2015)

There were 220 public HEIs and 1,636 private HEIs reporting to CHED in 2011. This represents an increase of nearly 400 in the number of private HEIs since 2001, compared with an increase of only 50 in the number of publicly funded HEIs over the same period.

The average size of enrolment at publicly funded HEIs increased between 2001 and 2011 from 4,750 to 5,800 students per HEI, but dropped from 1,300 students to 1,000 students in private HEIs.

The country's demographic profile and increasing wealth are likely to increase future demand for higher education enrolments.

13 www.dlsu.edu.ph/offices/iaa/downloads/CHED-MEMO-2008-40.pdf

2.3.1 Impact of English and regional integration on demand for international higher education

The Philippines has become a popular destination for learners of English as a second language and is sometimes characterised as the home of the world's "budget" English teacher.[14] A growing number of overseas students has been attracted by the country's relatively low tuition fee levels, low cost of living and (for some overseas markets) good geographical location. For example, an estimated 24,000 South Korean students were studying English in the Philippines in 2012, up from 5,000 in 2005.[15] Pearson's "Business English Index" has ranked the Philippines as the top country for Business English.[16] An ETS survey ranked it among the top countries in Asia for English language proficiency,[17] after Singapore and India.

English is the language of instruction in Philippine HEIs. Consequently, the adoption of English as the official language of the ASEAN Economic Community is expected to position Philippine higher education favourably within the region. Similar to the European Union Higher Education Area, as the ASEAN Economic Community evolves and its higher education systems become more closely aligned, there is likely to be stronger demand for international higher education within the region. The blueprint for the Community envisions free movement of labour by December 2015 although this will be limited to highly skilled workers initially. This newly assumed ability of the highly skilled to travel and work across the ASEAN region is likely to provide further stimulus for higher education demand. This will be further enhanced by ASEAN's positive economic growth prospects in the medium term.

It is important to note that the ASEAN region is also close to a number of countries with major economies and established education systems, like Japan, South Korea and, more recently, China. Demographic declines in these countries' university age populations have put pressure on some to downsize their higher education capacity through planned mergers and closures of universities.[18] Generous scholarship schemes to make up for some of the shortages in the domestic systems are already targeting ASEAN university students.

Further analysis is required to examine how regional integration in ASEAN is likely to impact interactions between countries' education systems, and how they respond to:

- Shifts in the higher education landscape in the wider East Asia region, and equally,
- How their engagement with higher education systems outside the broader East Asia region will be affected.

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14 BBC (2012), The Philippines: The world's budget English teacher: http://www.bbc.co.uk/news/business-20066890

15 Learning English (2015), Philippines Attracts English Learners on a Budget http://learningenglish.voanews.com/content/philippines-at tract-eanglish-learners-on-a-budget/2706062.html

16 The Economist (2013), Who's No1? Really? www.economist.com/blogs/johnson/2013/04/business-english

17 Asian Scientist (2011) TOEFL: Singapore Third Worldwide In English Proficiency Test, Top In Asia www.asianscientist.com/2011/04/academia/toefl-singapore-worldwide-english-proficiency-top-asia/

18 University World News (2012), "East Asia: demographic decline hits universities"; www.universityworldnews.com/article.php?story=20120106163701271; University World News (2014) , "Plan for dramatic university cutbacks causes disquiet"; www.universityworldnews.com/article.php?story=20140309162215189

3. Higher Education Internationalisation and the Philippines

3. Higher Education Internationalisation and the Philippines

3.1 THE MODEL

This section examines the level of higher education internationalisation in the Philippines, benchmarking it against the ASEAN comparator group. The conceptual framework is modelled on previous research carried out by the British Council and draws on a significant body of research that benchmarks internationalisation across both developed and developing countries.[19]

Our framework examines internationalisation at three levels: (i) national policy environment, (ii) teaching and research, and (iii) the internationalisation of the student body.

3.2 NATIONAL POLICY ENVIRONMENT

This section draws on the conceptual framework developed by the British Council (2010), which uses an index (Global Gauge) that captures the international appeal of a country's higher education system and measures how its environment facilitates international collaboration and engagement.[20] At present, this index remains the most comprehensive measurement of readiness of national higher education systems to engage internationally.

Global Gauge indicators were used to evaluate three broad areas: (i) IHE strategy at national level; (ii) autonomy of higher education institutions in the country and (iii) openness of the higher education sector to international students and international faculty.

3.2.1 IHE strategy at national level

The Commission on Higher Education (CHED) has primary responsibility for tertiary education in the Philippines. Created by the Higher Education Act of 1994 (Republic Act No. 7722), CHED defines its role as "building the country's human capital and innovation capacity towards the development of a Filipino Nation as a responsible member of the international community."[21]

CHED has actively pursued a strategy aimed at internationalisation. Periodical reviews of the country's higher education programmes ensure their quality meets international standards. This is detailed in CHED's strategic plan 2011-2016.[22] The International Affairs Staff (IAS) within CHED has overall responsibility for all bilateral and multilateral agreements involving international organisations, student and staff exchanges, degree and qualification equivalencies,

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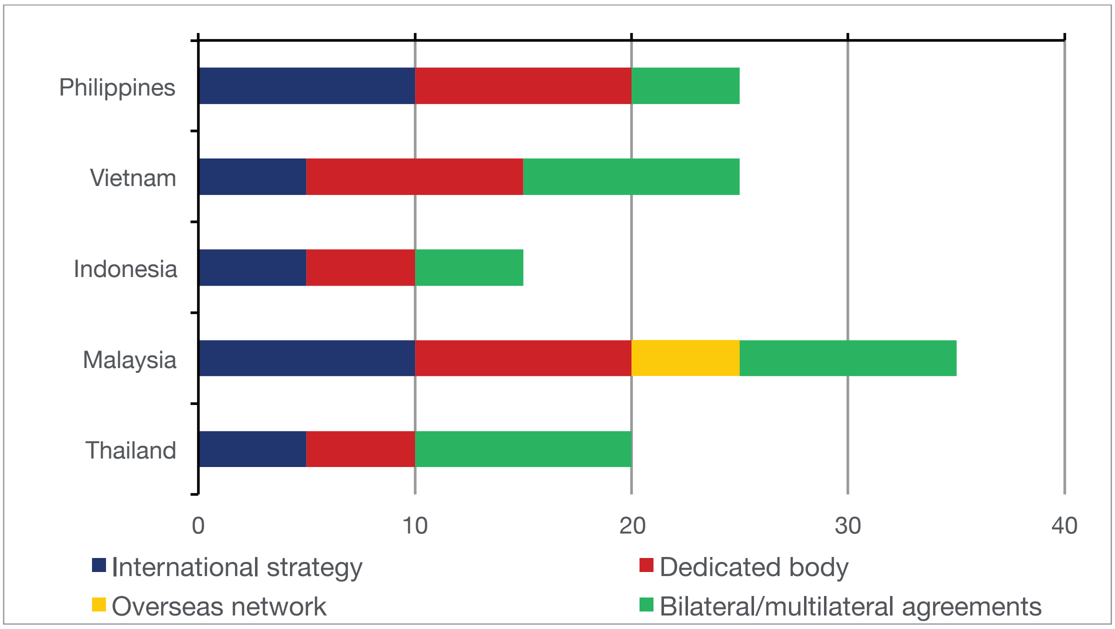
19 The conceptual framework is based on several research projects developed by the British Council. It mainly draws on the following publications:
(i) British Council (2010), 'Global Gauge: International Education Policy Index' – Benchmarking study of international education policies across 11 countries. The study was extended in 2011 to cover countries in East Asia.
(ii) British Council (2012), 'The Shape of Things to Come: Higher Education Global Trends and Emerging Opportunities to 2020'
(iii) British Council (2013), 'The Shape of Things to Come 2 – The Evolution of Transnational Education: Data, Definitions, Opportunities and Impacts Analysis' – Benchmarking study of TNE host countries across 25 countries
(iv) British Council / DAAD (2014), 'The Impacts of TNE on host countries' – Survey study of the rationales and impacts of TNE across ten host countries.

20 British Council (2010), 'Global Gauge: International Education Policy Index'.

21 CHED vision and mandate: www.ched.gov.ph/index.php/home/about-ched/vision-mandate/ (accessed on 26 May 2015).

22 www.ched.gov.ph/wp-content/uploads/2014/12/CHED-Strategic-Plan-2011-2016.pdf

***Figure 6**. IHE strategy at national level: the Philippines and selected ASEAN countries*



Source: Authors' estimates are based on their assessment of the Philippines internationalisation of higher education at system level. The scores for the peer group are adapted from the British Council's Global Gauge study.
Note: each indicator is evaluated on a scale 10 (criterion fully met) to 0 (criterion not met). The maximum score across four indicators is 40.

inflows and outflows of international students, and transnational education (TNE). IAS is supported by the Educational Agreements and International Recognition Unit; Trade in Education Services Unit, and the Protocol Affairs Unit.[23]

The Philippines is an active member of the Southeast Asia Ministers of Education Organisation (SEAMEO). One of its centres, the Regional Centre for Higher Education and Development (RIHED) and three of its universities are part of the ASEAN University Network (AUN). Most of the memoranda listed on the CHED website cover the East Asia region.

This section measures the Philippine national strategy on IHE and compares it with the selected ASEAN peer countries. Scores for the peer group were adapted from the British Council's 'Global Gauge'.

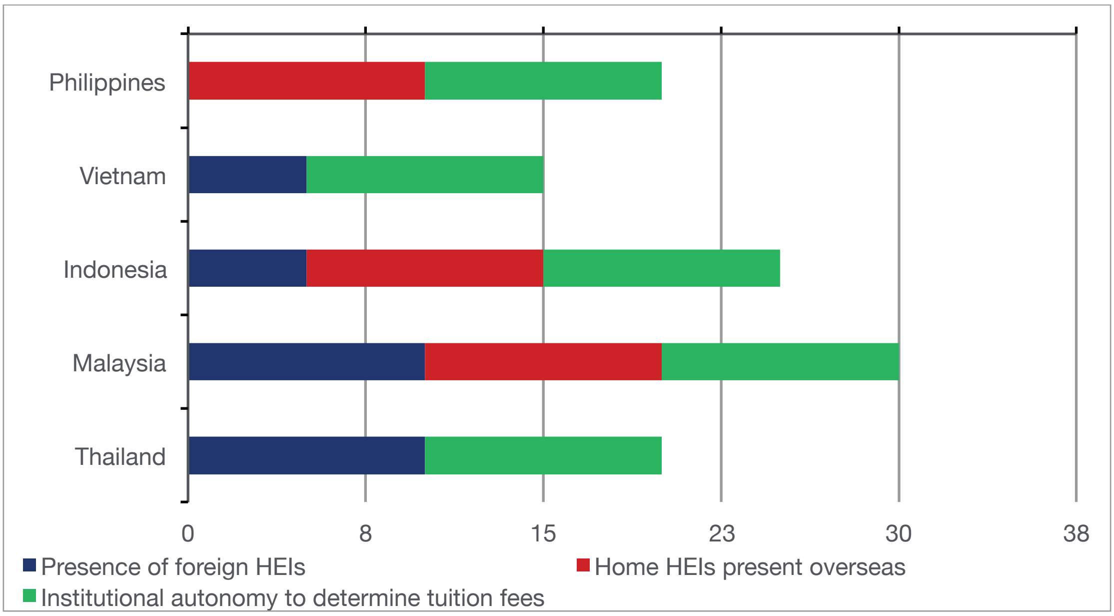
The comparisons are drawn across four areas:

- presence of well-defined IHE strategies and objectives at the national level;
- existence of dedicated agencies handling the delivery of these targets with an allocated budget;
- overseas presence or network of offices tasked with the advancement and promotion of the country's higher education system; and
- memoranda of understanding or agreement with international partner agencies.

For simplicity, an indicative score of 10 indicates that criteria are fully met; 5 partly met; and 0 if further development is needed.

23 www.ched.gov.ph/index.php/offices/international-affairs-staff-ias/

Figure 7. *HEIs' autonomy in the Philippines and selected ASEAN*



Source: Authors' estimates for the Philippines are based on assessment of the legislative framework in the country and practices observed. The scores for the selected ASEAN peer countries are adapted from the British Council (2010), Global Gauge. This research draws on the scores of additional countries in East Asia which were subsequently added to the study in 2011. Please note the scores for Indonesia with regard to foreign HEIs being set up in the country were downgraded by the authors to better reflect current practice.

Generally, the Philippines compares favourably with ASEAN peers. Malaysia ranks high because of its well-defined international strategy, supported by specific targets and deadlines. In addition, it has established a network of overseas offices to support its higher education system.

A detailed overview of the evaluation framework and scores across all indicators for the Philippines and the ASEAN peer group are provided in Data Annex 1.

3.2.2. Autonomy of HEIs in the Philippines

This section looks at the level of autonomy granted both to Philippine HEIs wanting to operate overseas and, equally, to foreign HEIs looking to expand into the Philippines. The regulatory environment surrounding TNE is detailed in Section 3.2.

At present, foreign HEIs are unable to set up an operation in the Philippines without a local partner, except in the case of distance learning providers.[24] They are limited to 40 per cent ownership of the TNE venture.

Until February 2015, there was also a restriction on domestic HEIs wishing to set up overseas. However, CHED Memorandum Order (CMO) No.02, Series of 2015, has now lifted this moratorium.[25] Earlier audits performed by CHED found that many domestic institutions were operating overseas even without CHED's approval. There has been an attempt to enforce quality control over education provision overseas, but this remains a challenge owing to limited resources. Anecdotal evidence suggests that TNE provision is delivered by Philippine HEIs in Vietnam, Korea, China and Africa.

24 This is governed by the Open and Distance Learning. For further details see: www.ched.gov.ph/wp-content/uploads/2015/04/Republic-Act-No.-10650-Open-Distance-Learning-Act1.pdf

25 www.ched.gov.ph/wp-content/uploads/2015/02/CMO-No.-02-s.-2015.pdf

In terms of the autonomy of HEIs to set tuition fee levels and to charge different fees for international students, a wide range of tuition fees is charged by public and private HEIs in the Philippines.[26]

Malaysia scores highest for national strategy (see Figure 6). The latest data show most TNE campuses in South-East Asia are located in Malaysia, which hosts at least 12 branch campuses of overseas universities.[27]

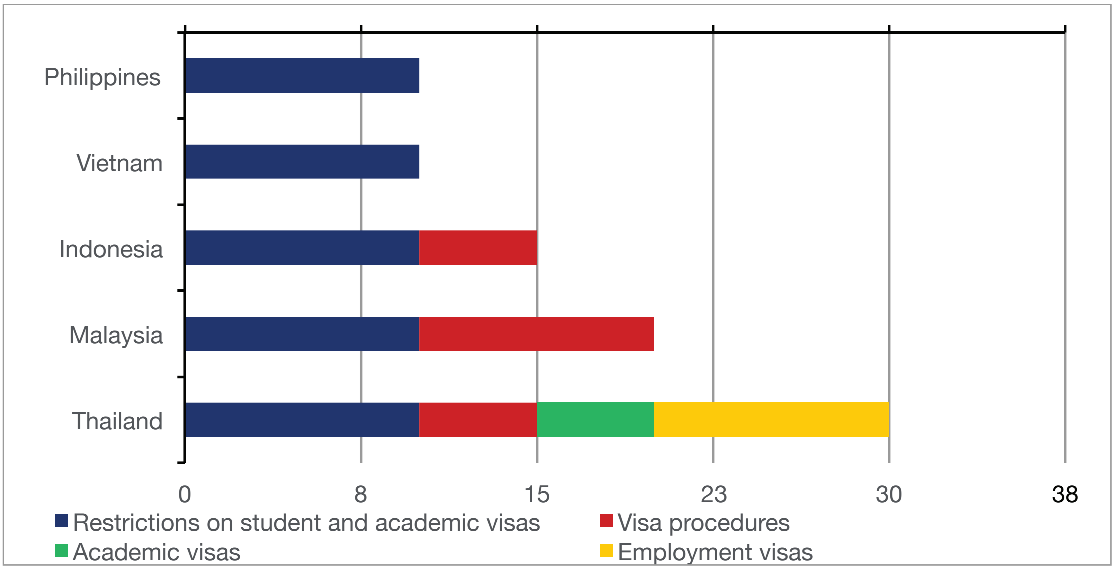
3.2.3 Openness of the higher education system to international students and academics

The openness of a country's education system is defined by its immigration policy for students and academic faculty. In the Philippines, the international student visa process is relatively lengthy and bureaucratic.[28]

Student visas are issued only to individuals over the age of 18. Student visa applications require approval from CHED before they are processed by the Bureau of Immigration and Deportation (BID). The student visa application is then sent to the Department of Foreign Affairs (DFA), which informs the Philippine Embassy in the student's country of origin to issue the visa.[29]

Student visas for non-degree students are issued for up to 59 days only and must then be extended every two months.

***Figure 8**. Openness of the higher education system to international students and academics*



Source: Authors' estimates for the Philippines are based on assessment of the legislative framework in the country and practices observed. The scores for the selected ASEAN peer countries are adapted from the British Council (2010) Global Gauge. This research draws on the scores of additional countries in East Asia which were subsequently added to the study in 2011. Note: Each indicator is scored on a scale 10 (criterion fully met) to 0 (criterion not met). The maximum score across the four indicators is 40.

26 This is evidenced through universities' websites which detail tuition fees for home and international students. An example of fee levels charged by different HEIs across the country is provided at: www.courses.com.ph/tuition-fees-of-colleges-and-universities-in-the-philippines-as-of-sy-2012-2013/

27 Cross-Border Education Research Team (2015), C-BERT Branch Campus Listing; available: http://globalhighered.org/branchcampuses.php

28 http://immigration.gov.ph

29 www.philembassy.no/consular-services/visa/student-visa

Visiting academics, as well as researchers who wish to take on more permanent employment also face difficulties in document processing. This area is governed by Philippine Regulatory Commission (PRC) Resolution 2012 - 668, Series of 2012, also known as the "The PRC Modernization Act of 2000."[30]

Thailand is the only country in the ASEAN peer group that has a favourable environment for post-study employment as well as preferential treatment for visiting academics and for those moving to Thailand to take up employment at a local university.

In summary, the Philippines performs well in terms of having a well-articulated national strategy for IHE and a dedicated body overseeing the execution of the strategy. Domestic HEIs also enjoy considerable independence with regard to engaging internationally and to setting their tuition fee levels. Areas that currently limit further internationalisation include restrictions on ownership and visa policies.

Full details on the evaluation of the Philippine IHE at national level and comparisons with its ASEAN peer group are in Data Annex 1.

3.3 INTERNATIONALISATION OF HIGHER EDUCATION INSTITUTIONS

This section looks at the degree to which the current environment enables (i) internationalisation of HEIs, mainly through transnational education (TNE) and (ii) internationalisation of higher education research. The study does not consider the internationalisation of curricula, which would have required assessment of individual HEIs and was outside the scope of the research.

3.3.1 Internationalisation through transnational education (TNE)

The British Council's (2014) '*Shape of things to come in Transnational Education 2'*, assesses the regulatory environment in 25 countries.[31] We have used the analytical framework developed in this study to evaluate the prospects for TNE engagement in the Philippines.

TNE enables a broader approach towards IHE to be adopted. It relates to the the international mobility of faculty and academic programmes, not just the mobility of students. Countries that wish to position themselves as education hubs often signal their intent by creating a supportive regulatory environment for TNE. This is in addition to the national IHE strategy that was discussed in the earlier section.

'Shape of things to come in Transnational Education 2' identifies four broad areas that make up the regulatory environment for TNE:

i Dedicated body with a TNE remit;

ii Establishment of TNE operations;

iii Quality assurance and accreditation; and

iv Recognition of TNE qualifications.

We have applied this framework to evaluate the TNE regulatory environment in the Philippines and have compared it with the ASEAN peer group.

30 www.prc.gov.ph/uploaded/documents/PRC%20RESO%202012-668_%2007-12-12.pdf

31 British Council (2014), Shape of things to come in Transnational Education 2'; www.britishcouncil.org/education/ihe/knowledge-centre/transnational-education/the-shape-of-things-to-come-2

i. Dedicated body with a TNE remit

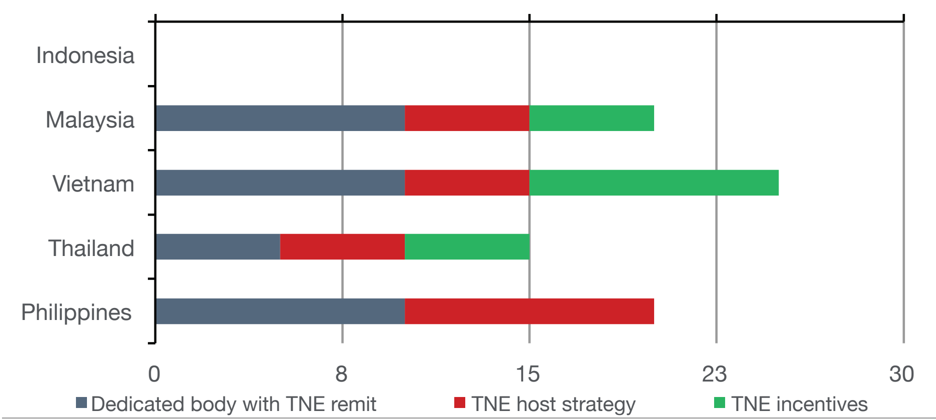
CHED oversees all TNE activities in the country through two (out of three) technical panels: a) Technical Panel for Open and Distance Education and b) Technical Committee for Transnational Education. Additional support is provided by its International Affairs Office.

A key feature of the regulatory environment is the importance that the Philippine government places on ensuring access to education. According to Teehanke (2008), this is rooted in the country's 1987 Constitution, which states that "*the State shall protect, foster and promote the right of all citizens to affordable quality education at all levels and shall take appropriate steps to ensure that education shall be accessible to all.*"[32]

Another feature is the dominant role placed on the local partner in any TNE arrangement: foreign education providers can only operate in the country through a CHED-recognised local partner with a minimum Level III accreditation. [33]

CHED's policy on TNE is governed by the Memorandum Order No. 2, Series of 2008 or the Policies,

***Figure 9**. Dedicated body with a TNE remit and wider TNE strategy*



Source: Authors' estimates for the Philippines are based on assessment of the legislative framework in the country and practices observed. The scores for the selected ASEAN peer countries are adapted from the British Council (2014) Shape of things to come 2.
Note: Each indicator is scored on a scale 10 (criterion fully met) to 0 (criterion not met). The maximum score across the three indicators is 30.
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Standards and Guidelines (PSG) on Transnational Education, which covers the following areas:

- Policy environment for quality assurance in TNE;
- Registration process of TNE services;
- Government regulation over TNE;
- Mechanics for recognising foreign higher education providers and their courses of study in the country and for recognizing Philippine HEIs engaged in TNE; and
- Terminologies related to TNE.

Compared with its ASEAN peers, the Philippines has the most comprehensive TNE strategy with regard to foreign HEIs. Nonetheless, Vietnam gets the highest marks because of incentives offered to overseas HEIs, such as tax breaks and preferential treatment.

32 Teehanke, B. L. (2008), Transnational education policies in the Philippines: perspectives and issues, paper presented at the Capacity building seminar on transnational education services, September, Manila, The Philippines.

33 The minimum level accreditation was Level II until February 2015. See: www.ched.gov.ph/wp-content/uploads/2015/02/CMO-No.-02-s.-2015.pdf

ii. Establishment of TNE in the Philippines

At present, foreign HEIs are unable to set up operations in the Philippines without a local partner. CHED exercises its regulatory powers through the Philippine partner institution. (An exception to this rule is foreign institutions that are mainly engaged in distance learning.) The Philippine partner must have at least 60 per cent ownership, a provision that is likely to discourage HEIs with strong brands and that typically want to retain ownership over the quality of their education delivery.

TNE models in the Philippines are governed by two CHED Memorandum Orders (CMOs) and fall into four categories:

i Twinning and international linkages;

ii Dual qualifications offered jointly by a Philippines HEI and foreign HEI (FHEI);

iii Franchise models under which the foreign provider offers a programme through a Philippine HEI; and

iv Branch campuses, which are permitted if the local HEI partner has at least 60 per cent ownership.

Although TNE has been a policy priority for CHED, TNE activities are tightly regulated. Successful navigation of the policy framework and bureaucracy requires local knowledge and experience.

Having English as the medium of instruction in HEIs positions the Philippines extremely favourably for TNE provision, but the onerous visa procedures present a significant challenge both for foreign students wishing to study in the country and for academics involved in the teaching and delivery of TNE programmes. As noted earlier in this report, foreign nationals, including academics, must adhere to guidelines under Philippines Regulatory Commission (PRC) Resolution 2012 - 668, Series of 2012.[34] Foreign professionals can only practise in the sector if they hold a "special temporary permit" or a certificate of registration / licence issued by PRC.

The chart in Figure 10 benchmarks the regulatory environment in the Philippines against that of its ASEAN peers in the following areas:

i Ease of setting up TNE operations;

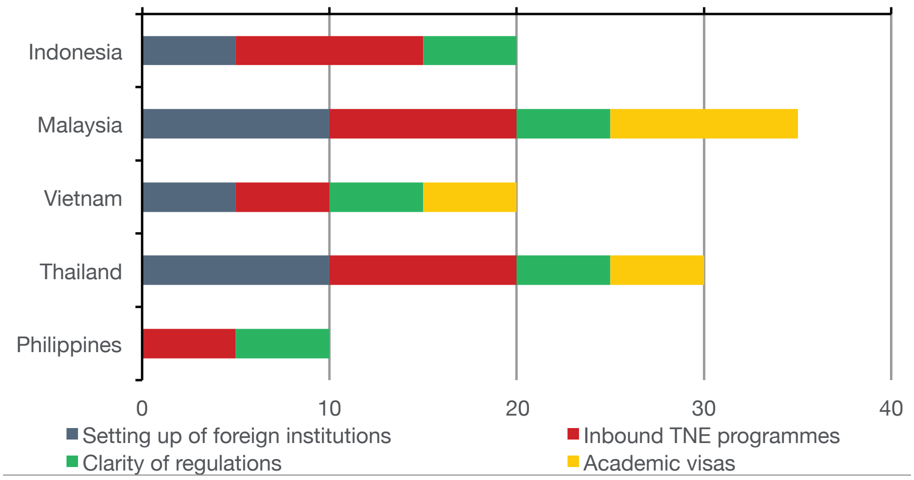
ii Inbound TNE programmes in the country;

iii Clarity of existing TNE regulations; and

iv Preferential visa treatment for foreign academics teaching TNE courses.

The areas where policy reform would have the most substantial impact on TNE are visa policy for overseas academics, and the level of autonomy available to overseas TNE providers (aside from distance learning).

***Figure 10**. Establishment of TNE activities in the Philippines and selected ASEAN*



Source: Authors' estimates for the Philippines are based on assessment of the legislative framework in the country and practices observed. The scores for the selected ASEAN peer countries are adapted from the British Council (2014) Shape of things to come 2.
Note: Each indicator is scored on a scale 10 (criterion fully met) to 0 (criterion not met). The maximum score across the four indicators is 40.

34 www.prc.gov.ph/uploaded/documents/PRC%20RESO%202012-668_%2007-12-12.pdf

iii. Quality assurance and accreditation

Two umbrella bodies operating under CHED oversee quality assurance: the Federation of Accredited Agencies of the Philippines (FAPP) and the National Network for Quality Assurance Agencies (NNQAA). [35]

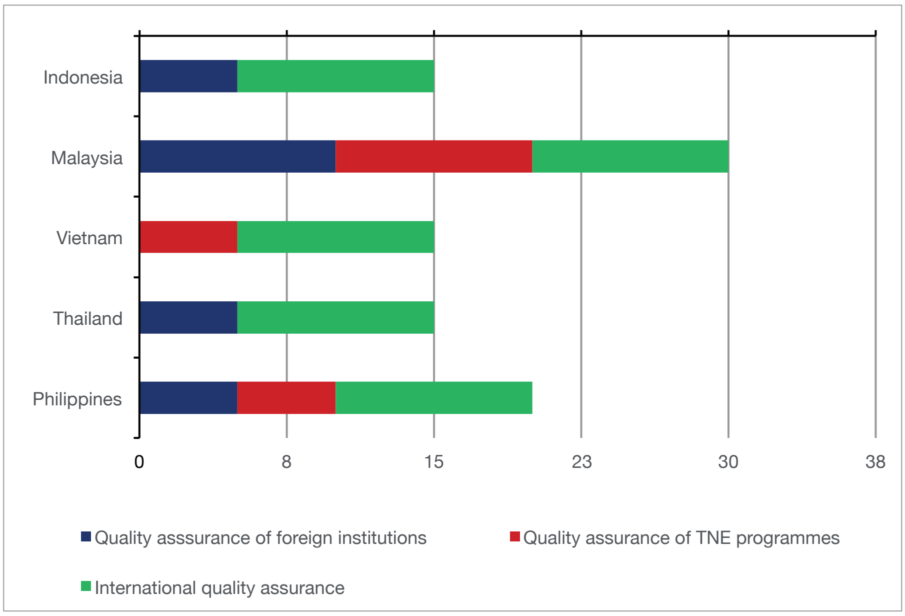
Quality assurance of TNE programmes is mainly executed through assurance of the local partner. In accordance with CHED's TNE blueprint, institutional quality is evidenced by HEIs' accreditation, institutional quality assessment, as well as by other evidence relating to governance and good practice. Depending on the quality assessment outcome, HEIs in the Philippines are grouped into three categories in regard to the degree to which they are regulated:

i Autonomous HEIs;

ii Deregulated HEIs; and

iii Regulated HEIs.

***Figure 11**. Quality assurance and accreditation across selected ASEAN*



Source: Authors' estimates for the Philippines are based on assessment of the legislative framework in the country and practices observed. The scores for the selected ASEAN peer countries are adapted from the British Council (2014) Shape of things to come 2.
Note: Each indicator is scored on a scale 10 (criterion fully met) to 0 (criterion not met). The maximum score across the three indicators is 30.

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The Philippines is one of the ASEAN countries that has worked with SEAMEO RIHED towards the harmonisation of the region's higher education system and the establishment of the ASEAN Quality Assurance Framework (AQAF).[36]

Several accrediting agencies for universities and colleges in the Philippines are members of the Asia Pacific Quality Network. The Philippine Accrediting Association of Schools, Colleges and Universities and the Philippine Association of Colleges and Universities Commission on Accreditation are full members of the International Network for Quality Assurance Agencies in Higher Education (INQAAHE).[37]

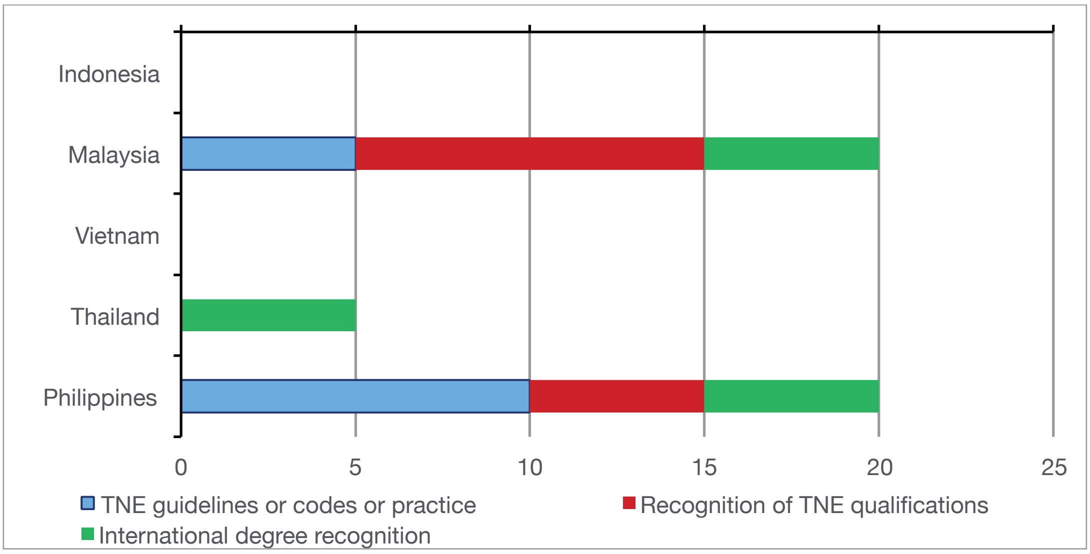
The chart in Figure 11 benchmarks the Philippines for (i) its quality assurance framework for overseas providers; (ii) its quality assurance of TNE programmes; and (iii) its participation in international quality assurance programmes.

35 www.rihed.seameo.org/wp-content/uploads/2013/FrequentlyRequested/SEAMEO_RIHED_QA_in_SEA_report_2012.pdf

36 For further details see: www.rihed.seameo.org/wp-content/uploads/2013/FrequentlyRequested/SEAMEO_RIHED_QA_in_SEA_report_2012.pdf

37 For further details see: www.inqaahe.org/main/about-inqaahe

***Figure 12**. Recognition of TNE qualifications in selected ASEAN countries*



Source: Authors' estimates for the Philippines are based on assessment of the legislative framework in the country and practices observed. The scores for the selected ASEAN peer countries are adapted from the British Council (2014) Shape of things to come 2.
Note: Each indicator is scored on a scale 10 (criterion fully met) to 0 (criterion not met). The maximum score across the three indicators is 30.

iv. Recognition of TNE qualifications

In the Philippines, recognition of TNE qualifications is specified in CHED Memorandum Order No. 2, Series of 2008 or the Policies, Standard and Guidelines on Transnational Education.

The code mainly covers domestic HEIs. Given the high number of public and private HEIs in the Philippines, CHED grants a degree of autonomy and deregulation to "deserving private colleges and universities" depending on their quality assurance practices (Teehanke 2008).[38]

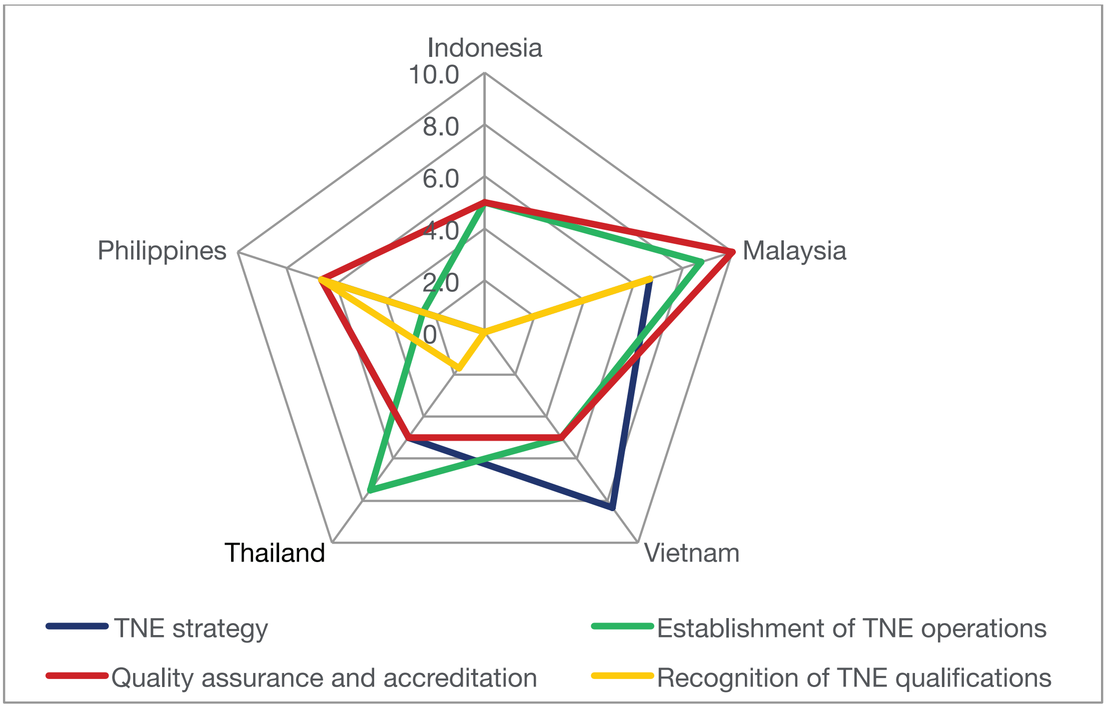
CHED's Memorandum Order 2, Series of 2005 stipulates: "Only foreign higher education providers (FHEP) recognised by their respective governments as quality higher education providers and accredited by a recognised accrediting body in the country of origin or its equivalent may be given government authority to offer undergraduate, graduate and post-graduate degrees. Provided that the FHEP has or shall have a twinning arrangement (as defined in CHED policies and guidelines in linkages and twinning programmes) with an accredited Philippine HEI."

Figure 12 compares the recognition of TNE qualifications across selected ASEAN countries in the following areas: (i) TNE guidelines and code of practice; (ii) recognition of TNE qualifications; and (iii) acceptance of international degrees and active engagement with international bodies to improve recognition procedures.

The Philippines has the most comprehensive TNE guidelines and compares favourably with its peer group. The regulatory environments in Vietnam and Indonesia have not yet considered these areas.

38 Teehanke, B. L. (2008), Transnational education policies in the Philippines: perspectives and issues, paper presented at the Capacity building seminar on transnational education services, September, Manila, The Philippines; http://hrd.apec.org/images/0/0d/19.3.pdf; page 4

Figure 13. *Comparing the overall TNE regulatory framework across selected ASEAN countries*



Source: Authors' estimates for the Philippines are based on assessment of the legislative framework in the country and practices observed. The scores for the selected ASEAN peer countries are adapted from the British Council (2014) Shape of things to come 2
Note: Each indicator is scored on a scale 10 (criterion fully met) to 0 (criterion not met).

Figure 13 summarises the score-card (maximum score is 10) for the TNE framework in the Philippines and its ASEAN peer group. Malaysia has an overall score of 8.0, which is among the highest across the 25 countries evaluated in 'Shape of things to come 2'. The Philippines compares well in the areas of TNE strategy and quality assurance and accreditation. But it lags its peers in terms of established TNE operations, an area in which overly tight regulation may be deterring overseas education providers from more substantial engagement with Philippine HEIs.

Full details on the scores attained by the Philippines and the ASEAN peer group are provided in Data Annex 2.

3.3.2 Internationalisation through research collaborations

The Global Competitiveness Index (GCI) by the World Economic Forum measures the world's competitiveness landscape in 144 countries across 12 broad categories. The Philippines' ability to attract and retain talent remains low, although there were some improvements in 2014 compared with the previous year. The country's ability to retain talent moved up to 60th place in the world from 71st as did its ability to attract talent, up four places at 82nd.[39]

Table 2 compares the Philippines with its peers on a number of indicators measuring research capability. The Philippines' ability to attract talent and its research capability, indicated by the number of researchers per million population, are both the lowest in the group. Spending on research and development (R&D) is also low compared to the ASEAN peer group.

Research carried out by Elsevier for the British Council and the Foreign & Commonwealth Office highlights research outputs for the selected five ASEAN countries.

Collectively, ASEAN produced 2.2 per cent of the world's research output (Elsevier (2015).[40] Malaysia has maintained a high growth rate (above the world average) in research output and is the most productive country in the region aside from Singapore. Thailand comes second in research output, national spending on R&D and the number of full-time researchers in the country (see Figure 14). The Philippines' research output is the lowest of the group.

***Table 2**. Research performance indicators across selected ASEAN Countries*

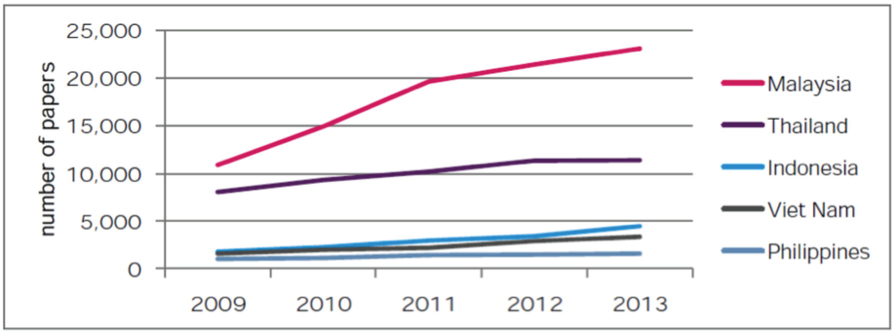
Research indicators	Philippines	Indonesia	Malaysia	Thailand	Vietnam
GCI: ability to retain talent (rank in the world)	60	32	9	33	84
GCI: ability to attract talent (rank in the world)	82	25	12	36	74
GCI: availability of research and training (rank in the world)	49	50	13	69	118
R&D expenditure as % GDP (2005-2012)	0.11	0.08	1.07	0.25	…
Researchers: full time equivalent per million people	78	90	1,643	332	

Source: World Economic Forum (2014), Global Competitiveness Index and World Bank (2015), World Development Indicators: Science and Technology..

39 World Economic Forum (2014), Global Competitiveness Index: http://reports.weforum.org/global-competitiveness-report-2014-2015/economies/#economy=PHL

40 Elsevier (2015), ASEAN research position and collaboration partners, report prepared for the British Council and the Foreign & Commonwealth Office

***Figure 14**. Number of academic articles published annually (2009 – 2013) by each of the selected ASEAN countries*



Source: Elsevier (2015), ASEAN research position and collaboration partners, report prepared for the British Council and the British High Commission. Outputs based on Scopus data.

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Notwithstanding its relatively small research output, the Philippines' citation impact was the highest in the group, and 11 per cent above the global average. Malaysia ranks second on this indicator with research impact six per cent higher than the global average. In terms of citation impact and volume of research output, the Philippines performs competitively in the subjects of environmental sciences and agricultural and biological sciences.

An earlier piece of research conducted by Elsevier for the British Council found that Philippine research had comparatively high levels of internationalisation, with 60 per cent of total output coming from international collaboration. However, the growing volume of research over time has been accompanied by a drop in the rate of international collaboration, possibly indicating increasing domestic research capability. The chart in Figure 15 shows that the ASEAN group have an international collaboration rate that is significantly higher than the global average.

A recent study carried out for the Department of Business, Innovation and Skills (BIS) showed that half of the UK's research output is produced in international collaboration.[41] The study also concluded that the research produced in international collaboration was of the highest quality.

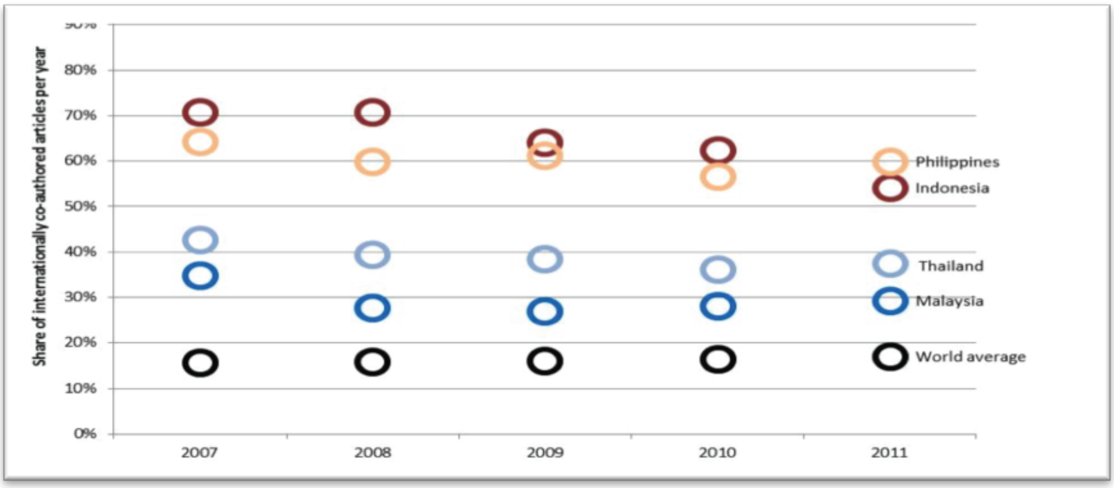
Table 3 shows citation increase per article for research produced in international collaboration within selected ASEAN countries. The impact of international research collaborations was lower for Malaysia and Thailand. As mentioned, the countries with the highest research output also had lower rates of internationalisation in the research produced.

Most research produced in the Philippines between 2006 and 2011 was done in collaboration with the US but research in collaboration with the UK had higher citations.[42]

41 Elsevier (2013), The international comparative performance of the UK research base, report for BIS; https://www.gov.uk/-government/uploads/system/uploads/attachment_data/file/263729/bis-13-1297-international-comparative-performance-of-the-UK-research-base-2013.pdf

42 Elsevier (2012) unpublished analysis for British Council

***Figure 15**. Internationalisation of research across selected ASEAN countries (output (%) published in international collaboration)*



Source: Elsevier (2012), ASEAN Research Position and Main Collaboration Partners.

***Table 3**. Quality of academic output produced by national and international collaborations*

	Citations per article fold increase over national co-authorship	
Countries	**National**	**International**
Thailand	1.00	2.17
Malaysia	1.00	1.95
Indonesia	1.00	6.03
Vietnam	1.00	2.89
Philippines	1.00	4.86

Source: Source: Elsevier (2012), ASEAN Research Position and Main Collaboration Partners.
Note: Citations per article fold increase over national co-authorship, 2007-2011. Relative Citation Impact is estimated citations per article divided by the average impact in each subject.

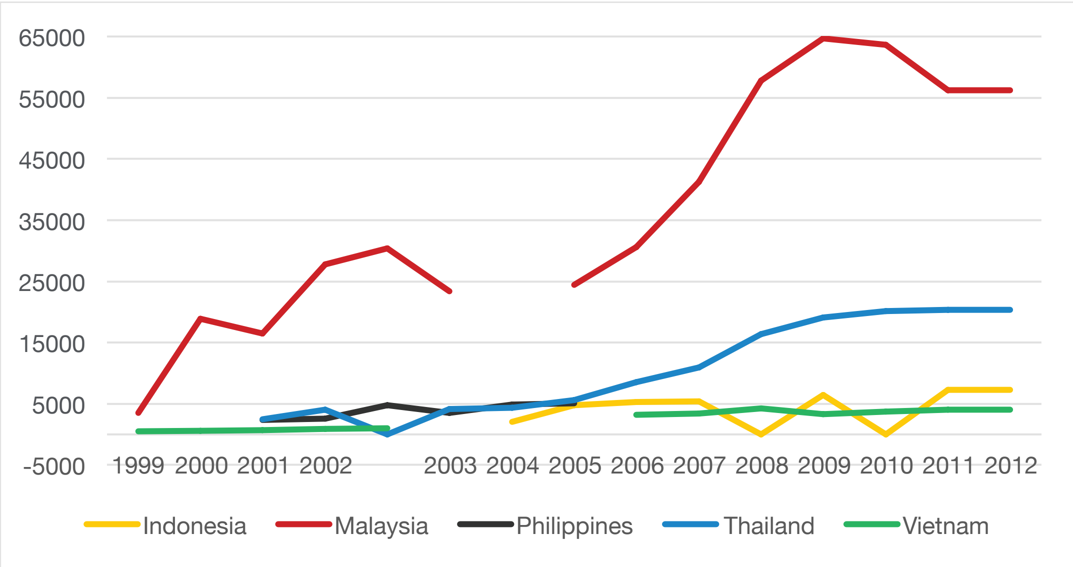
3.4 INTERNATIONALISATION OF THE STUDENT BODY

This section looks at the internationalisation of the student body in the Philippines, including the likelihood of Filipino students choosing to study overseas.

English is the official language of instruction in Philippine HEIs. This creates a favourable environment for international students to study in the country and, equally, presents them with a wide choice of courses from which to choose.

The Philippines has become an attractive destination for English language learners in recent years and offers the additional advantage of English being widely spoken across the country.

Figure 16. *International students at tertiary level in selected ASEAN countries*



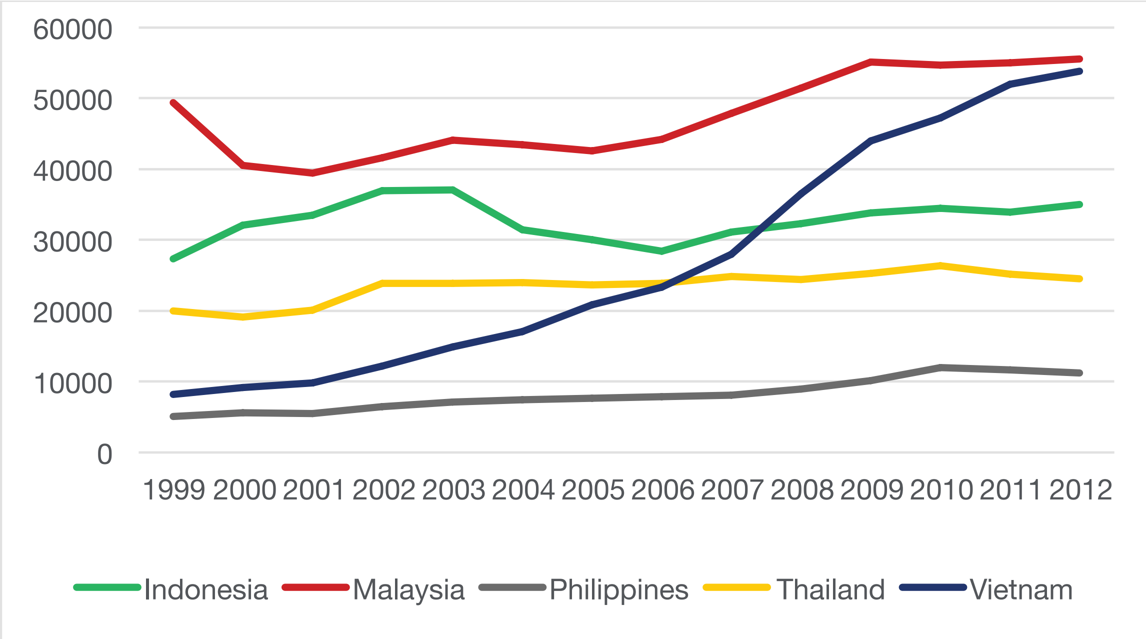
Source: UNESCO Institute for Statistics, Data accessed on 5 May 2015.

3.4.1 International demand for higher education in the Philippines

Figure 16 shows the number of international students pursuing tertiary degrees in selected ASEAN countries. There are significant data gaps for international students completing tertiary education in the Philippines, although in the latest year, the Philippines reported that it had the lowest numbers in the group. This may suggest that the Philippines is not making the most of its English language advantage. With suitable student visa policies in place and an appropriate higher education offer, the country has the potential to attract substantially more international students.

International student enrolment fluctuated significantly over the period in question. Like Indonesia, the Philippines has a large number of private HEIs. This creates challenges for data collection, so the number must be treated with caution. Nevertheless, while there has been an observed increase in the numbers of international students in Indonesia, Malaysia, Thailand, and, to a limited degree in Vietnam, there is no conclusive trend in the Philippines.

***Figure 17**. Students from selected ASEAN studying overseas (1999 – 2012)*



Source: UNESCO Institute for Statistics.

3.4.2 Demand from Philippine students to study overseas

The quality of data for outward mobility is significantly better. Figure 17 shows outward mobility trends from the ASEAN group between 1999 and 2012. Malaysia remains the largest sending country, and Vietnam has seen the largest increase, with numbers increasing almost sevenfold, making it the second largest country of origin for international students from ASEAN.

The Philippines has doubled its number of internationally mobile students over the same period. However, its growth has been significantly lower than the rest of the comparator group and it remains the smallest sending country in the group. Full details on the data on inward and outward mobility across the selected ASEAN countries are available in the Data Annex.

There are not sufficient data on credit mobility. As discussed earlier in this report, the visa process for international students wishing to study in the Philippines is complex. Conversely, for Filipino students who wish to study overseas as visiting or exchange students, the hosting HEI undertakes the responsibility to provide a stipend with a funding threshold specified by CHED. This may have the effect of limiting the number of overseas institutions looking to set up exchanges with Philippine HEIs.

3.4.3 Net mobility flows to and from the Philippines

In order further to understand the dynamic relationship between inward and outward mobility, this section looks at net mobility flows to the ASEAN group (see Figure 18).

The Philippine data showed little change between 2001 and 2010. During the same period, Malaysia evolved from being a net exporter of students (until 2008) to being a net importer. Excess domestic demand for higher education (HE) was partly met by foreign universities being allowed to set up in the country. This encouraged competition between local and overseas universities at the same time as quality assurance requirements were tightened by the Malaysian

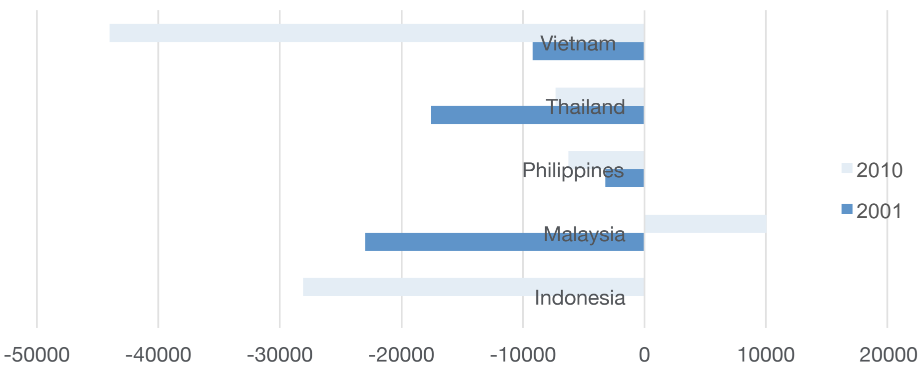
Qualifications Agency. A lot of the transnational education provision had the initial effect of building capacity within the country.

As the quality of its education system improved, Malaysia soon gained a reputation as a high quality study destination for international students from outside the region, with growing numbers of students from countries such as Nigeria, Saudi Arabia and Iran opting to pursue a university degree there. Closer collaboration between Malaysian and overseas education providers resulted in significant growth in the provision of dual and double degrees and the progression of students from the Malaysian HE system into other countries. About 61 per cent of all Malaysian undergraduates in England (3,360 entrants) start their bachelor's degree in Malaysia and then transfer part-way to continue their course degree in England.

The country with the highest disparity in terms of inward and outward student mobility is Vietnam, which indicates that strong pull factors are drawing Vietnamese students overseas, but the country's appeal to international students remains limited by comparison.

In the Philippines, CHED has introduced the Expanded Tertiary Education Equivalency and Accreditation Programme (ETEEAP), which recognises skills and knowledge accumulated through employment and work experience. While this provides an alternative route to a tertiary level equivalency, it is limited to Filipino nationals.[43] Given the growing emphasis on employability, such a route could prove attractive to overseas students. This, however, needs to be considered within the wider qualification recognition and equivalencies across the ASEAN region.

***Figure 18**. Net flow of students to selected ASEAN countries*



Source: UNESCO Institute for Statistics (data accessed on 29 May 2015)
Note: Data for Indonesia and the Philippines are from 2008.

3.4.4 Sustainable development, equity policies and youth migration

Equity and access are top priorities for policymakers in the Philippine education system. This has a basis in the constitution and is reflected in a CHED provision for a maximum enrolment threshold for international students of 30 per cent versus home enrolments. This provision aims to ensure that incoming international students do not displace domestic students. A significant effort is being made to ensure access to education for all, and to up-skill the country's youthful population.

Nevertheless, there is evidence that the domestic economy cannot meet the expectations of many of its citizens. For example, a study carried out by the United Nations Educational, Scientific and Cultural Organisation (UNESCO) shows that the majority of the Filipino migrants working overseas are aged between 25 and 34years old.[44] Most studies focus on brain drain. This report also assesses the degree of brain "waste," specifically the underemployment of highly qualified overseas Filipino workers, many of whom are college educated with excellent English communication skills. The education and healthcare industries in the country are believed to have suffered most from this talent diaspora. Both have high demand for talent in the domestic economy.

43 www.ched.gov.ph/index.php/projects-programs/programs/expanded-tertiary-education-equivalency-and-accreditation-eteeap/

44 UNESCO (2013), www.unicef.org/philippines/Youth-Migration-Philippines-Brain-Drain-Brain-Waste.pdf

4. The Roadmap for IHE: Challenges, Opportunities, Questions

How will the Philippines respond to the future growth in demand for Higher Education?

How can more Filipinos be encouraged to study overseas?

Can foreign HEIs be encouraged to move into the Philippines?

How can foreign HEIs be used to build capacity?

What impact will the ASEAN single market have?

Could–and should–the Philippines become an education hub for the ASEAN region?

Which road to take?

4. The Roadmap for IHE: Challenges, Opportunities, Questions

This section builds on the data analysis in Sections 2 and 3 and adds findings from the consultation meetings. These meetings shed light on the data by providing reflections, perspectives and opinions on the challenges, opportunities, and risks of internationalisation. Meeting participants shared different ideas and visions for the direction of travel of IHE in the Philippines.

The narrative seeks to capture and explore major points from the discussions. It raises a number of fundamental questions about the future direction and strategy for both government and the sector. Answers to these questions can help determine the country's roadmap.

How will the Philippines respond to the future growth in demand for Higher Education?

From a domestic perspective, the economic and demographic outlook poses a major challenge for the higher education sector in the Philippines. Demand is already growing, and HEIs during the meetings expressed high awareness of the pressure on them to meet local demand. In terms of internationalisation, the faculty are concerned not to displace local students by taking those from overseas. The HEIs in the country did not actively market themselves internationally and most have fewer than 10 per cent overseas students, which is well below the CHED limits. Pressure on HEIs will increase significantly as the forecast growth of the middle class university age population (the highest growth among the ASEAN comparator countries) boosts demand for higher education. This raises the question of whether HEIs have the capacity to respond to growing demand without compromising quality; and if not, how will the state meet its constitutional commitment to ensure that affordable education is accessible to all?

The most obvious solution is to increase the number of domestic higher education places, either through publicly funded universities or by encouraging the establishment of more private universities. Data on enrolments show significantly declining growth in private HEIs, suggesting that the latter may not be an option. Discussions in our meetings suggest that the former may also not be a real option. Meanwhile, public HEIs already suffer underinvestment and none of the meeting participants believed

Demand may be met by encouraging more young people into alternative education pathways.

there would be any appreciable change.

Demand may be met by encouraging more young people into alternative education pathways. The harmonisation of the education system and the Ladderised Education Act can make this a viable option for relieving pressure on HEIs.[45] But meeting participants were not optimistic on this point. They described it as '*long term work in progress*' and said that vocational education is still very much a second choice for the middle classes (evidenced by the slow take up of scholarships for skills training). Higher education continues to be seen as much more desirable – '*only those who can't afford to buy themselves a college place end up doing skills training*'. The K to 12 project may conceivably change attitudes and raise the status of non-university education but few believed this will happen in practice.

A third solution – and one which has been employed by other ASEAN countries – is for the Philippines to use foreign higher education institutions (FHEIs) to meet domestic demand. There are two ways to do this: a) by increasing the number of Filipino students studying in HEIs overseas or, b) by encouraging FHEIs to operate in the Philippines. There are challenges and risks in both of these options, with some particular opportunities in the second.

Can more Filipinos be encouraged to study overseas?

Photo courtesy of the British Council

The number of Filipino students studying overseas doubled from 1999 to 2012 but this is still the lowest number among the comparator ASEAN countries. Results of the meetings suggested that affordability is a major challenge. (Data suggest that this will continue to be so into the future since the Philippines has a much lower projected wealth growth than other ASEAN countries).

Public universities told us that many students come from poorer families and receive State grants; for them '*cost is a major barrier - so more students come in to the university than go out*'. Many of the universities mentioned agreements with partner HEIs (mostly in the ASEAN region, as well as in Europe and the Americas) and also take part in ASEAN mobility programmes. Nonetheless, these agreements are predominantly for student exchanges. Even if an inward and outward mobility balance can be achieved, this will not solve the issue of greater numbers in Philippine HEIs.

There is also a potential long-term risk in encouraging full degree mobility (as opposed to credit exchanges). In the wider Asia region, there is strong and growing competition from countries to recruit high-grade students (many supported by well organised promotion strategies). There is a particular urgency for countries like Japan, South Korea and China to attract and retain talent. The combination of large and well-developed higher education systems with ageing populations means a growing surplus of university places. The implications, however, are wider than the sustainability of higher education

45 www.gov.ph/2014/11/21/republic-act-no-10647/

systems. There are also serious longer-term implications for national economic growth.

The Observatory of Higher Education explains: Japan's '*population is ageing rapidly, and the demographic shift to a declining birth rate and high life expectations is expected to lead to closure of several higher education institutions, labour shortages and slower economic growth rates*'.[46] Other countries in the region (Malaysia, Singapore, Hong Kong) have built a substantial international education business. Increasingly, their marketing strategies seek to be selective in recruiting the best talent in the region into their universities and cities. The risk to the Philippines is that it could lose not only its high grade students (undergraduate and postgraduate), but that these could be followed by its best researchers and faculty as the ASEAN single market enables them to move more freely to the strongest universities in the region. The key question here is whether the Philippine higher education sector can sustain this depletion in its academic and professional talent pool.

Added to this is the wider question of how the loss of talent might impact long-term economic growth. Data show the Philippines' year-on-year economic growth rate has been consistently lower over the long-term than other developing countries in East Asia and the Pacific. While remittances make a major contribution to the economy, employers told us that growth in Philippine industries like business processing, education and health services is adversely affected by the migration of young talent. Potentially, this puts a brake on future investment -- '*if we can't skill and retain talented staff, our investors will go away*'.

Restrictive professional regulations which prevent holders of overseas degrees from taking licensure qualifications, may also serve to discourage talented Filipino graduates with international degrees from returning home to work. We were told that '*to be allowed to sit for the professional exams, individuals must have taken CHED-accredited modules of Philippine degrees*'.

There was also an alternative perspective that '*retaining skilled workers in the country is not an issue, the Philippines simply needs to keep producing more skilled workers*' (although this, of course, raises further questions of capacity if HEIs are expected to contribute to up-skilling a moving population).

If a favourable environment able to incentivise FHEIs is built, this will open other opportunities for the Philippines.

46 Observatory for Higher Education (2009) 'The land of the rising recruitment efforts? Japan's strategies to attract more foreign students'.

Can foreign HEIs be encouraged to move into the Philippines?

If increased numbers of students are not to go overseas for higher education, the alternative is for overseas HEIs to come to the Philippines. Inviting reputable FHEIs to cater to the unmet demand for domestic HE is a strategy employed by a number of countries. Among the comparator ASEAN countries, Malaysia provides a very good example of highly successful use of this strategy. Vietnam is currently pursuing this approach (an opportunity that some Philippine HEIs have been quick to take advantage of – for example, we were told there was evidence of Philippine MBAs being delivered in Vietnam.

For the Philippines, this strategy presents huge challenges. As the data analysis indicates, there are major restrictions in its constitutional, legislative and regulatory frameworks which present significant barriers to FHEIs operating in the country. Principle barriers are (i) limitations on ownership; (ii) the need to operate through Philippine HEI partners (both likely to particularly deter FHEIs with strong global reputations and brands); (iii) immigration and visas requirements for students and staff; and (iv) labour law and professional regulatory restrictions affecting staff wanting to work in the country. Together, these factors amount to an extremely unfavourable environment for FHEIs.

Comments during the meetings pointed to some of the difficulties 'on the ground' presented by the regulatory framework. It was noted that this requires considerable local knowledge and experience to navigate and can, for example, mean a long processing time for an application for accreditation. The universities added that foreign academics cannot hold academic tenure (so the universities have a large number of visiting academics but these are for short periods only). Summing up the environment for FHEIs, one individual suggested it could often be: '*Lengthy, bureaucratic and inflexible*'.

Attracting more FHEIs into the Philippines means that the environment must evolve to be much more favourable for them to operate. In 2013, '*A Development Blueprint for Higher Education in the Philippines*' conducted by the Law Offices of Tupaz and Associates for British Council provided models of good practice in incentivising overseas HEI collaboration, both in the Philippines and elsewhere. Identifying standards and indicators of success that could form the basis for the Philippines government to grant incentives to HEIs and their foreign partners, it also proposed a model law (or '*legal blueprint*') in the form of a national statute designed to incentivise the domestic and overseas academic sectors to build joint international partnerships.[47]

If a favourable environment able to incentivise FHEIs can be achieved, this would open other opportunities for the Philippines.

Photo courtesy of the British Council

47 Tupaz and Associates (2013) for British Council '*A Development Blueprint for Higher Education in the Philippines: A review of Models and Best Practices in Promoting Foreign Investment and Linkages and Designing a Model Code*'

How can foreign HEIs be used to build capacity?

Reputable FHEIs operating in the country can be used to deliver more than additional HE places. Taking the experience of Malaysia, FHEIs can serve as a valuable vehicle to support domestic capacity building and global engagement for Philippine HEIs. Discussions in the meetings also raised the need to build capacity in both research and teaching, a major concern for CHED, HEIs and businesses. Currently, the Philippine research output lies at the bottom of the ASEAN comparator countries. In 2013, it produced around 1,000 research articles per year, against Malaysia's 24,000 and Thailand's 12,000. Indonesia and Vietnam produced between 4,000 and 5,000 each. CHED's internationalisation group identified the Philippines' poor placing in the world research rankings as one of the key barriers to its goals of internationalisation.

In the QS University Rankings: Asia 2014,[48] only the University of the Philippines (UP) comes in the top 100 universities in Asia (at rank 63). Ateneo De Manila University, University of Santo Tomas and De la Salle University rank 115, 141 and 151, respectively. In the 2014 QS World Rankings, the three ranked 461, 701 and 651, respectively. Meanwhile, UP ranked 367. University rankings remain a subject of heated debate, but they are a factor to help attract top researchers who are inclined to work with institutions that rank highly. HEIs with a strong cohort of researchers can attract more researchers, giving them considerable capacity to build their international research profile.

As CHED notes: '*Philippine HEIs can be a magnet for international faculty and researchers … if they have the faculty and students with the skills, competencies, dedication and mind-set to pursue and engage in research*'.[49] The data on research quality shows that when Filipino researchers work in collaboration with international researchers, the quality of their research is five times greater than when they work on their own. CHED said that the drive to engage with international research collaborators is sometimes hindered by a 'donor mentality' about partnerships – '*Why would we partner if they're not offering us money?*'

Reputable FHEIs with a strong research base can support capacity building for Filipino researchers and provide access to international research networks that are needed to nurture collaboration. They might also help to change mindsets.

FHEIs might also bring with them international best practice that can help support Philippine HEIs to improve teaching quality. For its part, CHED is driving HEIs to adopt competency-based learning outcomes. Strongly supportive of this, business associations expressed major concerns about the quality of graduates produced by HEIs under the current system- '*Graduates are simply not 'job-ready' … there is a surfeit of graduates in the Philippines but a lack of the right skills*'; right skills are those needed by the industry. Business groups noted the outdated nature of HEIs' curricula and, specifically, the lack of teaching faculty who can develop and deliver curricula to produce employable graduates to drive the country's growth. Both the business processing and health services industries have been focusing efforts on academic staff development. (IBPAP[50], for example, has developed a CHED-accredited teacher training module). Nonetheless, there is an agreement that the problem is widespread across the university sector – and one which cannot be solved by 'add-on' elective modules that are not part of the core curriculum. '*Tier 1 and Tier 2 universities are particularly resistant to the notion that graduates need employability skills as well as academic knowledge*'.

Finally, for many Filipino students for whom overseas study is not an option, FHEIs provide an opportunity for internationalisation at home. Exposing students to different cultures and perspectives is as essential as developing their academic knowledge, if the Philippines is to produce graduates who can compete with their global and ASEAN counterparts.

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48 www.topuniversities.com/university-rankings/asian-university-rankings/2014#sorting=rank+region=+country=+faculty=+stars=false+search=

49 www.carsu.edu.ph/sites/default/files/CHED%20Statement_Academic%20Calendar_032614_final.pdf

50 IT Business Processing Association of the Philippines

What impact will ASEAN have?

The ASEAN region is very much at the beginning of its road to becoming a single economic community. Most of the universities were still unclear about what impact it might have on Philippines' higher education sector – even though many had ASEAN partners and were hosting student exchanges and faculty from these (three of the HEIs are members of AUN). There are general concerns about how the Philippine higher education might measure up against other ASEAN countries and about a series of 'unknowns' such as degree equivalencies, comparability of programmes, quality assurance processes ('*at the faculty level we don't really have a clear understanding yet of the implications of quality assurance requirements*'). As mobility across ASEAN grows, there is a question on how Filipino students will match up to their counterparts in the region. Education agents raised some concerns here – for example, Year 2 university study in the Philippines is equivalent to Foundation level in the UK.

During meetings with businesses and international education providers, the sectors were much more direct about what they anticipated: ASEAN integration will drive '*the recognition that we live in a larger world. Filipino students need to be able to compete with their regional and global counterparts – and their expectations need to be aligned with the reality of that*.' We will need 'Filipino graduates who possess the knowledge, competencies and values necessary to meet the needs of the country and the challenges of the 21st century. '*We need to move to competency based teaching and to more applied research, relating both more closely to the job market*'.

Data in Section 3 show significant performance gaps exist between the Philippines and its comparator ASEAN countries. The Philippines lies well behind other countries in research output and student mobility (both inward and outward). The latter, as noted by the business associations, has potential impacts for both the international competitiveness of Filipino graduates and that of the country. The experience of the European Higher Education Area suggests that ASEAN will bring with it many challenges to HEIs and, in particular, to those in countries that are less well positioned to compete.

Nevertheless, for the Philippines, ASEAN may also bring particular opportunities.

Photo courtesy of the British Council

Could – and should – the Philippines become an education hub for the ASEAN region?

Rising household incomes in ASEAN and the resulting growth in the middle classes will boost future demand for higher education across the region. One perspective from our meetings was that this presented a huge opportunity for the Philippines: '*We should be thinking strategically about developing and positioning the Philippines as a hub. Our advantages are English language, the value we place on education and our ability to synthesise'.*

Presently, a number of education hubs in Asia have been attracting the region's best students. These self-declared hubs are often used to signal the country's commitment to internationalisation. Countries in the wider region that have made education hub declarations include China, Singapore and Malaysia. All three have international student targets: 500,000 students to China by 2020; 150,000 international students to Singapore by 2015; and 200,000 students to Malaysia by 2020. Malaysia has recently followed up with a stated higher education Blueprint 2015-2025 outlining the country's priorities.[51]

Providing the Philippines can address barriers in its legislative and regulatory framework, arguably, it is better positioned than other countries to become a strong regional education hub.

The excellent command of the English language in Philippine schools creates the perfect environment to attract international students to the country beyond their immediate need to learn English. Since the official language of instruction in Philippine HEIs is English, this potentially grants access to all higher education courses taught in the country. English is also widely spoken across the country, which provides exposure to an English language environment beyond the university campus.

With a few exceptions (such as China), most TNE destinations have been facilitated by English being well spoken in their respective countries and territories. Singapore, Hong Kong, Malaysia and Dubai are examples of this. Another advantage of the Philippines lies in the quality of its higher education system, which ranks 29th in the Global Competitiveness Index. The recently published Human Capital Index[52] positions the Philippines 46th in the world among 124 countries. It scores particularly high for human capital among those in the 15- to 24-year-old age group and ranks 20th in the world, ahead of Singapore (ranked 22nd) and Malaysia (30th) and Vietnam (29th).

By becoming an education hub, the Philippines can attract a flow of talented faculty and students through its universities, with potential benefits to its R&D base, which in turn can spur economic growth for the country. Another benefit is the improvement of its talent retention, addressing some of the issues associated with the large-scale diaspora overseas of skilled workers, many of whom are college graduates with high English proficiency.

Section 3 outlines the benefits obtained by Malaysia from its education hub. Tapping and encouraging FHEIs to operate in the country to meet excess domestic student demand, Malaysia built the capacity of its own HEIs and increased its education quality. This, in turn, served to attract more talent (students and faculty) into its higher education system. By 2008, Malaysia turned from a net exporter of students to a net importer.

Drawing on the experience of other countries, a strong political will in the education sector is needed if the Philippines opts to go in this direction. Committed leadership to drive a clear and coordinated strategy is also needed. The Philippines should recognise that this opportunity is time-bound and must be seized while it still retains its advantage in the English language. Other ASEAN countries continuously invest to develop their student population's English proficiency, and this will increasingly reduce the advantage that the Philippines has over the long term.

51 Ministry of Education Malaysia (2015), Malaysia Education Blueprint 2015 – 2025;http://hes.moe.gov.my/event/docs/4.%20Executive%20Summary%20PPPM%202015-2025.pdf

52 World Economic Forum (2015), The Human Capital Report 2015; http://reports.weforum.org/human-capital-report-2015/

Which road to take?

There are major opportunities and risks for the Philippines in a growing ASEAN region – and these provide paths for the development of the country's IHE roadmap and strategy. Seizing these opportunities comes with significant challenges, mainly in terms of the legislative and regulatory frameworks, which need to be simplified in order to provide a more supportive environment for HEIs and, in turn, for the Philippines to grow as a regional education hub in ASEAN.

The future of the country's IHE sector will largely be determined by the path it will take coupled with the scale of its ambition and level of commitment to achieve this goal.

Appendix and Annexes

Appendix

Visit Programme: Itinerary Page 1
Scoping Research Consultant's Consultation Meetings
11-15 May 2015

Date/Time/Venue	Activity/Meetings	Venue
10 May 2015		
16:00	Arrival in Manila	
11 May 2015		
0900-1000 hrs	Meeting with BC Philippines	
10/11-1200 hrs	Meeting with Senator Pia Cayetano, key stakeholder 1 (Senate Committee in charge of HE)	
1400-1500 hrs	Meeting with Senator Roman Romulo, key stakeholder 2 (House of Representatives in charge of education)	Room 312 South wing Annex, Sandigan Bayan Batasan QC
12 May 2015 1000-1100 hrs	Meeting with TESDA (Technical and Vocational Education)	Office of the Deputy Director General for Technical Education and Skills Development Operations Technical Education and Skills Development Authority (TESDA) 7th Floor, Administration Building, TESDA Complex, South Luzon Expressway, Taguig City
11:00-12:00	Meeting with UKEAS (education agent)	Unit 301 GC Corporate Plaza 150 Legaspi Street Legaspi Village Makati City, 1229 Philippines
1630-173	Meeting with Study International	

National IHE policy evaluation: framework adapted from British Council (2010), Global Gauge.

Visit Programme: Itinerary Page 2
Scoping Research Consultant's Consultation Meetings
11-15 May 2015

13 May 2015 0900-1000 1400-1600 hrs 1600-1700	Meeting with CHED Chairperson (Dr Licuanan) and the TNE Technical Panel Proposed Roundtable discussions with HEIs • Dr Rosario Alonzo (UP) • Dr Lloyd Bautista (STI) • Dr Alvin Culaba (DLSU) • Mr Glen de Leon (Ateneo de Manila University) • Prof Lilian J Sison (University of Santo Tomas) • UP Dir Rhodora Azanza • Prof Ma Teresa Villar (PUP) Meeting with IBPAP and PFA (industry) - Contact centre association of the Philippines. - Philippine Software Industry association - Global In House Centre Council (Shared services) - Healthcare Info Management Outsourcing Association of the Philippines ASEAN Integration, Board of Investments	 Santa Maria Function Room 5th Floor, Discovery Suites Ortigas Centre
14 May 2015 0900-1000 hrs 1300-1400 1430-1530 hrs	Meeting with DepED and/or partners/organisations working on education Meeting Mich Comia of Southville International Schools and Colleges Meeting with the UK Ambassador	
15 May 2015 0900-1000 1300-1500	Meeting with University of Bradford Manila Presentation to BC on highlights/general recommendations from the consultations	Ground Floor of Makati Stock Exchange, 6767 Ayala Avenue

Data Annex 1

National IHE policy evaluation: framework adapted from British Council (2010), Global Gauge.

National Policy on IHE	Question:	Weight	Philippines Nominal	Philippines Weighted	Vietnam Nominal	Vietnam Weighted	Indonesia Nominal	Indonesia Weighted	Malaysia Nominal	Malaysia Weighted	Thailand Nominal	Thailand Weighted
1. National strategy on IHE		**0.33**		**6.25**		**6.25**		**3.75**		**8.75**		**5**
International strategy	Is there a detailed national IHE strategy with well-defined targets?	0.25	10	2.5	5	1.25	5	1.25	10	2.5	5	1.25
Dedicated body	Is there a dedicated agency with an assigned budget overseeing the national IHE strategy?	0.25	10	2.5	10	2.5	5	1.25	10	2.5	5	1.25
Overseas network	Is there any form of overseas presence/overseas offices?	0.25	0	0	0	0	0	0	5	1.25	0	0
Bilateral/multilateral agreements for int'l collaboration	Bilateral or multilateral agreements in place for international collaboration signed over the past five years	0.25	5	1.25	10	2.5	5	1.25	10	2.5	10	2.5
2. Institutional autonomy		**0.33**		**6.6**		**4.95**		**8.25**		**9.9**		**6.6**
Presence of foreign HEIs in the country	Can foreign HEIs set up independent legal entities in the country for the purpose of teaching and/or research?	0.33	0	0	5	1.65	5	1.65	10	3.3	10	3.3
Home HEIs setting up overseas	Can home HEIs set up legal entities overseas for the purpose of research and/or teaching?	0.33	10	3.3	0	0	10	3.3	10	3.3	0	0
Institutional autonomy to determine fees	Can HEIs set the level of tuition fees for international students?	0.33	10	3.3	10	3.3	10	3.3	10	3.3	10	3.3
3. Openness to international students & academics		**0.33**		**2.5**		**2.5**		**3.75**		**5**		**7.5**
Restrictions on student & academic visas	Are there restrictions on student & academic visas depending on the country of origin?	0.25	10	2.5	10	2.5	10	2.5	10	2.5	10	2.5
Visa procedures	The student and academic visa procedures are simple, clear and consistent?	0.25	0	0	0	0	5	1.25	10	2.5	5	1.25
Academic visas	Streamlined procedures for academics to gain employment in the country	0.25	0	0	0	0	0	0	0	0	5	1.25
Employment visas	Policies which allow students & academics to seek employment upon graduation or expiry of the respective contract	0.25	0	0	0	0	0	0	0	0	10	2.5
Overall weighted score	**Maximum score = 10**		**5.07**			**4.52**				**7.8**		**6.3**

Note on scoring methodology: Criteria are fully met = 10; criteria are partly met = 5; criteria are not met = 0.

Data Annex 2

	Scoring criteria	Indonesia	Malaysia	Vietnam	Thailand	Philippines
1	**REGULATORY ENVIRONMENT**					
1.1	**TNE strategy (weighted score)**	**0.0**	**6.7**	**8.3**	**5**	**6.6**
1.1.1	Dedicated body with TNE remit	0.0	10.0	10.0	5	10
1.1.2	TNE host strategy	0.0	5.0	5.0	5	10
1.1.3	TNE incentives	0.0	5.0	10.0	5	0
1.2	**Establishment of TNE operations (weighted score)**	**5.0**	**8.8**	**5.0**	**7.5**	**2.5**
1.2.1	Setting up of foreign institutions	5.0	10.0	5.0	10	0
1.2.2	Inbound TNE programmes	10.0	10.0	5.0	10	5
1.2.3	Clarity of regulations	5.0	5.0	5.0	5	5
1.2.4	Academic visas	0.0	10.0	5.0	5	0
1.3	**Quality assurance and accreditation (weighted score)**	**5.0**	**10.0**	**5.0**	**5**	**6.6**
1.3.1	Quality assurance of foreign institutions	5.0	10.0	0.0	5	5
1.3.2	Quality assurance of TNE programmes	0.0	10.0	5.0	0	5
1.3.3	International quality assurance	10.0	10.0	10.0	10	10
1.4	**Recognition of TNE qualifications (weighted score)**	**0.0**	**6.7**	**0.0**	**1.7**	**6.6**
1.4.1	TNE guidelines or codes or practice	0.0	5.0	0.0	0	10
1.4.2	Recognition of TNE qualifications	0.0	10.0	0.0	0	5
1.4.3	International degree recognition	0.0	5.0	0.0	5	5
	Total weighted score (max = 10)	**2.5**	**8.0**	**4.6**	**4.8**	**5.6**

Note: Based on the evaluation framework developed in British Council (2014), British Council (2014), Shape of things to come in Transnational Education 2'; http://www.britishcouncil.org/education/ihe/knowledge-centre/transnational-education/the-shape-of-things-to-come-

Data Annex 3

Table 1: Globally mobile students studying in selected ASEAN countries

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Indonesia	..	..	..	..	..	..	2,026	4,730	5,319	5,388	..	6,437	..	7,235
Malaysia	3,508	18,892	16,480	27,731	30,407	23441	..	24,404	30,581	41,310	57,824	64,749	63,625	56,203
Philippines	3,514	..	2,323	2,609	4,744	3495	4,836	5,136	..	2,665	..	..	..	..
Thailand	1,882	..	2,508	4,092	..	4170	4,334	5,601	8,534	10,915	16,361	19,052	20,155	20,309
Vietnam	509	622	661	936	1,048	..	2,053	..	3,230	3,362	4,207	3,260	3,717	3,996

Source: UNESCO Institute for Statistics, data accessed on 5 May 2015

Table 2: Globally mobile tertiary students from selected ASEAN

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Indonesia	27,285	32,114	33,463	36,995	37046	31,410	30,091	28,384	31,082	32,343	33,806	34,507	33,888	34,999
Malaysia	49,438	40,484	39,437	41,642	44060	43,477	42,578	44,183	47,838	51,469	55,076	54,724	55,037	55,579
Philippines	5,082	5,568	5,540	6,459	7169	7,398	7,620	7,897	8,140	8,941	10,158	12,026	11,668	11,210
Thailand	20,026	19,066	20,070	23,826	23846	23,974	23,677	23,855	24,812	24,450	25,265	26,366	25,191	24,491
Vietnam	8,173	9,152	9,851	12,201	14893	17,038	20,805	23,334	28,016	36,518	43,949	47,272	52,028	53,802

Source: UNESCO Institute for Statistics, data accessed on 5 May 2015