THAILAND CASE STUDY

SECTION ONE: Context, size and shape

Overview of Thailand H.E. System

- **168 HE Institutions** + 2 autonomous Buddhist Universities (2010)
  - **79 Public Institutions** (incl. (a) selective admissions universities, (b) open admissions universities, (c) autonomous universities and (d) community colleges)
  - **71 Private Institutions** (incl. (a) universities (b) institutions and (c) colleges)
- Public universities enroll about 80% of students
- 77 new HE institutions were inaugurated between 2004 - 2010
- Student enrollment in HE institutions slightly decreased from 1909,113 in 2004 to 1,891,582 in 2008. The total number of tertiary students increased from 78,000 in 1971 to over 2 million in 2005.
- The growth in HE is likely to continue as it is estimated that high school graduates will increase from 0.7 to 1.8 million from 2000 to 2016 (150% in 15 years; MoE, 2007) from the policy of 15 year free education
- Almost 50% HE institutions are located in Bangkok where 10% of the population resides.

### TABLE 1: NUMBER OF UNIVERSITIES/INSTITUTIONS CLASSIFIED BY TYPES OF INSTITUTION

<table>
<thead>
<tr>
<th>Type of Institution</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Institutions</td>
<td>66</td>
<td>67</td>
<td>78</td>
<td>78</td>
<td>79</td>
</tr>
<tr>
<td>Selective Admissions University</td>
<td>60</td>
<td>61</td>
<td>72</td>
<td>72</td>
<td>66</td>
</tr>
<tr>
<td>Open University</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Autonomous University*</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>11</td>
</tr>
<tr>
<td>Community Colleges</td>
<td></td>
<td></td>
<td>12</td>
<td>18</td>
<td>19</td>
</tr>
<tr>
<td>Private Institutions</td>
<td>55</td>
<td>58</td>
<td>60</td>
<td>63</td>
<td>71</td>
</tr>
<tr>
<td>University</td>
<td>28</td>
<td>29</td>
<td>30</td>
<td>32</td>
<td>39</td>
</tr>
<tr>
<td>Institutions</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>College</td>
<td>27</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>121</td>
<td>125</td>
<td>138</td>
<td>141</td>
<td>170</td>
</tr>
</tbody>
</table>

Source: Commission on Higher Education, 2010

The majority of public HE institutions (66 of 79) have selective admissions (Table 1). Over the past 40 years high school students need to pass a highly competitive national entrance examination to gain admission to these institutions. The government recently issued a policy to expand the admission criteria to include students’ high school grades.

There are two main streams of higher education: **diploma** and **degree** (Figure 1):

- **Diploma level** takes 1-4 years to complete. Aimed at developing basic skills required to satisfy immediate semi-skilled labor market demands, mainly pursued by students from a vocational path in high school. Students can take 2-3 additional years of courses to attain a Bachelor’s degree, enabling students to cross over from diploma to degree streams.
- **Degree level** consists of undergraduate and graduate coursework (most degrees are offered in 4 years, apart from degrees in medicine and architecture). There is currently imbalance between
undergraduate and graduate education; a small number of students enroll in Master’s degree programs and even fewer in doctoral degree programs.

![Figure 1: Structure of the Thai HE System](source)

As of 2008, 24% of the faculty members hold Doctoral degrees in public HE institutions. At private HE institutions and Rajabhat universities, the corresponding figure is 13% and 7%, respectively.

**SECTION TWO: Specific governance arrangements**

- Ministry of Education (MOE) accommodates 98% of student enrollment and plays the lead role in regulating HE institutions and students enrollment. Within MOE, three agencies are directly responsible for HE service and provision: the Commission on Higher Education (CHE); the Office of the Vocational Education Commission; and the Office of the Private Education Commission (OPEC).

- Other ministries are also involved in specific fields of higher learning, such as the Ministry of Tourism and Sports, the Ministry of Defense and the Ministry of Public Health.

![Figure 2: Organizational Structure of HE Governance in Thailand](source)

**Commission on Higher Education (CHE):**

- Administers all public HE institutions and oversees the performance of private higher education institutions. Governed by a Board with diverse membership, including individuals from academia, the public and private sector, and local administrations.

- Main functions include policy setting (in accordance with the National Economic and Social Development Plan, and the National Education Plan), licensing of new private institutions as well as the change of their status, and resource allocation for public institutions, financial aid, and monitoring/evaluation.

- Key responsibilities include provision of resources and support, promotion of equity in HE, and monitoring educational outcomes.

**Office of the Private Education Commission (OPEC):**

- Provides support to private schools and universities:
  - Formulates policies and rules/regulations relating to private education matters, and ensures flexibility in favor of private education development;
Carries out research to enhance private education development and promotes and encourages greater private sector involvement through various modes of support.

SECTION THREE: Recent reforms that have taken place related to governance

The 9th Higher Education Development plan (2002-06)
- Presents clear guidelines to promote university autonomy. The plan states that every HE institution should improve their internal management systems in the academic, personnel and financial areas. All public universities should prepare to evolve into autonomous institutions.

Higher Education Development Network
- In 2004 the MoE (CHE) develops a HE development network to act as a liaison between CHE and higher education institutions.
- The goal is for the networks to share knowledge and practices in teaching and learning, research, and academic service. The CHE establish one network in each of the nine regions, to support both the collaborative ideal as well as the primacy of the regional stakes in HE.
- Future goals in a later phase of these endeavors include cooperation between the networks and entrepreneurs as well as local communities.

The 15-Year Plan (2008-2022) for Higher Education
- The plan covers all key aspects of HE management, including administrative systems, teaching and learning, research promotion and higher education finance.
- The 15-Year Plan (2008-2022) consists of two major parts:
  1. Global/local socioeconomic environment impacting Thai HE system; explores labor market trends, IT development, political decentralization, conflict management/resolution, and the changing role of youth, among other themes.
  2. The second part of the plan deals specifically with issues related to the HE system, including changing university governance and administration, enhancing national competitiveness, adequately financing HE, staff and personnel development, strengthening university networks, and HE infrastructure development.
- The current reform goals focus on expanded access and improvements in quality and relevance through a tiered service-delivery system, categorized into 4 groups, each with distinct missions and goals: (a) Community Colleges, (b) Liberal Arts Universities, (c) Specialized/Comprehensive Universities, and (d) Research/Graduate Universities. Financing is allocated on the basis of a funding formula specific to each institutional tier.

Despite recent efforts to change the regulations between government agencies and universities, an overwhelming majority of Thai universities are not autonomous.

There is also some resistance for more autonomy of higher education institutions (The Nation, 2007). Some believe that if institutions become autonomous, both in terms of governance and finance, staff and students will be subject to market forces in terms of admission, financial aid or curricular options and will lose the protection of being part of the civil service. However countries’ with more decentralized, autonomous higher education institutions, autonomy has not inherently resulted in diminished quality (World Bank, 2008).
SECTION FOUR: Specific financing arrangements

- In 2007, Government allocated more than 20% of the national budget to education, or about 4% of its GDP, and 17.9% of education expenditures were allocated to HE (Table 3).

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount</th>
<th>Education Budget</th>
<th>Higher Education</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>% Change</td>
<td>% of GDP</td>
</tr>
<tr>
<td>2003</td>
<td>235,444</td>
<td>5.6</td>
<td>4.1</td>
</tr>
<tr>
<td>2004</td>
<td>251,234</td>
<td>6.7</td>
<td>4.0</td>
</tr>
<tr>
<td>2005</td>
<td>262,938</td>
<td>4.7</td>
<td>3.7</td>
</tr>
<tr>
<td>2006</td>
<td>294,955</td>
<td>12.2</td>
<td>3.7</td>
</tr>
<tr>
<td>2007</td>
<td>356,946</td>
<td>21.0</td>
<td>4.2</td>
</tr>
</tbody>
</table>

Source: Ministry of Education, 2007

- Thailand expends approx. 0.7% of GDP in HE - below the OECD average (1.3%) and far below other East Asian nations such as Malaysia (2.7%) and South Korea (2.4%), although roughly at par with China, India and the Philippines.

- There has been continuous growth in HE expenditures over the last 10 years and the investment budget doubled between 2004 and 2007. 81% of total expenditure was allocated to operational expenses (personnel, subsidies, and other running costs) versus 18% allocated to capital expenditures. Allocations for academic research were negligible.

TUITION

- Tuition fees and fees from continuing education services are major sources of the institutional income. The government is using the loan scheme with deferred return-payment to help students who are in need. Research grants are based on merit and are distributed through several agencies with different emphasis.

- Basic standard tuition and fee costs (BTF) vary considerably across fields and types of HE institutions. It reflects the true costs for HE institutions in terms of educational and operation costs, as opposed to simple unit cost analysis.

<table>
<thead>
<tr>
<th>Selective Admissions/ Autonomous University</th>
<th>Private University</th>
<th>Open University 1: Sukhothai Thammamathirat</th>
<th>Open University 2: Ramkhamhaeng</th>
<th>Rajabhat University</th>
<th>Rajamangkala University</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Sciences</td>
<td>49,837</td>
<td>49,150</td>
<td>7,482</td>
<td>6,928</td>
<td>17,624</td>
</tr>
<tr>
<td>Journalism</td>
<td>49,837</td>
<td>60,849</td>
<td>9,204</td>
<td>-</td>
<td>17,624</td>
</tr>
<tr>
<td>Teacher Training</td>
<td>83,046</td>
<td>34,540</td>
<td>9,128</td>
<td>12,459</td>
<td>30,323</td>
</tr>
<tr>
<td>Fine Arts</td>
<td>60,725</td>
<td>50,350</td>
<td>-</td>
<td>-</td>
<td>17,518</td>
</tr>
<tr>
<td>Engineering</td>
<td>78,039</td>
<td>75,553</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Agriculture</td>
<td>115,774</td>
<td>-</td>
<td>9,418</td>
<td>-</td>
<td>26,773</td>
</tr>
<tr>
<td>Pharmaceutical</td>
<td>125,863</td>
<td>107,400</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Medicine</td>
<td>556,121</td>
<td>184,400</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Krongkaew, 2005a

- Students and families usually do not pay full BTF costs because “tuition fees” take into account Government subsidies that lower the final consumer cost.
Conference on Governance and Financing of Higher Education – South and East Asia

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• Public institutions are cheaper than private institutions partially due to government subsidies (Figure 5). Education expenses increase by degree attained.

FIGURE 3: ANNUAL EXPENDITURE PER PERSON BY EDUCATION LEVEL

- Cost is an important reason for inequalities in terms of access to HE by socioeconomic level.
- The poorest households invest much less than their higher income counterparts in HE. However, in terms of total household income, poorest families’ private expenditures in education represents about 60% of the total income compared to wealthiest households where HE expenditures represent less than 1% of total income.

FINANCIAL AID

- Government subsidies for operating costs at public universities amount to approximately 70%, while student contributions are less than 30%. The vast majority of HE students are from wealthier families. Furthermore, the tax system is regressive, which means that in a highly-subsidized public HE system, poor households are helping the rich to pay for their education.
- Government has developed a variety of scholarship and loan programs to help a more diverse contingent of families afford the increasing costs of HE and the Government has launched a loan program called the Thailand Income Contingent and Allowance Loan (TICAL).

UNIVERSITY AND INDUSTRY LINKAGES

- As one of the first initiatives, the Cooperative Research Network Project was funded in 2002 to connect graduate students with industry (55 cooperative networks were established in the areas of biotechnology, medical science, S&T). The Cooperative Education Curriculum was established in 2004 with 6,000 participating students and 2,000 participating companies.
- A recent study found that the most prevalent linkages provide consulting services whereas research-intensive and interactive forms of university-industry linkages are few. From the universities’ perspective, the most significant constraint on university-industry linkages is the perception that firms do not want to cooperate with universities, as well as the inability to identify suitable partners (Schiller, 2006).

SECTION FIVE: Recent reforms that have taken place related to financing

- While financing of HE is at present in transition, the current financing structure is one of the biggest barriers toward reforming the structure of the HE system (World Bank, 2008).
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- All public institutions, with the exception of the 11 autonomous universities, receive about 80% of their budgets from the central government. Also, public university employees are currently civil servants, which impose higher costs and less flexibility in terms of hiring and firing staff.

- Reforms strive to encourage public institutions to find alternative sources of funding, such as regional and private investments and entrepreneurship, as well as government loan programs.

- The government launched a loan program in the 90s, however there were several problems with the initial design of the program: 1) Loans were approved directly by HE institutions, providing incentives to approve loans regardless of student qualifications in order to expand enrollment figures; 2) there was no mechanisms to enforce loan repayment resulting in a large default rate (35%). To solve the problems with the SLP, Government redesigned the program and converted into the Thailand Income Contingent and Allowance Loan which currently does not exist.

- Student loan schemes are still being refined and improved upon, in order to ensure that external sources of funds are available across student groups and institutions types.

- The government aims at obtaining revenues from HE of more than 8,000mm Baht within 20 years (2007-2026), partially by becoming a hub for international education in South-East Asia.

- Financing reforms, particularly in terms of funding formulas for institutions, fees paid by students, and the divergent cost structures across the diversified HE sector, have yet to gain any real traction, particularly mechanisms for expanding access through more representative fee structures.

- The successful implementation of comprehensive financing reforms remains a significant challenge to sustainable improvements in the Thai higher education system.

REFERENCES


Knowledge Network Institute of Thailand (2006).


The Nation. (2007a). University funds plan. October

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Higher Ed. budget</td>
<td>45,241.96</td>
<td>51,798.50</td>
<td>63,967.31</td>
<td>69,541.87</td>
<td>74,876.10</td>
<td>67,999.18</td>
</tr>
<tr>
<td>1.1 Operation</td>
<td>37,505.63</td>
<td>43,766.09</td>
<td>52,098.31</td>
<td>53,817.46</td>
<td>61,668.72</td>
<td>60,835.03</td>
</tr>
<tr>
<td>1.2 Investment</td>
<td>7,736.33</td>
<td>8,032.41</td>
<td>11,869.00</td>
<td>15,724.41</td>
<td>13,207.38</td>
<td>7,164.15</td>
</tr>
<tr>
<td>2. % of GDP</td>
<td>0.64</td>
<td>0.66</td>
<td>0.75</td>
<td>0.76</td>
<td>0.85</td>
<td>0.75</td>
</tr>
<tr>
<td>3. % of Education Budget</td>
<td>17.22</td>
<td>17.52</td>
<td>18.01</td>
<td>19.07</td>
<td>17.86</td>
<td>16.88</td>
</tr>
</tbody>
</table>

This table shows the recent budget for Educational budget, Higher Education budget and % of GDP. The currency unit is in THB. Actually the figures are more the same as you have provided for the previous years.