DISCUSSION ON POLICY IMPLICATIONS

Regional Seminar on Public-Private Partnerships in Higher Education & TVET and Youth Employment
July 31st, 2012
Factors behind PPP (1)

Higher education in general, leading universities in particular, is expected to carry out multiple functions – broader mission

Competition is becoming even fierce as globalization penetrates and new issues of public concern raise. However, enhanced collaboration with strategic partners is imperative to be competitive.

Governments in search of more effective ways of funding their HE institutions. Cost-sharing is becoming the most popular way to reduce budgetary burden

While state remains to be the major funder for higher education, multi channeling of community resources is the way to reach balance in stakeholders’ participation
Factors Behind PPP (2)

**Rapid rise** of demand on higher education leads to emergence and growth of private sectors.

**Diversification of revenue sources promotes institutional autonomy.** But, fund-rising and benefiting from unrestricted gifts and donations are **culturally and socially** grounded. Equally important is the institutional capacity to generate revenue.

The focus is on improving **quality and relevance** of teaching and research: expanded and diversified provision lead to revision of legislative and policy frameworks for the establishment and operation of HEIs, and in effective quality assurance arrangements.

The main responsibility of governments is to ensure **support at a reasonable level** without necessarily providing all such support from public sources.
INTERNATIONAL FRAMEWORK
PPP IN TVET

- Develop frameworks and incentive mechanisms to promote active involvement of relevant stakeholders
- Enhance national capacities to use evidence effectively in policy cycle
- Create, as appropriate, approaches and frameworks that involves relevant representatives
- Diversify sources of funding by involving all stakeholders

(Shanghai Consensus: re TVET, 2012)
The Continuum

Purely Private Undertaking

Private Institutes Public Studentship

Private Undertaking Public Subsidy

Private Institutions Public Projects

Public Private Joint Venture

Public Institution Commercial Activities

Public Inst. Private Sponsorship

Public Inst. Self-financing Programs

Purely Public Institutions
<table>
<thead>
<tr>
<th>Model Type</th>
<th>Philippines</th>
<th>Mongolia</th>
<th>Sri Lanka</th>
<th>Republic of Korea</th>
<th>Australia</th>
<th>Thailand</th>
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<tbody>
<tr>
<td>Purely public institutions</td>
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<tr>
<td>Public with Self-financing program</td>
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<td>Public with commercial activities</td>
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<td>Public with sponsorship</td>
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<tr>
<td>Public-Private Joint venture</td>
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<td>Private with competitive grants</td>
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<tr>
<td>Private with indirect subsidy</td>
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<tr>
<td>Rationale</td>
<td>National development</td>
<td>Increase access</td>
<td>Insufficient funding increase access</td>
<td>Quality improvement</td>
<td>Increase access Quality improvement</td>
<td>Increase access Quality improvement</td>
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</tbody>
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Rationale:
- National development
- Increase access
- Insufficient funding increase access
- Quality improvement
- Increase access Quality improvement
- Increase access Quality improvement
Degree/Level of Partnership (government perspectives)

Participation
- Inclusion in Policy-making
- Inclusion in Plans
- Controlled Partner
- Reluctant Partner
- Minor Partner
- Necessary Evil
- Alien
- Exclusion

Finance
- “Bought places”
- Commissioned project
- Research grant
- Major equipment subsidy
- Capital subsidy
- Land grant
- Scholarships
- Student assistance
- Zero public input
1. No doubt that countries are introducing different forms of PPP

2. Multiple layers of PPP: e.g. public/private HEIs, academic/industry cooperation, community involvement

3. Each country is experiencing different level of PPP based on country rationale

4. Countries may like to chart out strategies, stages, milestones of further development of PPP

5. Different rationale behind PPP influence “community resource mobilization”

6. Lack of understanding of PPP deprives society of major resources
**Policy Implications**

**PPP in Higher Education and TVET**

1. Reflect social, cultural environment (in addition to “economic” environment) to introduce PPP

2. Involve non-state institutions for formulating PPP strategies

3. Define border between public good and private good for who pays what

4. Underline principle for successful PPP: Win-Win

5. Raise awareness on PPP to effectively mobilize “community resources” in innovative way

6. Design pathways between TVET and Higher Education
YOUTH UNEMPLOYMENT: CURRENT STATUS

- Unemployment higher among better educated young people
  - Malaysia, Mongolia, Sri Lanka
- “Over-production”, “over-education” (still acceptable in high-income countries?) or lack of middle manpower
  - ROK, Mongolia, Thailand
- Persistent effects of economic and financial crisis (limited job leading extended duration of education)
  - Malaysia, Mongolia
- Reluctance of companies to employ young graduates (e.g. lack of experience, frequent changes of jobs, etc.)
  - Malaysia, Sri Lanka
- Employers complain about lack of non-cognitive/generic skills of graduates (interpersonal, creativity, entrepreneurship, etc.)
  - HK, ROK, Sri Lanka, Thailand
- Youth favouring higher wages and stable jobs
  - ROK, Japan (preferring big enterprises), Sri Lanka
## Youth unemployment: Issues and Options

<table>
<thead>
<tr>
<th>Theme</th>
<th>Issues</th>
<th>Options</th>
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<tbody>
<tr>
<td>Policy gaps</td>
<td>• Unclear policy</td>
<td>• Mix of youth develop/employment policies and strategies (Malaysia, ROK)</td>
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<td>• Insufficient capacity</td>
<td>• LLL/LWL: various channels of learning</td>
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<td>• No enough funding</td>
<td>• Growth with job creation/start-ups?</td>
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<td>• Uncoordinated policy and implementation</td>
<td>• In favour of disadvantaged youth, addressing both cognitive and non-cognitive skills (HK)</td>
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<td>• Multi-stakeholder partnerships</td>
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<td>Skills gaps</td>
<td>• “Mismatch” of skills/disciplines</td>
<td>• Liberal education, non-cognitive competencies</td>
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<td>• Immediate vs. longer-term relevance (re rapid &amp; continuous changes)</td>
<td>• Entrepreneurship education (Malaysia, e.g. contract farming activities)</td>
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<td>• IUC/IAC</td>
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<td>• NQF</td>
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<td>• Vocational vs. “skills development”</td>
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<td>Expectation gaps</td>
<td>• Diverging demands of employers and individuals</td>
<td>• “Improving” TVET image</td>
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<td>• University graduates not seeking “blue-collar” jobs</td>
<td>• Labour market information (re StW transition)</td>
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<td>• Career guidance, counselling services</td>
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PPP (IN HE AND TVET) TO COMBAT YOUTH UNEMPLOYMENT?

- **Rationale**
  - Common interest: economistic, social cohesion
  - Individual wellbeing: all-round, basic human right

- **Learning**
  - Cognitive
  - Non-cognitive
  - Occupational

- **Short-term and/or longer-term strategies**
  - Immediate relevance
  - Anticipate changes and future needs

- **Collaboration**
  - Inter-ministerial (public/public p.)
  - Government/non-state actors
  - Private/private p. and the role of public institutions
ADDITIONAL INFORMATION
MISSION OF HIGHER EDUCATION EXPANDED:

- promote citizenship and active participation in society
- help understand, interpret, preserve, enhance, promote and disseminate national and regional, international and historic cultures
- help protect and enhance societal values
- contribute to the development and improvement of education at all levels

• with a worldwide vision, for endogenous capacity-building, and for the consolidation of human rights, sustainable development, democracy and peace, in a context of justice

advance, create and disseminate knowledge

• through research
• its service to the community
• relevant expertise to assist societies in cultural, social and economic development

educate

• highly qualified graduates and responsible citizens
The Changing Global Landscape

1. Rebuilding the national system
2. Redefining student learning
3. Internationalizing higher education
4. Enhancing private participation
Common evidence

- Needs of **knowledge-based society**
- **Expansion** in enrollment: massification
  
  elite → mass → universal

- **Globalization and cross-border delivery** (common standards comparable expenses, lessening of direct government interference) new providers, virtual mode, MIT OCW

- **Growth of competing public services** (basic education and literacy, healthcare, infrastructure, environmental issues)

- **Cost** of instruction and maintenance

- **Government role:** increased regulatory functions and common process of reviewing and reforming national higher education systems regardless of level of development; Bologna Process/Brisbane Communiqué, Regional Conventions,

Common responses

Liberalization, decentralization, delegation and privatization

Higher education as a public good is the responsibility of all stakeholders, especially governments.

...higher education has the social responsibility to advance our understanding of multifaceted issues, which involve social, economic, scientific and cultural dimensions and our ability to respond to them. It should lead society in generating global knowledge to address global challenges, inter alia food security, climate change, water management, intercultural dialogue, renewable energy and public health.

Higher education institutions, through their core functions carried out in the context of institutional autonomy and academic freedom, should increase their interdisciplinary focus and promote critical thinking and active citizenship. This would contribute to sustainable development, peace, wellbeing and the realization of human rights, including gender equity.

Higher education must not only give solid skills for the present and future world but must also contribute to the education of ethical citizens committed to the construction of peace, the defense of human rights and the values of democracy.

Autonomy is a necessary requirement for fulfilling institutional missions through quality, relevance, efficiency, transparency and social responsibility.

http://unesdoc.unesco.org/images/0018/001832/183277e.pdf
1. Question of “mismatch” has to be revisited

- Knowledge-based society => Rapid and continuously changing society

- Expectation gap
  - Employers views vs. Individual aspirations
  - TVET expectations vs. Higher Education visions

- Knowledge-based society requires education to develop critical thinking to cope with
2. Discussion on “generalist” vs. “specialist” needs to be revisited

- One job vs. multiple occupations
- Specific skills vs. Generic attributes
- Concrete knowledge vs. Non-cognitive capacity