

HIGHER EDUCATION IN THE PHILIPPINES: THE OBJECTIVES AND PERFORMANCE OF THE NATIONAL GOVERNMENT

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ABSTRACT

Developing countries need a steady stream of qualified professionals if their development is to continue. However, many developing countries show apathy towards the expansion of their higher education sector. The reasons behind this are usually based on faulty assumptions about higher education. An examination of the Philippine Government's approach to Higher Education suggests that their attitude is based on three faulty assumptions: 1) Higher education is not important for economic growth and development, 2) It is impossible to achieve necessary targets for primary education unless higher education is neglected, and 3) If higher education is important, this can be provided by the private sector, and the State need not necessarily provide it.

INTRODUCTION

Globalization has far-reaching effects on society. In terms of human advancement, the Human Development Report (1999) of the United Nations Development Program posits that globalization opens many opportunities for people due to increased trade, new technologies and wide array of media. While globalization has positive and dynamic aspects, there are also negative and marginalizing aspects. An example is that the global labor market is increasingly integrated for the highly skilled (Adzad, n.d.; Becker 1993; Bernardo 2000), such as corporate executives, scientists and entertainers. Multinational corporations are continuously roaming the global markets, seeking highly-skilled labor, especially those with technological and management expertise. To be highly skilled means to have the best education and training possible, in order to have enough leverage in the competition for jobs.

Developing countries have difficulties keeping up with developed countries in this aspect (APEC 2000; 2004; Bernardo 2002).

This is one of the realities that the Philippine government considered when it charged the Commission on Higher Education (CHED) to develop and implement its Medium-Term Philippine Higher Education Development and Investment Plan (MTHEDIP) from 2001-2004 (Bernardo 1997; Canon 1998). The MTHEDIP incorporated measures to respond to national development needs as well as to cope with the skill requirements of globalization. The government's desire to respond to globalization is mirrored in the declared mission of the higher education system, which is to accelerate the development of professionals with the skills necessary to compete internationally and meet the needs of the domestic market (Commission on Higher Education 2001).

Despite the declared intentions of the government, limited success has been achieved. If their objectives are to be achieved in the future it is necessary to understand the reasons for the lack of success to date. This study provides a review of relevant theories regarding education systems in developing countries. It goes on to develop a tentative theory about the higher education system in the Philippines, and tests that tentative theory empirically.

LITERATURE REVIEW

For the purposes of the study, "globalization" is considered to be the combined process of new markets opening, labor forces moving around, and knowledge flowing easily across geographic borders and distances. "Higher education" includes all forms of tertiary or post secondary school education. The terms "Public Higher Education System" and "Private Higher Education System" are differentiated on the basis of the source of their financing - majority public funding or majority private funding respectively (Mutthirulandi 2003; Scholte 1997; Smith 2002; Tabb 2001).

Globalization has been regarded as both beneficial and detrimental to the social and economic process of countries. The International Monetary Fund (IMF) (2000) has explained that it is beneficial for countries, especially the so-called developed countries, since they are more likely to acquire the resources and technological advancement which facilitates integration into the global economy. The counterview, however, has the developing countries or poorer nations having difficulty in mobilizing resources and technology to cope up with the demands of globalization; hence there is always the threat of thwarted social progress. (IMF 2000)

The increasing impact of globalization on human resources development should also be considered. For example, the General Agreement on Trade in Services (GATS) limits the intervention of governments and other institutions in the global trade in services through the removal of hindrances to market entry and provision of equal

treatment to foreign service providers (Tullao, 2001; 2002). Consequently, Tullao argued that Filipino professionals should be ready for global competition both in their own country and abroad. He had reservations about likelihood of this eventuating, since he concurred with earlier studies which found the educational system in the Philippines to be inadequate.

A seminal study which examined the inadequacies of the educational systems in developing countries was that of Jandhyala B.G. Tilak (2005), a scholar at the National Institute of Educational Planning and Administration in India. He contended that many developing countries have been apathetic about the development of higher education, reducing public investments in the sector, and adopting policies that led to marketisation of higher education. Since the markets in developing countries are not fully developed, the outcomes often produced disastrous consequences. He attributed the state approach to the flawed assumptions that higher education is not important for development and that the state could leave the responsibility of providing higher education to the markets. In Tilak's view, both assumptions are wrong, and have proved to be costly. He considers the role of the state in higher education development to be of critical importance. Tilak is touching on the fundamental political and economical question of who should provide and finance higher education in developing countries. Should it be the state (Government) or should it be the "invisible hand" of the market mechanism?

The idea that education is important as a cornerstone in economic growth in a competitive, global environment is intuitively logical, and generally accepted. Stromquist (2002), for example maintains that in a globalized, market oriented world, education cannot afford to be conventional, rigid and impervious to change. She argues that education which is adaptive is essential for nations if they are successfully to pursue economic growth and competitiveness. This view is widely held, and no studies known to the authors have argued that higher education is not important for economic development.

The role of the state and the source of financing in education is a much more debated issue. Tilak's (2005) opinion is very clear; he argues that the state must be the one to play the major role. His reasoning is not based on fundamental political or philosophical principles, but on what he calls the "Faulty Assumptions in Higher Education". His reasoning can be understood and summarized in the following way:

For a long time, higher education policies in many developing countries have been based on several questionable premises, such as:

- Higher education has over-expanded in developing regions
- Higher education has expanded at the cost of primary education,
- Higher education is heavily subsidised by the State; and
- Developing countries do not require higher education.

Tilak argues that this has led to a laissez-faire approach which could be attributed to the following three faulty assumptions about higher education.

- a) The most important assumption that was widely held for a long time was that higher education is not important for economic growth and development. Estimates of rates of return are used in this context, but the limitations of rates of return are now widely known. Moreover, though the rate of return from higher education is less than that of primary education, it should nevertheless be noted that higher education does yield an attractive rate of return to the society (above 10 per cent) and to the individual as well (19 per cent),
- b) The second important assumption that was also widely held was that developing countries can't fulfill their goals with respect to primary education unless higher education is neglected. This assumption juxtaposes one level of education against another, and leads to a fragmented picture of the education sector. Such an approach obviously ignores the interdependence of the two levels.
- c) The third important faulty assumption is that if higher education is important, this can just as well be provided by the private sector, and the State need not necessarily provide it. Consequently State can withdraw from higher education and save its resources, and the private sector can fill the gap in the development of higher education. But the private sector rarely provides good quality education on a large scale in any country. Exceptions are very few and those involve institutions established with a motive of philanthropy, a phenomenon which is disappearing rapidly. After all, Tilak argues, the private sector, by definition and nature, is associated with profit, self-interests, and short-term considerations.

Tentative Theory

Tilak (2005) singles out the Philippines as an example of a Developing Country where the higher education system is not working properly, but few details are available about the specific issues in the Philippines. Consequently it is necessary to develop a set of indicators to test his argument. To this purpose, a number of occurrences were considered, which, if observed in the local setting, could be seen as consequences of the three faulty assumptions about higher education on the part of the Philippine government. This resulted in the following five hypotheses:

H1: Public spending in Higher Education will be low

H2: The performance of the Higher Education System will be poor

H3: The educational sector will be fragmented due to a resource application bias in favor of primary education over tertiary education..

H4: The Government Budget allocated to Higher Education will show a decreasing trend.

H5: The Government will expect the Private Sector to be the main provider of higher education

OVERVIEW OF THE PHILIPPINE HIGHER EDUCATION SYSTEM

Education in the Philippines is provided by both private and public institutions. Basic public education is administered by the Department of Education, Culture and Sports (DECS). Technical education is administered by the Technical Education and Skills Development Authority (TESDA), and higher education by the Commission of Higher Education (CHED). Higher education in the Philippines consists of public and private institutions (ADB & WB 1998; Tan, Borromeo & Castle 2000).

The following types of institutions are included in the public education sector;

- State Universities and Colleges (SUCs) – these are chartered public higher education institutions established by law, administered and financially subsidized by the government.
- Local Universities and Colleges (LUCs) – these are established by the local government through resolutions or ordinances and are financially supported by the local government concerned.
- CHED Supervised Institution (CSI) – these are non-chartered public post-secondary education institutions established by law, administered, supervised and financially supported by the government.
- Other Government Schools (OGS) – these are public secondary and post-secondary education institutions that offer technical-vocational education programs.
- Special HEIs – these are directly under the government agency stipulated in the law that created them. They provide specialized training in areas such as military science and national defense.

Private sector educational institutions are established under the Corporation Code and are governed by special laws and general provisions of this Code. The following types of institutions are included in this category:

- Private non-sectarian – these are duly incorporated, owned and operated by private entities that are not affiliated to any religious organization.
- Private sectarian – these are usually non-stock, non-profit, duly incorporated, owned and operated by a religious organization only.

PHILIPPINE GOVERNMENT SPENDING ON HIGHER EDUCATION

A comparison was made of Philippine government spending on Public Higher Education and three other countries in the region. The countries selected were

considered to be at a similar stage of development to the Philippines (Douglas & Ziderman 2000; Ibe, Perez & Quebengco 2000). National statistics of each country were drawn from the UNESCO data bank UNESCO 2003, 2005). Table 1 shows expenditure for each of the selected countries for the year 2004 in US Dollars (,000).

TABLE 1: COMPARATIVE NATIONAL STATISTICS FOR 2004

Parameter	Philippines	Thailand	Malaysia	Indonesia
Population	81,617,000	63,694,000	24,894,000	245,452,739
GDP per capita	4,321	7,595	9,512	3,600
Total GDP	352,667,057	483,755,930	236,791,728	883,629,860
Expenditure on education as % of total	17.20%	27.50%	28%	9%
Expenditure on tertiary education as % of total education expenditure	14%	20%	37%	19%
Expenditure on tertiary education as % of total government expenditure	2.41%	5.50%	10.36%	1.71%
Total government expenditure	\$15,770,000	\$31,760,000	\$34,620,000	\$57,700,000
Total budget for education	\$2,712,440	\$8,734,000	\$9,693,600	\$5,193,000
Total budget for tertiary education	\$379,742	\$1,746,800	\$3,586,632	\$986,670
Total enrolment in tertiary education	2,420,856	2,359,000	726,000	3,449,429
Total enrolment in public tertiary education	742,108	1,891,693	311,142	1,083,120
Percentage of public tertiary education of total tertiary education	30.65%	80.19%	42.86%	31.4%
Percentage of private tertiary education of total tertiary education	69.35%	19.81%	57.14%	68.6%
Expenditure per student on tertiary education	512	923	11,527	572
Expenditure per student on tertiary education as % of GDP per capita	11.84%	12.16%	121.19%	15.89%
Percentage of population enrolled in tertiary education	2.97%	3.70%	2.92%	1.41%

Source: www.ibe.unesco.org/countries

It can be seen that of the four countries listed, the Philippines does not rate well. For example, the Philippines rates third in expenditure on education generally, third on expenditure on tertiary education, fourth on expenditure per tertiary student, last on expenditure on tertiary education as a percentage of total education expenditure, and last on expenditure per tertiary student as a percentage of GDP. While it is difficult to be specific about what constitutes “low” public spending, it is clear that overall the Philippines’ spending is low in comparison to similar developing countries in the region, providing support for hypothesis 1.

PERFORMANCE OF THE HIGHER EDUCATION SYSTEM IN THE PHILIPPINES

In 1994, the Commission of Higher Education (CHED) was formed, with the mandate to improve the country's higher education system. CHED developed a Medium Term Higher Education Development and Investment Plan (MTHEDIP) 2001-2004 in 2001 to provide the policy framework and define programs that will enable the higher education subsector to fulfill its role in the development of Philippine human resource, in the context of globalization and the emerging knowledge-based economy. Initiatives were focused on the particular areas of: 1] quality and excellence; 2] relevance and responsiveness; 3] access and equity; and 4] efficiency and effectiveness. MTHEDIP 2001-2004 formulated qualitative targets, and then converted them into quantitative, measurable performance indicators. No official evaluation report has been issued yet on MTHEDIP 2001-2004 (Commission on Higher Education website).

In the absence of limited information about the performance of the higher education sector in the first five years of CHED's existence, it was concluded that only modest improvements in the higher education system took place in the period 1995-2000. In this study, the examination of CHED's performance set out to answer the following questions:

1. How well did the actual improvements in the higher education system compare to the targets set by MTHEDIP for academic year (AY) 2001-2004 and,
2. How did the development in the higher education system in the Philippines compare to other countries

Performance targets were drawn directly from the MTHEDIP 2001-2004 manual (CHED, 2001). Actual performance figures from AY 2001 to AY 2004 were gathered from the statistical bulletin in the CHED website and CHED's Management of Information System (MIS) Division, and validated by CHED's Research Division. This final step was included due to some major discrepancies discovered by the researchers in the published figures. Figures were then compared to determine performance within the period of AY 2001-2004. Growth rates were compared to those of other countries in the Asia Pacific region to determine whether targets were feasible or not sufficiently ambitious. Performance targets include:

- Improve quality of higher education as indicated by the performance of graduates in professional licensure examinations, the number of accredited programs, and the percentage of faculty with advanced degrees
- Increase in number of intakes and graduate in priority fields
- Improve access as indicated by enrolment figures and the number of beneficiaries of student assistance programs
- Significant increase in the number of beneficiaries of scholarship and other forms of financial assistance.

- Reduced dropout rates of students from the lower-income groups
- Proportionate increase of total costs raised from non-public sources

Target and actual performance for each year are shown in Tables 2, 3 and 4. All data in these tables have been taken from the CHED Statistical Bulletin (2005).

TABLE 2: PHILIPPINES HIGHER EDUCATION TARGET & ACTUAL 2001 - 2002

Indicator	2001-2002 Target	2001-2002 Actual
Enrolment		
All Disciplines	2,742,521	2,466,056
Priority Disciplines	1,720,834	1,466,781
State Universities and Colleges		733,827
Graduates		
All Disciplines	400,763	383,839
Priority Disciplines	205,685	222,092
State Universities and Colleges		120,011
Average Passing % in Prof. Board Exam.	46.80%	48.45%
Priority Disciplines		
Sciences	61	68.70
Maritime	39	71.60
Medicine and Health Related	50	46.60
Engineering and Technology	44	49.20
Agriculture, Agri. Eng'g, Forestry, Vet. Med.	52	51.00
Teacher Education	37	34.30
Beneficiaries		
Total No. of Beneficiaries	802,292	770,268
Scholarship and Other Financial Assistance	49,294	36,441
Partial Subsidy through SUCs (enrolment)	753,088	733,827
Accreditation		
No. of HEIs with Accredited Programs	168	
No. of Accredited Programs by Level:		
Level I	189	
Level II	554	
Level III	182	
Level IV		
Faculty Qualification		
% with MA/MS	26	26
% with PhD	8	8

TABLE 3: PHILIPPINES HIGHER EDUCATION TARGET & ACTUAL 2002-2003

Indicator	2002-2003 Target	2002-2003 Actual
Enrolment		
All Disciplines	2,852,222	2,426,976
Priority Disciplines	1,831,042	1,426,976
State Universities and Colleges		734,224
Graduates¹		
All Disciplines	416,794	401,787
Priority Disciplines	213,914	236,125
State Universities and Colleges		132,656
Average Passing % in Prof. Board Exam.	47.60%	44.85%
Priority Disciplines		
Sciences	63	64.66
Maritime	40	74.70
Medicine and Health Related	51	44.62
Engineering and Technology	45	44.00
Agriculture, Agri. Eng'g, Forestry, Vet. Med.	54	40.70
Teacher Education	38	35.92
Beneficiaries		
Total No. of Beneficiaries	892,910	731,604
Scholarship and Other Financial Assistance	50,291	38,310
Partial Subsidy through SUCs (enrolment)	842,619	734,224
Accreditation		
No. of HEIs with Accredited Programs	177	202
No. of Accredited Programs by Level:		
Level I	235	189
Level II	690	580
Level III	227	154
Level IV		11
Faculty Qualification		
% with MA/MS	29	29
% with PhD	9	9

TABLE 4: PHILIPPINES HIGHER EDUCATION TARGET & ACTUAL 2003-2004

Indicator	2003-2004 Target	2003-2004 Actual
Enrolment		
All Disciplines	2,966,311	2,420,856
Priority Disciplines	1,943,481	1,526,933
State Universities and Colleges		742,108
Graduates¹		
All Disciplines	433,466	386,920
Priority Disciplines	222,472	237,054
State Universities and Colleges		132,483
Average Passing % in Prof. Board Exam.	48.60%	41.71%
Priority Disciplines		
Sciences	65	64.39
Maritime	42	62.50
Medicine and Health Related	52	41.87
Engineering and Technology	46	42.80
Agriculture, Agri. Eng'g, Forestry, Vet. Med.	56	34.29
Teacher Education	40	26.27
Beneficiaries		
Total No. of Beneficiaries	1,032,150	798,779
Scholarship and Other Financial Assistance	50,385	52,510
Partial Subsidy through SUCs (enrolment)	932,150	746,269
Accreditation		
No. of HEIs with Accredited Programs	186	193
No. of Accredited Programs by Level:		
Level I	292	208
Level II	859	602
Level III	283	161
Level IV		11
Faculty Qualification		
% with MA/MS	50	30
% with PhD	10	9

Examination of the data in the preceding tables shows that the MTHEDIP 2001-2004 has set very minimal percentage increase targets, and most of those targets were not reached (Guillermo 1997). It can consequently be concluded that the actual

performance in the higher education system compared to the defined targets for 2001-2004 was poor, providing support for hypothesis 2.

Table 5 shows a summary of performance in seven critical areas on nine critical indicators. On one indicator data are not available to draw conclusions on performance. On seven indicators targets were not reached. On only one indicator was the target reached. It should also be noted that the targets were not ambitious in the majority of instances as well, providing further support for hypothesis 2.

TABLE 5: SUMMARY OF ANALYSIS

Indicator	Conclusion
Enrolment	TARGET NOT REACHED (Not ambitious Targets)
Graduates	Total - TARGET NOT REACHED Priority - TARGET REACHED (Not ambitious Targets)
Average Passing Rate	TARGET NOT REACHED (Not ambitious Targets)
Beneficiaries	TARGET NOT REACHED (Not ambitious Targets)
Accreditations	Institutions - TARGET REACHED Total level - TARGET NOT REACHED
Faculty Qualifications	TARGET NOT REACHED

Table 6 and Table 7 show target and actual enrolment growth in Philippines and several other countries in the region. While it is not possible to obtain all data for all countries for all years, the trend indicates that the growth in enrolment in the Philippines as compared to other countries in Asia is declining while growth in other countries is steadily increasing. Based on the analysis, it has been found that the performance of the higher education system in the Philippines compared to a number of comparable countries is poor, providing further support for hypothesis 2.

TABLE 6: TARGET ENROLMENT GROWTH COMPARED TO OTHER COUNTRIES

Country	1998	1999	2000	2001	2002	2003
China	100%	133%	164%	200%	236%	
India	147%	153%				
Kazakhstan	121%	132%	147%	162%		
Bangladesh	100%	106%	112%	120%		
R. of Korea	100%	105%	110%	119%		
Philippines	113%	118%	120%	122%	120%	120%

Source: Regional Report on progress implementing recommendations of the 1998 World Conference on Higher Education, February 2003.

TABLE 7: ACTUAL ENROLMENT GROWTH COMPARED TO OTHER COUNTRIES

Country	1998	1999	2000	2001	2002	2003
China	6,400,000	8,500,000	10,500,000	12,800,000	15,100,000	
India	9,100,000	9,500,000				
Kazakhstan	330,000	360,000	400,000	442,400		
Bangladesh	801,733	850,000	900,000	962,567		
Republic of Korea	2,950,826	3,100,000	3,250,000	3,500,560		
Philippines	2,279,314	2,373,486	2,430,842	2,466,056	2,426,976	2,420,856

Source: Regional Report on progress implementing recommendations of the 1998 World Conference on Higher Education, February 2003.

The overall picture that emerges is that the Philippines government has set modest performance targets, and has generally failed to achieve those targets.

Fragmentation in Philippine Higher Education

Table 8 shows a comparison of the expenditure on tertiary education for the four countries considered earlier in this study. It shows that Philippines government expenditure on tertiary education as a percentage of total education expenditure is significantly lower than the other three countries, providing support for hypothesis 3.

TABLE 8: COMPARATIVE NATIONAL STATISTICS FOR TERTIARY EDUCATION

Parameter	Philippines	Thailand	Malaysia	Indonesia
Total Budget for Education in 2004	\$2,712,440	\$8,734,000	\$9,693,600	\$5,193,000
Total Budget for Tertiary Education in 2004	\$379,742	\$1,746,800	\$3,586,632	\$986,670
Percentage of education budget allocated to tertiary education	14%	20%	37%	19%

Source: www.ibe.unesco.org/countries

The analysis to date has shown that government spending in public higher education in the Philippines is low as compared to those of Thailand, Malaysia and Indonesia. In addition, the actual performance of higher education as compared to the performance target set in MTHEDIP 2001-2004 shows that targets were not reached, indicating poor performance. Furthermore, the Philippines' growth development is declining while other countries in the Asia Pacific are steadily increasing. The

following section addresses the issues of the fragmentation in the educational sector and the Government Budget allocated to Higher Education.

Data gathered shows that CHED's budget was reduced from PHP1,799,564 in AY 2001 to PHP214,930 in AY 2004, providing support for hypothesis 4. To find out the reason behind and the effects of this budget ration on the performance of higher education, an interview with CHED's Chief Education Program Specialist- Research Division, Mrs. Libertad P. Garcia was set and conducted. Specific issues examined included:

- Discussion of the findings on the Target versus Actual performance figures based on the MTHEDIP 2001-2004
- Growth development of higher education in the Philippines
- The issue of "proxy measures" as raised by the Philippine Education Sector Study conducted by the Asian Development Bank (ADB), in 1998. The Philippine Education Sector Study (PESS) (ADB, 1998) has commented that "true indicators of educational quality and performance are academic program diversity, institutional achievement of goals, student learning outcomes, and the impact of research and extension services on society". Instead, however, "proxy measures" were used by MTHEDIP. An example of "proxy measures" used is, the use of faculty qualifications as a measure of institutional quality. Because the quality of the faculties' credentials is no indicator of teaching ability, it is necessary to question where (and what institution) they got their degrees from. Another proxy measure is the use of graduation, survival, and passing rates as a measurement of student quality. In this case, the same measures were used by the MTHEDIP 2001-2004.
- The effects of the CHED budget on the number of enrolments, number of graduates and average passing rates.

The reason why targets were not sufficiently ambitious is that CHED, even though it has been given a mandate to improve the Higher Education System in the Philippines, has no real influence on the Higher Education System in the Philippines. In addition, it could also be due to the fact that during the formulation of MTHEDIP 2001-2004, CHED was relatively new and there were no empirical data available at the time of this study. Thus targets were based on their projections and were not exactly targets.

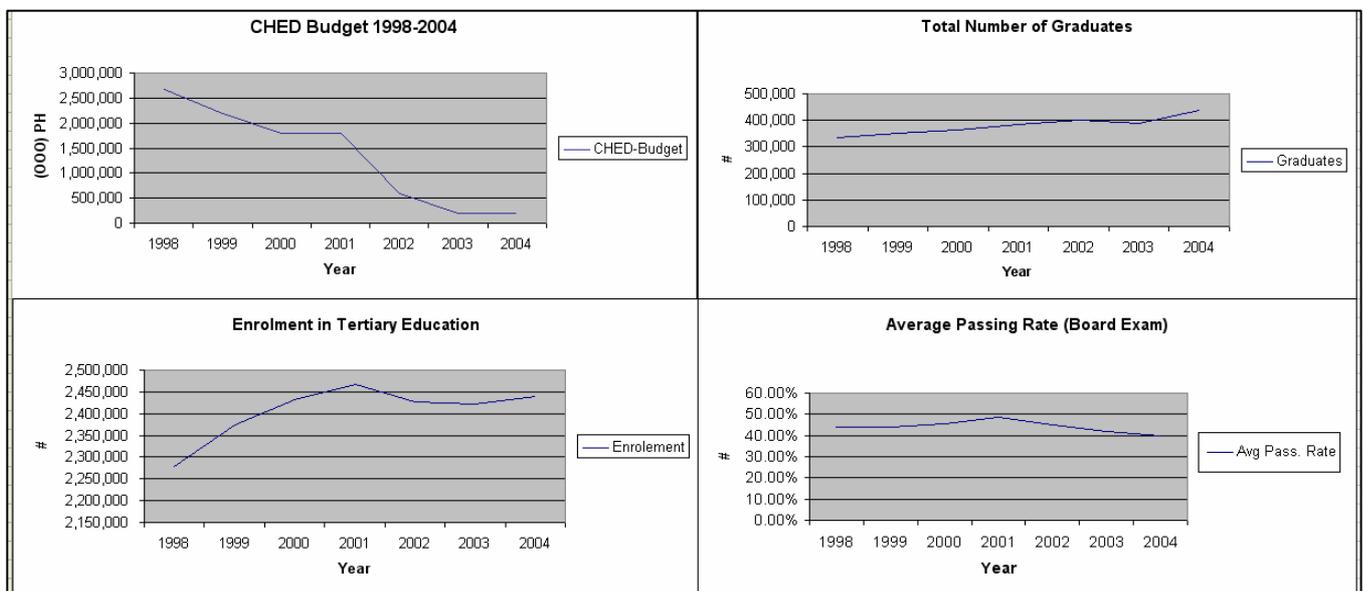
Proxy measures

System evaluation should comprise evaluation in four aspects, namely: 1) inputs, 2) process, 3) outputs, 4) Outcomes. Since CHED was relatively new in 2000, they had no clear indicators to measure the outputs, so they resorted to using "proxy measures". It was and it is still difficult to properly measure outcomes due to the characteristic of HEIs in the Philippine which are mostly privately owned. Schools do not seek to find out what happens to their graduates and give feedback to CHED. This is perhaps due to money and time constraints, or perhaps the schools simply do not see value in doing so. This is another indication of CHED's lack of influence and control. When there are no credible measurements available, assumptions or "proxy measures" is the

next best thing. The absence of any attempt by other arms of government to collect this information is further evidence of the lack of interest in the higher education sector.

Figure 1 shows CHED’s budget from 1998-2004, as well as enrolments, graduations and average passing rates during the same period. The accuracy of the data was confirmed by the CHED source.

FIGURE 1: CHED BUDGET, ENROLMENT, TOTAL NUMBER OF GRADUATES AND AVERAGE PASSING RATE



Source: Statistical Bulletin 2005

The graphs show a number of critical issues which impact on CHED’s performance. The first of these is that CHED’s budget was substantially reduced from 2001-2004, providing support for hypothesis 4. Perhaps this can be attributed to the effect of Republic Act No. 8292, an act to modernize Philippine Higher Education. One outcome of the introduction of this act was the Rationalization programs subsequently implemented by the government. The Government also streamlined the bureaucracy by abolishing redundant positions, merged SUCs, and forced public HEIs to go into income-generating measures using their own facilities, such as renting out of spaces for commercial purposes. An example is University of the Philippines campus providing gasoline service stations.

The CHED source was asked to comment on any direct relationships between these graphs. She said that there is no direct relationship because the budget for CHED is for operational expenses and scholarship programs, and is not based on outcomes. Enrolment may have been reduced in 2001 due to the budget cut but there could be

other reasons because the number of scholars is not a substantial figure to influence the trend of the number of enrollees.

With the limited powers of CHED, the interviewed source confidently said that CHED have done well in the improvement of higher education. CHED could not do much because of the political constraints it within which it has to operate, since CHED's Head is appointed by the incumbent president. Because of this, there is no permanency and continuity; everything is quo terminus. In this case, the focus of the organization will depend on the present administration's programs. The source advised that sometimes even before a CHED program commences, the Head has long been gone due to a change of administration. According to her, "CHED can only have influence on the improvement of the Higher Education system if it is governed by an apolitical and independent body."

Expectations of the Private Sector

Table 9 shows details of the number of public and private sector higher education institutions for the period 2001 to 2004. It is clear from the table that the majority of higher education occurs in the private sector, and that the percentage of public sector higher education is trending downwards.

**TABLE 9: PUBLIC AND PRIVATE HIGHER EDUCATION INSTITUTIONS
IN THE PHILIPPINES 2001 – 2002 TO 2003-2004**

Indicator	2001-2002	2002-2003	2003-2004
Higher Education Institutions	1,428	1,489	1,538
State Universities and Colleges	111	111	111
Local Universities and Colleges	42	44	46
Others	17	18	18
Total Public	170	173	175
Percentage Public	11.9%	11.6%	11.4%
Private	1,258	1,316	1,363
Sectarian	320	325	330
Non-Sectarian	938	991	1,033
Total Private	1,258	1,316	1,363
Percentage Private	88.1%	88.4%	88.6%

The following are extracts from the interview conducted with CHED

- Enrolment - majority of the enrollees come from private institutions, and CHED has no influence on enrollees.
- Graduates - target number of graduates in all disciplines was not reached, but graduation target in the priority disciplines was reached. According to the

source, CHED may have some influence on this since CHED grants scholarships and other financial support to students in priority disciplines.

- Target average passing rate was not reached. CHED has no influence on this but Professional Regulation Commission (PRC) does. Her assumption was that PRC probably have set their “standard” high in 2001 or changed their policies and this affected the passing rate of the students.
- Beneficiaries - This is most probably due to budget cuts. CHED has influence on this since budget for beneficiaries comes from the budget of CHED.
- Accreditation - Although the target was reached, CHED has no influence on the number of accredited HEIs because accreditation is voluntary and not compulsory.
- Faculty Qualifications - CHED has no influence on faculty qualification because it is usually the institution (both public and private) that decides to require their faculty to have MA/MS or PhDs.

Based on the interview, it is clear that CHED basically does not have influence on most of the indicators selected in MTHEDIP 2001-2004. Education in the Philippines in general is market driven since the majority of HEIs are private institutions, they operate under a corporation code and are governed by special laws, and CHED has no influence on them except for providing guidance in terms of program offerings.

It can be concluded that the Philippines, classified as a Developing Country, is leaving the development of Higher Education in the hands of the private sector. Trends are shaped by the movement of private HEIs, with characteristics of being unstable and market (profit) driven, providing support for hypothesis 5.

Summary of findings from the interview

The following findings and conclusions emerged from the interview:

- MTHEDIP 2001-2004 was formulated with no empirical basis and targets set were merely projections.
- CHED has yet to develop an efficient “yard stick” to measure the four goals of quality and excellence; relevance and responsiveness; access and equity; and efficiency and effectiveness.
- CHED has no influence, no ambition, and no budget to shape the future of the higher education sector in the Philippines, because, from CHED’s perspective, any development is very much dependent on private higher education institutions.
- The fact that CHED is established as an independent body is a clear indication of fragmentation in the educational sector, Government’s focus on Primary Education, and leaving Higher Education to private sector’s initiatives. In short, Government puts more importance on basic education at the expense of Higher Education.

- CHED's head is appointed by the incumbent president. This indicates strong political attachment with no permanency which could mean that long term plans could be not be efficiently implemented.
- CHED's budget has been dramatically reduced over the last 4years.
- CHED is decentralizing management of the Higher Education System, allowing principals to establish their own "business". This strongly indicates that the Government is expecting the Private Sector to be the main provider of Higher education. There is no reason to believe that the present 30 percent Public/ 70 percent Private split in Higher Education funding will change any with regards to increase in public funding.

CONCLUSIONS

The Philippine government has a declared goal "To accelerate the development of high-level professionals ready to meet international competition." This statement suggests that the Philippine Government recognizes that Higher Education is important to compete in global markets in the future. However, this study has found that:

- 1) Public spending in Higher Education in the Philippines is low.
- 2) The performance of the Higher Education System in the Philippines is poor.
- 3) The educational sector is fragmented.
- 4) The Government Budget allocated to Higher Education shows a decreasing trend.
- 5) The Government expects the Privat Sector to be the main provider of higher education.

These are five occurrences identified as necessary and sufficient to justify the Tentative Theory that The Philippine Government's actual approach to Higher Education could be based on three faulty assumptions as follows:

- 1) Higher education is not important for economic growth and development.
- 2) That the country can't fulfill its goals with respect to primary education, unless higher education is neglected and
- 3) if higher education is important, this can as well be provided by the private sector and that State need not necessarily provide it. These faulty assumptions have already been proven, in comparable countries, to be costly mistakes.

Tilak (2005) raised the question, "*Are we marching towards Laissez-faireism in Higher Education Development?* Having gone through the process of formulation, evaluation and analysis of findings and occurrences, this study suggests that a sensible answer to this question with regards to the Philippines should be, "*Probably.*"

If the Philippine Government is really serious about achieving their goal, this Case Study therefore recommends realization and paradigm shift. These are absolutely essential before any specific recommendations are proposed. The Philippine government needs to realize that their assumptions are wrong and they need to change this as soon as possible before consequences become more unmanageable.

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