

# PERSPECTIVE

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## **Advancing APEC Cooperation in Higher Education**

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### **EXECUTIVE SUMMARY**

- APEC has endorsed an education strategy and promoted cross-border flows in higher education services through cooperation efforts. The approaches used need to have sustained relevance and should focus on improving equity.
- Promoting on-line learning and expanding regional and sub-regional networks of cooperation will enhance quality improvements and promote portability and recognition.
- For it to help foster the types of human capital needed in the region, APEC cooperation in higher education should be aligned with the grouping's priority areas.

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## **INTRODUCTION**

The importance of education in preparing a population equipped with the skills needed for development and growth is generally recognized. However, primary education was previously the main priority since a greater number of students could be achieved with the money invested. Today, greater emphasis is given to tertiary education since the skills needed to promote an innovation-led economy are best produced by higher education institutions, including technical, vocational education and training (TVET) institutes.

Asia Pacific Cooperation (APEC) began focusing on higher education in 2012 when its agenda was expanded to cover cross-border trade in education services and deepening educational cooperation.<sup>1</sup> This subsequently led to the endorsement of an APEC Education Strategy at the 6<sup>th</sup> Ministerial Meeting in Lima, Peru in 2016. An Action Plan of this Strategy was put forth in 2017 to encourage APEC economies to collaborate further in this field.

This article examines the main cross cutting issues that have emerged from trade in higher education services. It then examines previous efforts in APEC cooperation that have addressed these issues and the direction for advancing future cooperation.

## **TRADE IN HIGHER EDUCATION: MAIN CROSS-CUTTING ISSUES**

Trade in higher education services has four modes of delivery, namely: cross-border supply (Mode 1) where neither the consumer nor service provider moves across borders as in the case of programme mobility; consumption abroad (Mode 2), when only the consumer crosses borders (consumer mobility) (Table 1); Mode 3, when the service provider in the form of the juridical person crosses borders (provider mobility) as in the case of branch campuses; and Mode 4, when the service provider in the form of the natural person crosses borders.

In the first three modes, trade enhances access by increasing supply, which is especially important for developing economies in APEC many of which face excess demand. Mode 1 is a more affordable and flexible form of delivery, although the need for internet infrastructure in terms of cost and speed can be a deterrent (Table 1). Improving access is one of the more important outcomes of enhancing trade in services. However, enhanced access is not necessarily affordable as the cost of an education abroad or even in local branch campuses is usually considerably higher than education in domestic public institutions which are heavily subsidized from the national budgets. Hence, equity issues remain a challenge even with increased cross-border flows of higher education services.

Cross-border supply in the form of mobility of the natural person (or academic personnel) may lead to brain drain or brain gain depending on the domestic policies of host economies. Students from the developing world may desire to stay on post-education to work in a developed country, either for the long- or short-term for various reasons, such as better wages and career opportunities.

**Table 1. Trade in Higher Education Services: Features, Contributions and Issues**

<b>Mode of Delivery</b>	<b>Main Features</b>	<b>Contributions</b>	<b>Issues</b>
Cross Border Supply (Mode 1)	<p>Programme mobility</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>✓ Franchising and twinning arrangements;</li> <li>✓ Online education</li> </ul>	<ul style="list-style-type: none"> <li>✓ Enhances access at a larger scale (to the extent it remains affordable);</li> <li>✓ Increases flexibility, and availability of study programmes – can be used to promote life-long learning</li> </ul>	<ul style="list-style-type: none"> <li>✓ Internet infrastructure;</li> <li>✓ Local presence requirements;</li> <li>✓ Restrictions on cross-border information</li> <li>✓ Regulatory challenge of ensuring minimum standards of quality</li> </ul>
Consumption abroad (Mode 2)	<ul style="list-style-type: none"> <li>✓ Student mobility: Studying in another country</li> </ul>	<ul style="list-style-type: none"> <li>✓ Increases education opportunities abroad;</li> <li>✓ Access to high/higher quality education;</li> <li>✓ Gain in international experience;</li> <li>✓ Promotes cross-cultural understanding</li> </ul>	<ul style="list-style-type: none"> <li>✓ Equity: Cost and access are limited to those who can afford it; Often subject to availability of funds/scholarships;</li> <li>✓ Sending country may not capture the benefits or attract home the resultant skilled human capital;</li> <li>✓ Migratory restrictions</li> </ul>
Commercial presence (Mode 3)	<ul style="list-style-type: none"> <li>✓ Provider/institution mobility: Establishment of foreign educational institutions including international branch campuses and joint ventures with local institutions</li> </ul>	<ul style="list-style-type: none"> <li>✓ Attracts Foreign Direct Investment (FDI) to higher education sector;</li> <li>✓ Improves access and programmes offered locally;</li> <li>✓ Improves quality and capacity domestically;</li> <li>✓ Reduces brain drain</li> </ul>	<ul style="list-style-type: none"> <li>✓ Equity: Cost and access are limited to those who can afford it</li> <li>✓ Possibly reduces risks of brain drain;</li> <li>✓ Possible brain gain depending on host country policies</li> <li>✓ Migratory restrictions</li> </ul>

Presence of natural persons  (Mode 4)	✓ Academic mobility: Teachers, lecturers, researchers who provide educational services abroad	✓ Increases availability of qualified teachers; ✓ Increases research opportunities and building up research capacities; ✓ More opportunities for academic exchange	✓ Recognition of qualifications ✓ Restrictions on visas
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*Source: Adapted from Lim, Apaza and Horj, 2017<sup>2</sup>*

Regulations are indispensable in higher education to safeguard the interests of consumers or students from fraudulent providers especially in cross-border supply. Regulatory frameworks differ from country to country, including quality assurance mechanisms, accreditation and recognition. These regulations can enhance the quality of provision but may also intentionally or unintentionally deter the entry of new providers (Table 1).

To promote academic mobility, recognition of qualifications and visa approvals are important. Mutual recognition agreements of qualifications and reducing conditions imposed for visa approvals can help to reduce these hindrances. For example, foreign academics entering Malaysia to conduct research are required to obtain research approval from the Economic Planning Unit (EPU) as well as a host institution for the duration of their research in the country before a research visa can be issued. To simplify matters, hosting academic institutions should be entrusted with reviewing the viability of research proposals as they are required to foster academic collaborations.

Several cross-cutting issues have emerged from all four modes of trade. These are namely: equity; regulatory frameworks; quality assurance; and recognition. Focusing cooperation on these issues will contribute towards facilitating more cross-border flows in higher education.

## **KEY APEC COOPERATION EFFORTS IN HIGHER EDUCATION**

Generally, APEC cooperation in higher education has concentrated on capacity building through information-sharing, learning from best-practices, and benchmarking.

A mapping of the qualification frameworks used in APEC was conducted in 2009.<sup>3</sup> This effort indicated that not all APEC economies have a national qualifications framework and among those who do, the frameworks are “diverse in their structure, coverage, operational purposes and governance”.<sup>4</sup> Consequently, although the development of a regional or APEC-wide educational framework can be beneficial, it has to be voluntary and function as a model to

relate to rather than as one that member economies have to commit or have legal obligations to.

APEC has also expanded the focus on higher education to technical, vocational educational and training (TVET) for improving skills development and employability of youths in member economies. As in the case of university programmes, quality assurance is problematic. To be sure, APEC has provided guidance on ensuring quality assurance for TVET programmes.

Efforts were also made to promote information sharing in order to enhance transparency. The APEC Services Trade Access Requirements (STAR) Database was launched in 2010 to provide information on export opportunities in APEC economies through the creation of an on-line database of its members.<sup>5</sup> This covered the education sector and its regulations in APEC member economies. But since managing and maintaining such a databank is expensive, no updating has been done since 2009 and the data are archived.

APEC in 2017 has also produced a report on “Enhancing Mutual Recognition and Regional Cooperation for Skills and Job Qualifications in the APEC Region”.<sup>6</sup> Eight initiatives were undertaken; five for mutual recognition agreements (MRAs) in selected services and three in capacity building. Common challenges and best practices were identified.

## **APEC COOPERATION IN HIGHER EDUCATION: FUTURE DIRECTIONS**

Three areas are identified for advancing APEC cooperation in higher education: (i) improving access; (ii) expanding regional networks to sustain cooperation efforts and; (iii) intensifying cooperation in higher education to support APEC priority areas.

### *Improving access*

While trade in higher education can improve access, equity remains a problem within each country and between countries in the region. Improving equity will require enhancing cooperation efforts to promote alternative, flexible and lower cost access. Promoting mobility of programmes (Mode 1) through distance learning will enhance equity in access since distance learning with no or limited student mobility is cost effective. Massive Open Online Courses (MOOCs), which are online courses provided free by universities designed by university staff since 2008, have expanded opportunities for learning for many. While English is usually the lingua franca for these courses, GiapSchool from Vietnam has proved otherwise. The school has translated scientific and technical books from English to Vietnamese to meet the demand from students and young professionals in Vietnam for high-quality local-language MOOCs.<sup>7</sup> Promoting cooperation for the development of MOOCs can enhance access to learning, especially for the less developed economies in APEC. There is the example of the Asia-Europe Meeting (ASEM) Network of MOOCs Initiative, which focuses on the joint-development of content in three to four MOOC by the universities in ASEM partner countries.<sup>8</sup>

However, as in the case of normal courses, quality assurance is a problem. APEC has already come up with a quality assurance toolkit for online education in 2017.<sup>9</sup> The template can be used for furthering cooperation in higher education in on-line education. This will also help countries to develop on-line programmes in their own national languages.

#### *Expanding regional and sub-regional networks to sustain cooperation efforts*

Cooperation efforts may not be sustainable due to financial and resource constraints within APEC itself, as illustrated in the case of the STAR database. It is therefore important to consider multiple modes of cooperation. Since there are already some regional initiatives taken by different institutions within APEC, expanding and connecting these networks to be more inclusive can be a way forward.

There are already two regional networks on quality assurance. The Asia Pacific Quality Networks (APQN), established since 2009, seeks to enhance higher education in the Asia Pacific region through quality assurance.<sup>10</sup> The ASEAN Quality Assurance Network (AQAN) connects qualification agencies in ASEAN and was established in for these agencies or their related ministries to learn about each other's system of quality assurance in higher education.<sup>11</sup>

Increasing the membership of regional initiatives as well as increased collaboration among Quality Assurance Agencies (QAAs) and networks across the region can enhance the portability of qualifications and facilitate the accreditation and recognition of professional programmes needed for the mobility of professionals.

#### *Intensifying cooperation in higher education to support APEC priority areas*

This approach has been used in previous cooperation efforts for deciding the area of focus, as for example, in the development of green skills for TVET. These are skills needed to promote sustainable social economic development and to improve the 'greening' of businesses and communities, as emphasized by APEC's Environmental Vision.

Priority areas must continue to guide higher education cooperation towards producing the requisite human capital for APEC. This is especially important in view of the fact that the Action Plan of the APEC Education Strategy stretches to 2030, while APEC's Bogor Goals draws to a close in 2020. APEC has already identified the human resource needs of the emerging digital age and fourth industrial revolution.<sup>12</sup> These focus areas need to be linked to cooperation efforts in higher education, including TVET, to ensure that the human capital developed in the region are suited to them.

However, there will be new focus areas in the future as APEC works towards crafting a post-2020 vision. Cooperation in higher education needs to be constantly aligned to newly identified needs over time.

## **CONCLUSION**

Trade in higher education can contribute towards the expansion and improvement in the stock of human capital in an economy by facilitating access and improving quality. Hence, APEC has endorsed an APEC Education Strategy and supported cooperation in higher education to promote cross-border flows in higher education services.

For cooperation to advance beyond its current level, it is important for APEC actors to improve equity and to focus on the sustainability of the initiatives that are put forward as well as their relevance over time. For these reasons, promoting on-line learning, expanding regional and sub-regional networks of cooperation and increasing cooperation between these networks will improve quality, and promote portability and recognition. APEC cooperation in higher education also needs to be aligned with APEC's priority areas, especially post-2020, for them to produce the types of human capital needed for the region.

- <sup>1</sup> Zигuras, Christopher, 2014. “APEC’s Bold Higher Education Agenda: Will Anyone Notice?” *International Higher Education*, No. 75, Spring: 10-12.
- <sup>2</sup> Aik Hoe Lim, Pamela Apaza, and Alin Horj, 2017. “Trade and sustainable development goals (SDGs): How can trade in education services contribute to the SDGs?” *ADB Working Paper Series*, No. 697. Tokyo: ADBI.
- <sup>3</sup> APEC 2009. “Mapping Qualifications Frameworks across APEC economies”. APEC Human Resources Development Group. Melbourne: Monash University.
- <sup>4</sup> Ibid, page 1.
- <sup>5</sup> <http://dfat.gov.au/about-us/publications/Documents/apec-star-database.pdf>
- <sup>6</sup> <https://www.apec.org/Publications/2017/12/Enhancing-Mutual-Recognition-and-Regional-Cooperation-for-Skills-and-Job-Qualifications>
- <sup>7</sup> Lovelock, Peter 2018. “Digitization, IT-Enabled Services and New Business Models: An Overview.” PowerPoint presentation at APEC Symposium on Services, 30 May – 1 June 2018 in Singapore.
- <sup>8</sup> <https://www.asem-education.org/initiatives/item/47-asem-network-of-massive-open-online-courses-moocs> <Accessed 15 July 2018>.
- <sup>9</sup> <http://vietnam.embassy.gov.au/hnoi/MR170316.html> <Accessed 14 July 2018>.
- <sup>10</sup> <https://www.apqn.org>
- <sup>11</sup> <http://www.aqan.org>
- <sup>12</sup> <https://www.apec.org/Groups/SOM-Steering-Committee-on-Economic-and-Technical-Cooperation/Working-Groups/Human-Resources-Development/Framework>. < Accessed 14 July 2018>

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