

Aldaba, Fernando T.; Sescon, Jose T.; Alconis, Karl Eli

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## Strengthening CHED's developmental and regulatory capacity

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# Strengthening CHED's Developmental and Regulatory Capacity

*Fernando Aldaba, Joselito Sescon, and Karl Eli Alconis*



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## CONTACT US:

RESEARCH INFORMATION DEPARTMENT  
Philippine Institute for Development Studies

18th Floor, Three Cyberpod Centris - North Tower  
EDSA corner Quezon Avenue, Quezon City, Philippines

publications@pids.gov.ph  
(+632) 8877-4000

<https://www.pids.gov.ph>

Strengthening CHED's Developmental  
and Regulatory Capacity

Fernando Aldaba  
Joselito Sescon  
Karl Eli Alconis

PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES

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## **Abstract**

This paper examines and proposes strategies to strengthen the development and regulation of Higher Education in the Philippines as enacted by the Commission on Higher Education (CHED). Through a comprehensive review of CHED's mandate, a comparative analysis of higher education systems throughout Southeast Asia, and interviews with representatives from CHED and various Higher Education institutions, the study identifies strengths, weaknesses, and opportunities for improvement. Key issues faced include a disproportionate focus on regulation over development, challenges faced by universities in faculty capacity building, gaps in research and innovation support, and the misalignment of higher education curricula with board requirements and labor market demands. Drawing lessons from best practices throughout the region, the study recommends adopting a hybrid approach to foster equitable growth and innovation. Specific strategies include improving CHED's organizational efficiency by delineating regulatory and developmental functions, enhancing faculty development programs, and fostering partnerships between HEIs and industry to bridge the skills gap. The study also calls for improving university categorization, harmonizing accreditation standards among various accrediting bodies, strengthening internal quality assurance systems, and increasing financial support for underperforming but potential HEIs. By addressing these critical areas, CHED may better be able to fulfill its developmental and regulatory mandates.

**Keywords:** higher education, CHED, regulatory capacity, developmental capacity, quality assurance, accreditation, faculty development, Southeast Asia, policy reform

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## **Executive Summary**

This study aims to propose recommendations on how to enhance the regulatory and developmental mandate of the Commission on Higher Education (CHED). It conducted a brief review of CHED's strengths and weaknesses over the years in terms of its regulatory and developmental mandates along with the other countries' higher education regulatory and developmental systems and good practices. The study also conducted key informant interviews of both public and private HEI administrators, CHED offices, and accreditation bodies to get their perspectives on strengthening CHED's regulatory and developmental mission.

### *Highlights of the Global and Regional Literature Review*

In Southeast Asia, government-run higher education institutions play a dominant role, contrasting with the market-driven models prevalent in Western countries like the U.S. While countries such as Malaysia, Thailand, Indonesia and Vietnam have seen significant advancements in their educational sectors, challenges persist, particularly in balancing rapid expansion with maintaining educational quality. The quick growth of higher education has often led to quality being compromised, as many institutions struggle with limited resources and staffing.

To address quality concerns, many Southeast Asian countries have implemented robust quality assurance systems. Agencies in Malaysia and Vietnam, for instance, regularly evaluate institutions to ensure they meet international standards, helping to maintain a basic level of quality across universities. Programs like Malaysia's SETARA rate universities on various performance aspects, enhancing transparency and aiding students in making informed educational choices.

Another notable approach is the decentralization of higher education governance, as seen in Indonesia, which allows universities more freedom to innovate and cater to local needs. However, this autonomy has to be balanced with adequate oversight to prevent disparities in educational quality. Additionally, internationalization strategies, such as those in Thailand, have bolstered global competitiveness by promoting international partnerships and research collaboration.

Strategic planning also plays a crucial role in the region's educational advancement. Malaysia's Higher Education Blueprint and Singapore's SkillsFuture initiative are prime examples of how targeted planning and development programs can enhance graduate employability and align educational outcomes with labor market demands, promoting lifelong learning and continuous skill development.

However, the region still faces significant challenges, including conflicts between autonomy and centralization, inadequate funding, bureaucratic inefficiencies, and a disconnect between educational outputs and labor market needs. These issues highlight the complex landscape of higher education in Southeast Asia, where significant progress in access, governance and quality assurance coexists with ongoing challenges in equity, financing, and market alignment.

## *The Philippine Experience*

In the Philippines, in terms of quality assurance, the Commission on Higher Education (CHED) has established a process for crafting Policies, Standards, and Guidelines (PSGs) as national benchmarks in various disciplines. These guidelines guarantee a minimum standard of quality and consistency in programs across universities and colleges. Moreover, private accrediting bodies like the Philippine Accrediting Association of Schools, Colleges, and Universities (PAASCU), Philippine Association of Colleges and Universities Commission on Accreditation (PACUCOA) and the Association of Christian Schools, Colleges and Universities-Accrediting Council, Inc. (ACSCU-ACI) have member institutions which seek voluntary accreditation to improve the quality of their programs.

The strengths of CHED lie in its established process of quality assurance (i.e. PSGs and TPs) and the encouragement of accreditation, which inherently promotes higher standards. However, its effectiveness is limited by personnel constraints, regional disparities in capability, and bureaucratic delays. One of the major challenges for CHED is the limited number of staff relative to the vast number of HEIs it needs to monitor.

CHED is responsible for setting and enforcing regulations for Higher Education Institutions (HEIs), while also promoting their development. CHED has historically placed greater focus on regulation over development, leading to insufficient support for HEIs in areas such as capacity building, research, and innovation, particularly within state universities and colleges (SUCs) and local universities and colleges (LUCs). Limited resources have constrained CHED's ability to effectively support HEIs in developing and implementing new programs. Financial limitations also affect the ability to conduct extensive faculty development programs and infrastructure upgrades necessary for high-quality education.

Moreover, collaboration between industry and academia has remained limited, reducing the effectiveness of education-industry alignment and hampering the development of a workforce with the skills needed for economic growth. While there are efforts to align education with labor market needs, CHED sometimes faced challenges in fostering deep and sustained collaboration between HEIs and industries.

Disparities in program quality amongst schools and inconsistent application of standards are caused by the diverse criteria used by different accrediting authorities. This results in shifting memberships and process inefficiencies with no streamlined and harmonized process for assessing program and institutional quality. Some HEIs adhere to high standards through voluntary accreditation, while others fail to meet basic requirements and avoid accreditation. Additionally, there needs to be more accountability for HEIs that consistently underperform. With minimal consequences enforced, a culture of complacency towards quality assurance is fostered. The possibility of facing legal suits in closing down programs has hampered CHED's regulatory capacity.

The Technical Panels (TPs) of the Commission on Higher Education (CHED) who are in charge of crafting Policies, Standards, and Guidelines (PSGs) exhibit significant divergence in their performance and output across different disciplines. While some panels are proactive, keeping their PSGs current and relevant, others are less engaged and meet less often, leading to outdated or incomplete standards, which affect the responsiveness of academic curricula to industry trends and labor market demands. Additionally, the process of updating PSGs is often

slow and constrained by the bureaucracy, leading to delays that prevent higher education institutions (HEIs) from adapting their curricula to new academic and industry standards.

The Commission on Higher Education (CHED) struggles to form panels across all academic fields due to resource limitations and difficulties in attracting qualified experts, particularly from emerging and interdisciplinary areas. For programs lacking technical panels, higher education institutions (HEIs) must often develop their own curricula without consistent guidance or national standards, leading to variations in program quality and undermining efforts to standardize and enhance educational offerings.

An important issue is the utilization and impact of the Higher Education Development Fund (HEDF). The CPBRD (2024) notes that about 92.6% of the P799.1 billion HEDF budget was obligated, while only 65.2% were disbursed. Another issue is the prioritization of where the funds should be spent. For example, a congressman insisted that HEDF must be used to augment financing for scholarships while CHED should focus on programs that will strengthen higher education through grants to HEIs. At the same time, a senator reminded CHED that it had to follow the Tourism Act of 2009 which mandates it to fund tourism-related educational programs and courses. Another issue is whether the annual budget of the fund itself is sufficient for these strategic development programs.

The Commission on Higher Education (CHED) in the Philippines faces significant challenges due to heavy workloads and understaffing across its regional offices. This overstretching of resources has led to delays in decision-making and program monitoring, negatively impacting the development of the sector. Moreover, staffing levels vary significantly across regions, leading to inconsistencies in service delivery and inefficiencies in supporting HEI needs, particularly in marginalized areas. Surprisingly, the number of unfilled positions in CHED is about 24% of its total authorized positions. For 2024 and 2025, the Commission reports 172 unfilled positions out of 689 permanent positions. (CPBRD, 2024)

The CHED Central Office, mirroring the regional offices, is significantly overburdened. Tasked with national-level policy formulation, quality assurance, and coordinating with regional offices, the central staff faces immense workload pressures, especially when managing cross-regional issues and stakeholder coordination. This often leads to delays in policy implementation and decision-making due to insufficient manpower. Additionally, the central office struggles with available time for strategic planning and research, limiting its involvement in innovative and long-term sectoral improvements.

### *Key Recommendations*

#### *On Complementarity and Competitive Neutrality<sup>1</sup>*

The government should adopt a hybrid approach to higher education that balances equitable growth and competition by expanding public HEIs in underserved areas while maintaining competitive neutrality across both public and private institutions. This involves extending subsidies and financial aid to students in accredited private HEIs, enforcing rigorous accreditation standards, and offering incentives like research grants and tax breaks to ensure

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<sup>1</sup> Competitive neutrality ensures that public and private enterprises operate under the same set of rules and conditions, allowing them to compete on a level playing field. It eliminates undue advantages that government-owned entities might have over private competitors, promoting fair competition.



quality across the system. Differentiated regulation should provide more autonomy to high-performing institutions while underperforming but potential ones receive additional support and stricter oversight. Strengthening public-private HEI partnerships through collaborative programs, faculty exchanges, and research projects will further drive innovation. This dual system ensures both sectors contribute to improving access, quality, and innovation, particularly in underserved markets. A strategic roadmap embodying this approach will be an important guide for CHED.

#### *On CHED's Regulatory and Developmental Functions*

CHED should strive for a balanced approach rather than lean excessively toward regulatory functions. While regulation is essential for maintaining standards and ensuring quality, a developmental perspective should be equally prioritized. This necessitates a strategic separation of CHED's regulatory and developmental roles to enhance efficiency and reduce conflicts. By retaining regulatory authority while delegating developmental functions to a *specialized unit*, CHED can give better focus on capacity building and innovation within HEIs. Additionally, a flexible regulatory framework is recommended to provide HEIs with greater autonomy, particularly in curriculum design, while ensuring accountability and reducing bureaucratic burdens among the regulated ones.

#### *Classifying HEIs for CHED's Regulatory and Developmental Interventions*

CHED has classified higher education institutions (HEIs) both horizontally and vertically. The horizontal classification includes Professional Institutions, Colleges, and Universities for private HEIs, along with State Universities and Colleges (SUCs), Local Universities and Colleges (LUCs), and Other Government Schools (OGS) for public HEIs. The vertical classification categorizes HEIs into “autonomous, deregulated, and regulated types”. This classification is crucial as it allows CHED to delineate its regulatory work from its developmental mandate effectively. By aligning regulatory and development interventions with the specific classifications of HEIs, CHED can hopefully reduce its regulatory burden, particularly among public HEIs by establishing more autonomous and deregulated categories.

#### *On Streamlining Monitoring and Evaluation and Harmonizing Quality Assurance*

A granular classification of public and private HEIs will be vital in streamlining CHED's monitoring and evaluation processes. Autonomous and deregulated HEIs should face minimal oversight, provided their selection process remains rigorous. An internal quality assurance system within HEIs can facilitate external evaluations, similar to practices in Thailand. CHED can focus its monitoring efforts on HEIs that exhibit poor performance in specific indicators, like board passing rates and graduate employability, given its limited resources. A comprehensive restructuring of the accreditation landscape is essential to create a harmonized system among various accrediting bodies, ensuring uniformity in quality standards across all HEIs while maintaining their individual strengths.

#### *On Enhancing CHED's Technical Panels*

To improve its technical panels, CHED should finalize their organization and increase the compensation for panel members. Currently, many panel members are appointees (with small honoraria). They should be regarded as paid experts with clear output expectations and defined terms of reference. Regular reviews and updates of Policies, Standards, and Guidelines (PSGs) are necessary to ensure academic programs remain relevant and aligned with industry standards. Including industry practitioners in technical panels can enhance the relevance of academic curricula, bridging the skills gap and ensuring that programs meet market demands.

Partnerships with established industry and professional organizations can facilitate entry of these professionals.

#### *On Post-Monitoring and Evaluation of HEIs*

Once HEIs receive CHED recognition, they must continuously enhance their offerings. CHED is tasked with monitoring these programs through its Regional Offices and the Regional Quality Assurance Teams (RQATs). The composition, responsibilities and compensation of RQATs require a deeper review to establish clearer terms of reference. Furthermore, CHED should maintain a publicly accessible list of accredited HEIs, referred to as a "white list," and ensure that this information is disseminated widely. Additionally, CHED must possess the legal authority to shut down non-compliant programs, which will enhance its oversight capabilities.

#### *On Tuition Fee Regulation*

CHED's current cap-based model aligns tuition increases with regional inflation rates, protecting students from sudden and excessive hikes. While effective in controlling costs, this policy could be enhanced by allowing well-performing HEIs to exceed the cap based on indicators like institutional quality and graduate outcomes, subject to CHED approval. Expanding the model to consider educational performance would ensure that tuition increases provide clear benefits to students, promoting both affordability and quality.

#### *On the Higher Education Development Fund (HEDF)*

A strategic framework is essential to maximize the impact of the Higher Education Development Fund (HEDF). This framework should prioritize long-term goals in areas like capacity building, faculty training, and infrastructure development, especially for marginalized institutions. It should also incentivize performance and innovation by providing support to HEIs that excel in teaching quality and research. Given limited resources, CHED exploring alternative funding sources is crucial, such as taxes from private HEIs, surplus funds from government agencies like PAGCOR and donations from large corporate organizations..

#### *On Resolving Labor Mismatches*

To address labor mismatches, CHED can lead collaborations between HEIs, industry, and government agencies, using industry groups to foster connections. Key actions include incentivizing internships, apprenticeships, and job fairs that build students' practical skills. CHED should work with DOLE to align the curriculum with job market trends, ensuring education meets economic demands. Additionally, a Labor Market Information System (LMIS) with DOLE and DTI would guide curriculum updates and help students identify in-demand career paths, enhancing employability.

#### *On CHED's Human Resources at the Central and Regional Offices*

To enhance the effectiveness of CHED's regional offices, an increase in staffing is recommended to manage their expanding responsibilities. This involves filling existing vacancies and securing additional funding for personnel in high-demand regions. Performance-based incentives should be implemented to foster innovation and excellence among staff.

#### *On the Commissioners' Chairing SUCs*

There is a pressing need to reconsider the roles of CHED Commissioners as chairs of governing boards for SUCs and LUCs. Delegating these responsibilities to senior officials or experienced academics in the region could allow Commissioners to focus on strategic functions like policy development. The inclusion of independent experts on these boards would enhance governance

and strategic planning, enabling CHED to concentrate on improving the quality and relevance of education in the Philippines.

*On Digitalization of CHED's Key Processes*

Digitization of processes and decentralization of decision-making in the regions will enable quicker responses to local educational needs while ensuring rigorous accountability.

CHED has initiated the piloting of a digital regulatory system to streamline its processes. This system will improve the submission and processing of accreditation documents, allowing for more efficient compliance tracking. Digitalization enhances communication with HEIs and provides access to resources and training programs. It also facilitates remote assessments, enabling CHED to uphold uniform standards, particularly in remote areas. CHED must mainstream its digitalization efforts by providing more resources to this endeavor.

# **Strengthening CHED's Developmental and Regulatory Capacity**

***Fernando Aldaba, Joselito Sescon, and Karl Eli Alconis***

## **1. Introduction**

### ***1.1 Context and relevance of the study***

While higher education in developing countries has achieved significant strides in terms of access for its citizens, it continues to struggle with issues like quality, financing, infrastructure, and bureaucratic capacities. The current Philippine higher education system is a combination of advancements and challenges. The country has made significant progress in widening access to higher education, particularly through the Universal Access to Quality Tertiary Education Act (UAQTE). There is also an increasing focus on outcomes-based approaches, internationalization, research, and innovation in universities, which aims to achieve greater global competitiveness. However, the sector confronts major weaknesses, including disparities in quality across public and private institutions, underfunding, inadequate infrastructure, and difficulties in monitoring and quality assurance. Faculty qualifications and research output are also significant issues, as many institutions strive to meet national standards and international benchmarks. Moreover, there is a continuing misalignment between higher education programs and labor market needs, resulting in skills gaps and mismatches.

### ***1.2 Policy issue of interest***

The proposed study aims to propose strategies to strengthen the regulatory and developmental mandate of the Commission on Higher Education (CHED) by providing country case studies that will highlight successful good practices and models and adapting them to the local context. The study will offer recommendations to refine CHED's policy-making, regulatory oversight and development initiatives. This could include, for example, the implementation of a more robust, efficient and well-funded financial assistance system, enhanced support for innovative programs of HEIs, and an overhaul of accreditation and quality assurance processes to raise educational standards across all institutions. Such reforms would not only improve equitable access to higher education but also enhance the overall quality of the Philippine higher education system, aligning it more closely with international standards and boosting its global competitiveness.

### ***1.3 Expected relevance of the research questions to policymakers and implementing agencies.***

From the evaluation of CHED's regulatory and development capacities and interviews with higher education practitioners, together with the analysis of similarly situated countries' higher education regulatory and development frameworks, the study will attempt to recommend possible policy reforms and adjustments that may be adopted or adapted by CHED and policymakers.

#### *1.4 Potential policy impact of the study*

The study through its recommendations hopes to contribute to the improvements in the regulatory and developmental functions of the Commission on Higher Education. It also hopes to promote greater collaboration among key stakeholders to initiate regulatory reforms and introduce innovative developmental programs for universities and colleges all over the country.

## **2. Objectives**

*The main objectives of the study include:*

- To come up with recommendations on how to enhance the regulatory and developmental mandates of the Commission on Higher Education
- To review the regulatory and developmental framework of higher education systems in selected and similarly situated countries and find possible approaches, policies and programs for adoption or adaptation in the Philippines

The study hopes to answer the following research questions:

- What regulatory framework can the Philippines adopt vis-à-vis regulatory models in other countries that would enable the government agency responsible for higher education (CHED) to: (a) Effectively perform/balance its development and regulatory functions to ensure quality higher education programs and institutions; (b) Provide HEIs space and support for developing innovative programs; (c) Support, in line with its developmental function, HEI initiatives and projects to advance the quality of educational service delivery on the one hand and at the same time; (d) Effectively phase out or close, in line with its regulatory functions, poor-performing programs/HEIs whose enjoyment of academic freedom infringes on the right of students to quality education.
- What policies, programs/implementation rules have been adopted by similarly situated countries to enhance the quality of their higher education programs and institutions on the one hand, and phase out/close non-performing programs, on the other?
- From the experience of the other countries, what policy or program recommendations would enhance the Commission's developmental and regulatory functions?
- What organizational structures/mechanisms/policies would enable CHED to perform developmental and regulatory functions that are sometimes difficult to delineate in practice?

## **3. Methodology**

***3.1 Brief Review of CHED's Strengths and Weaknesses Over the Years in terms of its regulatory and developmental mandates***

***3.2 Brief desk review of a select three to four country's higher education regulatory and developmental system and good practices B***

- Key government institutions and private organizations and their regulatory roles
- Classification and typologies of HEIs
- Accreditation system and quality assurance

- Curriculum standards and their basis
  - Students' access, recruitment, rights and protection
- Review of the Country's practices on the development of higher education
- Developmental goals of HE in the country
  - Faculty development and appointments
  - Student scholarships, subsidies and grants
  - Curriculum development and alignment
  - Research and business linkages
  - Internationalization and exchanges
  - Institutional innovation and management

### ***3.3 Key Informant Interviews***

- Conduct of key informant interviews from the following:
  - EDCOM2 members
  - CHED Officials and Management (Central Office)
  - Key officials of accrediting organizations
  - At least 2 Regional directors of CHED
  - At least 2 Presidents of SUCs in the regions
  - At least 2 Presidents of private HEI in the regions

### ***3.4 Key Informant Interview Guidelines:***

For EDCOM II members and secretariat, CHED officials, key directors and staff

Please identify key issues and challenges that confront the regulatory and developmental framework/system of higher education in the Philippines and some possible solutions in the following areas:

- Legal framework or relevant laws and regulations
- Specific roles or the distribution of authority and responsibility mainly of the following: national and local (LGU) government bodies and offices, voluntary organizations such as accrediting and membership organizations, and higher education institutions (HEIs).
- Accreditation system and quality assurance
- Curriculum standards and their basis
- Financial and funding resources

Should the regulatory and developmental function be done by separate agencies?

Who/which agency/ies should take the lead in initiating reforms to respond to these challenges?

For Top officials of SUCs, Private HEIs and Accrediting Agencies

Please identify key issues and challenges that confront the current higher education system

- Accreditation system and quality assurance
- Processes and criteria of accreditation
- Curriculum standards and their basis
- Faculty development and their appointments
- Student scholarships and grants
- Curriculum development and alignment
- Research
- Internationalization and exchanges

- Institutional innovation and management

Should the regulatory and developmental function be done by separate agencies?

Who/which agency/ies should take the lead in initiating reforms to respond to these challenges?

### *3.5. Key Influencers on this Issue*

These are the key influencers related to this study on strengthening the regulatory and developmental capacity of the Commission on Higher Education (CHED):

- a) EDCOM2 Members
- b) CHED Officials
- c) University Officials and Administrators (both public and private)
- d) University and College Associations
- e) Accreditation Agencies
- f) Education Experts from Various Disciplines

## **4. Review of Related Literature**

The regulatory and developmental frameworks and systems of higher education in developing countries like the Philippines have been the focus of considerable academic literature. These frameworks often aim to balance quality assurance, access, international competitiveness, and alignment with economic needs. The following brief review of the literature on these systems highlights their key strengths, weaknesses, and best practices.

### ***4.1 Global Review on the Regulatory and Developmental Frameworks in Developing Economies***

#### ***4.1.1 Major Strengths of Regulatory and Developmental Capacities of Higher Education Systems in Developing Economies***

Higher availability and participation rates, particularly for underprivileged populations and marginalized groups, are a noteworthy benefit of emerging nations' higher education systems. In order to improve equity in education and provide chances for groups that were previously excluded from higher education, many nations have implemented policies aimed at widening access to higher education. Along with lowering poverty and promoting social mobility, this expansion has contributed to the diversification of educational systems. Additionally, in order to foster knowledge sharing, advance research collaboration, and raise educational standards, developing countries have been forming partnerships with international organizations. Developing countries have been able to improve their global competitiveness by implementing or adapting good practices from more established institutions thanks to these internationalization initiatives, according to Knight and De Wit (2018).

Another important factor that has improved education quality across higher education institutions is the implementation of quality assurance systems. National accrediting agencies that enforce basic educational standards and make sure that institutions fulfill particular quality benchmarks have been established in many developing nations. This contributed to the promotion of a minimum standard of quality, which is key for the national and global standing of universities. Furthermore, national development plans and higher education objectives are often aligned in some countries. For example, Malaysia and Singapore have made their strategy for higher education consistent with their strategic development plans. These nations ensure that their graduates are formed to fulfill the labor market demands by focusing on industrial

skill development and STEM (science, technology, engineering, and mathematics) (Knight & de Wit, 2018).

#### *4.1.2 Major Weaknesses of Higher Education Systems in Developing Economies*

Higher education systems in developing countries have a major concern in the usual conflict between quantity and quality. While more people getting access to higher education is positive, quick expansion has frequently led to compromises in quality. Rapid growth has occasionally resulted in quality compromises, with many private institutions finding it difficult to uphold standards owing to inadequate staff and facilities (Altbach and Salmi, 2011). This has sometimes resulted in differences in the quality of education provided across universities and imbalanced educational outcomes.

Funding constraints are another continuing problem. In many less developed nations, where governments need more financial resources for higher education, persistent underfunding affects their ability to hire excellent professors, upgrade facilities, and invest in research and development (Varghese, 2013). The creation of innovative programs may also be affected by an inadequate budget, making it difficult for these institutions to compete globally. In addition, there is another critical problem with brain drain. An increasing number of highly qualified faculty and graduates from developing nations search for greener pastures abroad, drastically decreasing the labor pool and hampering the development of strong and dynamic higher education systems at home.

Lastly, developing economy higher education institutions have added constraints from strict regulatory frameworks and overly bureaucratic processes. This can impede innovation in teaching and program development and even curb autonomy. This inflexibility frequently makes it hard for universities and colleges to adjust to a more volatile and uncertain environment which lowers their overall efficacy and competitiveness.

#### *4.1.3 Good Practices in the Promotion of Regulatory and Developmental Capacities*

One effective strategy for promoting regulatory and developmental capacities in higher education systems is the use of public-private partnerships (PPP). These cooperation between public universities and the private sector can address the persistent issue of funding shortages, while simultaneously enhancing research capabilities. India's PPP model in higher education has been widely recognized for its success, as it combines private sector investment with public education goals, leading to improved infrastructure and resources for students and researchers alike (UNESCO, 2009). By leveraging private sector funding and expertise, PPPs provide an alternative way for sustainable expansion in higher education, particularly in finance-constrained developing countries. In other countries, the government encourages the private sector to operate tertiary institutions that complement state universities like in the Philippines where the tertiary market is almost equally divided.

Another good practice is the adoption of regional accreditation systems. Cross-border frameworks for certification have been established by initiatives such as the ASEAN University Network (AUN), which serve to standardize the quality of education among its member nations. By ensuring that schools adhere to uniform criteria, these frameworks promote degree recognition amongst institutions and increase student mobility within the region. These frameworks also allow the internationalization of higher education and foster greater collaboration among institutions by establishing a shared method for quality assurance, which raises standards generally in developing economies.



Links between industry and academia are also essential for bolstering higher education. Through direct cooperation with industries, educational institutions can match curricula with industry demands and generate graduates with applicable skills that increase employability. By ensuring that educational programs are closely linked to industry needs, these partnerships help close the skills gap and increase graduates' employability.

Finally, enhancing faculty development and capacity building are crucial elements of enhancing higher education's developmental and regulatory capacities. China and Malaysia are two nations that have made substantial investments in faculty development and formation programs to strengthen research capacity and teaching quality. Through these programs, faculty members have expanded their areas of expertise, stayed up to date on international developments in education, and used cutting-edge teaching strategies. These nations ensure the global competitiveness of their higher education institutions to generate graduates of outstanding quality by putting emphasis on the development of expertise of their professors.

#### *4.1.4 Desk Review on the Regulatory and Developmental Capacities of Higher Education Institutions in Selected Southeast Asian Countries*

A comprehensive understanding of the advantages and disadvantages of government-run higher education institutions in emerging countries, notably those in Southeast Asia, is offered by recent research on the regulatory and developmental capacity of these institutions. Unlike the academic traditions in the West which are market-oriented (e.g. the US), the governments states in Southeast Asia take considerable responsibility and control on higher education through the Ministry of Education or a similar created institution for higher learning.

Nations like Indonesia, Malaysia, Thailand, and Vietnam have achieved great progress in developing their higher education sectors. However, they continue to confront obstacles that reduce the overall efficacy of their frameworks for development and regulation. Along with highlighting these institutions' advantages and disadvantages, this review also highlights effective regulatory and developmental intervention strategies.

#### *Historical Roots of HE Systems in Indonesia, Malaysia, Indonesia, Singapore, Vietnam and the Philippines*

The higher education systems in Malaysia, Thailand, Indonesia, and Singapore exhibit varying degrees of influence from the British model, primarily due to their historical contexts. In Malaysia, the British colonial legacy is prominent, with universities structured around bachelor's, master's, and doctoral degrees and English as the primary medium of instruction, exemplified by the University of Malaya. Thailand, while never colonized, has a hybrid system influenced by both British and American models, incorporating elements like credit systems. Indonesia's higher education was initially shaped by the Dutch system, but has recently embraced practices from both British and American systems, including a three-tier degree structure. Singapore, with its strong British influence, features institutions like the National University of Singapore that mirror British university structures and governance.

In contrast, Vietnam and the Philippines have educational systems shaped more by their colonial histories rather than predominantly by the British model. Vietnam's higher education reflects significant French and Soviet influences, focusing on centralized planning and specialized institutions, but is increasingly adopting global standards, including British and American elements. The Philippines' system is heavily influenced by the American model, evident in its academic structure and English instruction, with major universities following a curriculum similar to that of U.S. institutions, emphasizing general education and semester-based programs.

## *The Legal Framework Behind the HE Systems*

*Singapore:* The higher education system in Singapore is governed primarily by the Education Act of 1957<sup>2</sup>, which sets out the framework for the establishment and regulation of educational institutions. The Ministry of Education oversees the policies and standards for higher education, ensuring alignment with national goals (Sam, 2016). The Universities Act specifically governs public universities, providing guidelines on their governance, funding, and academic standards. Additionally, Singapore promotes a strong emphasis on research and innovation, supported by various policies aimed at positioning the country as a global education hub.

*Indonesia:* Indonesia's higher education system is primarily regulated by Law No. 12 of 2012 on Higher Education, which establishes the framework for the organization and management of higher education institutions. This law emphasizes the accessibility, quality, and relevance of education, ensuring that institutions align with national educational goals. The Ministry of Education and Culture is responsible for oversight, while the National Accreditation Board evaluates the quality of higher education institutions. Additionally, the government promotes inclusivity through various scholarships and programs aimed at enhancing access for marginalized groups.

*Thailand:* The Thai higher education system operates under the Higher Education Act of 2008, which outlines the governance structure, roles, and responsibilities of higher education institutions. The Commission on Higher Education, under the Ministry of Education, oversees the sector, ensuring quality and coherence with national education policy. The law promotes both public and private higher education institutions and emphasizes the importance of research and international collaboration. Additionally, Thailand has been increasingly focusing on aligning its higher education outcomes with labor market demands.

*Malaysia:* In Malaysia, the higher education system is governed by the Higher Education Act of 1996, which outlines the framework for public and private higher education institutions. The Ministry of Higher Education is responsible for policy formulation and implementation, accreditation, and quality assurance, with the Malaysian Qualifications Agency overseeing the standards for educational programs. Recent reforms have focused on enhancing the international competitiveness of Malaysian universities and integrating skills training to meet the demands of a rapidly changing job market.

*Vietnam:* The legal framework for higher education in Vietnam is established by the Law on Higher Education (2012), which outlines the structure, management, and funding of higher education institutions. The Ministry of Education and Training (MOET) is responsible for implementing the law, focusing on quality assurance, accreditation, and international cooperation. Recent policies aim to improve the quality of higher education through increased autonomy for universities, enhanced research capabilities, and partnerships with foreign institutions, all while ensuring that education meets national development needs.

*Philippines:* The higher education system in the Philippines is primarily governed by the Republic Act No. 7722, also known as the Higher Education Act of 1994, which established the Commission on Higher Education (CHED). CHED is responsible for regulating and overseeing higher education institutions, ensuring quality standards, and promoting access to education. The law emphasizes the need for quality assurance, accreditation, and alignment of

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<sup>2</sup> amended December 30, 2021 to strengthen regulatory framework, enhance accountability of educational institutions and to adapt to modern needs

programs with national development goals. Furthermore, recent initiatives have focused on inclusive education, particularly through scholarships and support for disadvantaged students.

### *Highlights of the Regulatory and Developmental Experience of HE Systems of Selected Southeast Asian Countries*

#### *Indonesia*

As of 2023, Indonesia has 4,523 higher education institutions (HEIs) offering a total of 31,399 study programs. The majority of these institutions are private, while a smaller number are public universities. There are around 122 public universities, including state-run institutions and more than 4,000 private HEIs. This reflects Indonesia's large and diverse higher education landscape, where private institutions significantly outnumber public ones

In 1999, policy reforms were introduced in Indonesia toward greater academic and financial autonomy of HEIs employing changes in university funding and tuition fee charges.

Indonesia's recent policy/legislation regarding higher education is primarily shaped by the Higher Education Law passed in 2012. This law allows for the accreditation of foreign universities to operate in Indonesia, encouraging international collaborations and improving the global competitiveness of Indonesia's higher education system. The legislation also emphasizes improving quality standards, expanding access to higher education, and ensuring institutional autonomy for universities to manage their own academic and administrative affairs. They have around 10 foreign universities. Monash University was the first to enter in 2021, prompting others like King's College London and Curtin University to do the same across several cities like Bandung, Denpasar and the soon-to-be Indonesian capital city of Nusantara in the next few years

In charge of managing the nation's higher education system is the Ministry of Education and Culture in collaboration with the Directorate General of Higher Education (DIKTI). The legal structure of Indonesia places significant emphasis on broadening the reach of higher education throughout the country, notwithstanding its geographical diversity. Enrollment rates have significantly increased as a result of government initiatives to expand the number of higher education institutions (HEIs), especially in underprivileged areas (Hill & Wie, 2013). But the quick growth has also raised questions about the product's quality. Many schools, especially those in rural areas, deal with a lack of funding, a scarcity of faculty, and poor infrastructure, all of which lower the standard of education in general. The literature indicates that although Indonesia's regulatory framework has been successful in increasing access, it has not been as successful in guaranteeing uniform quality throughout the industry (Rosser, 2022).

More recently, the Directorate General of Higher Education (DGHE) has moved towards decentralizing the governance of higher education, giving universities more autonomy. Indonesia's decentralization of its higher education system was mandated through a series of legislative reforms aimed at devolving authority from the central government to regional and local governments. The devolution began with the implementation of Act No. 22 of 1999 on Regional Government, which granted local governments increased autonomy over education management, including higher education. This was further supported by Act No. 32 of 2004, which refined local governance structures.

Local governments were empowered to manage educational policies, funding, and administration within their jurisdictions. This included establishing local education offices that oversee the implementation of educational programs and policies at the regional level. Decentralization facilitated the adoption of School-Based Management, allowing schools

greater control over decision-making regarding budgets, curriculum, and personnel. This approach is intended to make schools more responsive to local needs.

The central government established mechanisms for local governments to access funding for education through regional budgets. This ensured that local authorities had the necessary financial resources to support educational initiatives and infrastructure. Local educational authorities were given the flexibility to adapt curricula to better suit local contexts and needs, aiming to improve the relevance and effectiveness of education.

Through these measures, Indonesia's decentralization efforts aim to enhance the quality and accessibility of higher education while ensuring that local communities can tailor educational services to meet their unique needs (Bjork, 2004). This strategy has encouraged creativity and context-responsiveness. Decentralization has, nevertheless, also resulted in regional differences in educational quality.

### *Malaysia*

In Malaysia, the proportion of enrollment in private HEIs has increased from 9% in 1985 to 43% in 1999 (Lee, 2004) with private HEIs increasing from zero to 16 between 1995 and 2004. Currently, there are nearly 600 Higher Education Institutions (HEIs) in Malaysia, with almost 300,000 local and international students enrolled in tertiary education degrees. About 75% (434) of them are Private Universities, which are composed of universities, colleges and branches of international universities (iirfranking.com)

Malaysia's higher education system is governed through a combination of legislative acts and quality assurance frameworks (Lee 2004). Key legislation passed in 1995 and 1996 significantly shaped the landscape, such as the 1996 National Council on Higher Education Act, which established a single governing body to guide the sector. The 1995 amendment to the Universities and University College Act set the groundwork for corporatizing public universities, making them more responsible for their financial management. Other important laws include the 1996 Private Higher Education Institutions Act, which strengthened government control over private institutions, and the 1996 National Accreditation Board Act, which established a body to oversee the accreditation of private institutions.

In 1998, five public universities in Malaysia were corporatized, meaning they began to operate like business firms. These universities focused on generating income by recruiting full-fee-paying students, securing research grants, and entering commissioned work. They also expanded their financial portfolios through franchising programs, renting facilities, and engaging in other commercial activities, turning these institutions into "profit-making centers."

Malaysia has an advanced regulatory environment that places emphasis on accreditation and quality control. The Malaysian Qualifications Agency (MQA), which oversees Malaysia's higher education system, has played a crucial role in maintaining quality assurance. The Malaysian Qualifications Framework (MQF), which was established by the MQA, has received recognition for its all-encompassing strategy for standardizing qualifications throughout the higher education sector (Lee, 2014). Institutions are ensured to satisfy international standards through the MQA's stringent accreditation process. This framework helps Malaysia achieve its goals of being a regional hub for education by supporting both local quality assurance and worldwide recognition of Malaysian qualifications.

SETARA (System for Rating Universities and University Colleges), a well-established rating system was developed by the Ministry of Higher Education (MoHE) aimed at evaluating and enhancing the quality of higher education institutions in the country. SETARA employs a

rigorous assessment methodology that evaluates three core functions of universities: teaching, research, and services. This comprehensive approach helps ensure that institutions are held accountable for their performance across multiple dimensions. The system categorizes institutions into different tiers based on their performance, thereby providing transparency and enabling students to make informed choices about their education. Higher-rated institutions are recognized for their quality and standards. SETARA aims to foster a culture of continuous improvement among universities and university colleges by providing them with feedback on their performance and areas for enhancement (Islam, Aniz and Azam, 2024)

There are still issues, though, especially in striking a balance between autonomy and regulation. Some researchers believe that while the regulatory structure has increased quality assurance, it has also imposed limits on institutional autonomy, limiting the ability of universities to innovate and adapt to changing educational demands (Wan et al., 2012).

Strategic targets are outlined in Malaysia's Higher Education Blueprint 2015–2025 to improve the accessibility and quality of higher education. Concerns over graduates' employability and the fit between higher education and industry demands persist, though. The distribution of funds and resources is another issue facing the higher education sector.

### *Thailand*

Under the supervision of Ministry of Higher Education, Science, Research and Innovation (MHESI), there are 83 public universities (27 autonomous), 72 private universities/colleges and 1 community college. Number of students divided by type of institution: autonomous universities: 544,082; Public universities: 1,035,537; Private universities/colleges: 255,037 and Community college: 20,114 (UNESCO National High Commission, 2022).

Thailand's regulatory framework is renowned for its strict quality control procedures, which have raised the bar for universities across the country. To improve accountability and guarantee that educational institutions follow set criteria, internal and external quality assessments and accrediting procedures have been implemented. Quality Assurance Systems consist of the external quality assurance (EQA) and internal quality assurance (IQA). The EQA is conducted by ONESQA while the internal assurance (IQA) is prepared in the self-assessment report. The report consists of the assessment of study program, faculty and the institution itself.

The mandate for internal quality assurance (IQA) within higher education institutions (HEIs) was primarily established through the National Education Act of 1999 and further reinforced by subsequent policies. This framework requires all educational institutions to develop and implement an internal quality assurance system aimed at enhancing educational quality and accountability. HEIs are obligated to conduct self-assessments regularly and establish mechanisms for monitoring and evaluating their performance based on predetermined quality standards. Additionally, the Office for National Education Standards and Quality Assessment (ONESQA) oversees the implementation of these standards, conducting evaluations at least once every five years to ensure compliance and promote continuous improvement in the education system. (onesqa.or.th)

The MHESI utilized the QA online system in the self-assessment report of all HEIs and serves also as central QA database. Thai HEIs are encouraged to collaborate with leading institutions around the world to improve quality of instruction and promote internationalization (UNESCO, 2022, p.6).

The assessment is based on five areas as indicated in the Ministry of Education Announcement on Higher Education Standards B.E. 2561 (2018):

- (1) learner outcomes;
- (2) research and innovation;
- (3) academic services;
- (4) arts, culture and Thai identity; and
- (5) instructional management

Thailand also grants autonomy to their top-tier universities. An autonomous university has been granted a degree of self-governance and operational independence from the central government. This autonomy allows universities to manage their academic programs, financial affairs, and administrative processes without direct interference from government authorities. Autonomous universities are expected to have more flexibility in decision-making, enabling them to respond more effectively to local and global educational needs. The privileges of being autonomous include the ability to develop unique curricula and academic programs tailored to their specific mission and goals, control over budget allocation, and the authority to set admission standards. This autonomy is seen as a way to promote innovation and competitiveness within Thailand's higher education sector (Lao, 2015)

Concerns have been raised, meanwhile, on how centralization may affect institutional flexibility, much like in Malaysia. Particularly in a diverse and quickly evolving educational environment, the highly centralized regulatory structure may occasionally lead to bureaucratic inefficiencies and a lack of response to local demands (Sinlarat, 2018).

Thailand's emphasis on STEM education has enhanced its higher education system, and the Office of the Higher Education Commission (OHEC) has put rules in place to support internationalization and research collaboration<sup>3</sup>. However, the nation faces challenges with access and equity, especially for pupils from rural areas. There have been instances where local educational demands have been neglected in favor of internationalization. Furthermore, more extensive support for innovation and research is required. Chaiya and Ahmed (2021) add that prioritizing the quality assurance policy and facilitating its relevant factors are essential to improving the development of higher education in Thailand.

### *Vietnam*

In 2022, there were 242 universities located in Vietnam, indicating no change from the previous year. In that year, there were 175 public universities and 67 private universities in the country. In 2021, there were approximately 416,570 private university students and the number of university students in the country reached 2.15 million. Almost 80% of students are enrolled in public universities.

Over the past few decades, Vietnam's higher education system has undergone significant modifications thanks to the Ministry of Education and Training (MOET). Expanding access to higher education, enhancing quality, and coordinating educational outputs with labor market demands have been the main goals of government regulatory and developmental initiatives

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<sup>3</sup> In Thailand's higher education system, the Ministry of Higher Education, Science, Research, and Innovation (MHESI) was established in 2019 to streamline and strengthen higher education and research efforts by combining several agencies, including the Office of Higher Education Commission (OHEC). Before this reorganization, OHEC operated under the Ministry of Education (MOE) as the primary governing body for higher education. With the creation of MHESI, OHEC became part of this new ministry, shifting its role to align with MHESI's expanded mandate to foster integration between higher education, scientific research, and innovation.

(Harman & Nguyen, 2010). The implementation of quality assurance standards and the creation of certification institutions are important advancements in the industry's regulation.

The establishment of robust internal quality assurance (IQA) systems in higher education institutions is a top priority. The MOET emphasizes the need for all institutions to develop effective IQA frameworks that comply with national and international standards, which helps to enhance educational quality. This compliance is crucial for enhancing the credibility and recognition of Vietnamese educational qualifications globally. The IQA system encourages institutions to engage in regular evaluations and assessments of their academic programs. By monitoring outcomes and processes, HEIs can identify areas for improvement, fostering a culture of continuous quality enhancement.

MOET provides guidelines and training for staff involved in quality assurance processes. This capacity-building approach helps ensure that those responsible for implementing IQA are well-equipped with the necessary skills and knowledge. Effective IQA frameworks involve the participation of various stakeholders, including faculty, students, and industry representatives. Their feedback is essential for aligning educational outcomes with labor market needs and ensuring that the curriculum remains relevant.

Vietnam still has issues with the caliber and applicability of higher education, nevertheless. There is a disconnect between Vietnam's remarkable achievement on equitable economic growth and human development, on the one hand, and the performance of the higher education system, on the other (Parajuli et al, 2020). This World Bank research shows that many institutions still struggle to achieve the strict criteria imposed by the government, despite these regulatory advances, and that there is still a big gap between policy goals and execution. To meet the rising demand for higher education, more funds must also be invested in research facilities and infrastructure. Furthermore, there are worries about the mismatch that exists between the skills that universities create and the demands of the job market. This mismatch is partially ascribed to out-of-date curricula and a lack of industry interaction. (Parajuli et al 2020)

Vietnam has established a set of broad national guidelines that outline the minimum standards and expectations for higher education programs. These guidelines cover critical areas such as curriculum content, faculty qualifications, and learning outcomes, ensuring that all HEIs meet a baseline level of quality and coherence in their educational offerings. By allowing HEIs more autonomy, Vietnam encourages institutions to innovate and tailor their programs to better meet the needs of their students and the local and global labor markets. Institutions can develop specialized courses and programs that leverage their unique strengths and resources without the constant need for detailed approvals from a central authority.

### *Singapore*

Singapore's higher education system is characterized by a diverse array of institutions that provide quality education across various disciplines. The system includes public universities, private universities, polytechnics, and specialized institutions. The National University of Singapore (NUS) and Nanyang Technological University (NTU) are among the leading public universities, known for their research and comprehensive academic programs. The emphasis is placed on preparing students for global competitiveness through a robust curriculum that incorporates both theoretical and practical knowledge.

As of recent reports, Singapore has a total of 20 public higher education institutions, 33 polytechnics, and approximately 402 private colleges. This makes the higher education landscape quite expansive, with public institutions receiving significant governmental support.

Public universities tend to dominate in terms of enrollment and funding compared to private institutions.

Regulatory oversight in Singapore's higher education is primarily managed by the Ministry of Education (MOE) and the Committee for Private Education (CPE). The MOE ensures that public institutions adhere to national educational standards, while the CPE regulates private educational institutions to maintain quality and compliance with legal requirements. These agencies play a crucial role in ensuring that educational programs are relevant, effective, and aligned with industry needs.

There are six autonomous universities in Singapore, which enjoy a degree of self-governance and can implement their academic programs independently. These institutions include National University of Singapore (NUS), Nanyang Technological University (NTU), Singapore Management University (SMU) and Singapore University of Social Sciences (SUSS). The autonomy allows these universities to adapt quickly to changing educational demands and foster innovation in research and teaching methodologies.

Subsidized universities in Singapore typically include all public institutions including the autonomous universities, which receive substantial funding from the government to help lower tuition costs for students. This subsidy is aimed at making higher education more accessible and ensuring that a wide range of programs are available to meet the diverse needs of the population. Subsidies are often times *targeted to programs* where the government would like to students to take up. Private institutions, while offering quality education, generally do not receive the same level of financial support, leading to higher tuition fees for students enrolled in those programs.

SkillsFuture Singapore is considered a best practice in the region for higher education institutions (HEIs) due to its comprehensive approach to lifelong learning and workforce development. The initiative encourages individuals to take ownership of their skills development by providing access to various training programs, funding support, and resources tailored to meet the needs of both learners and employers. By fostering collaboration among educational institutions, industry stakeholders, and government agencies, SkillsFuture effectively aligns education with market demands, ensuring that graduates possess relevant skills. This holistic framework not only enhances the employability of graduates but also promotes a culture of continuous learning, positioning Singapore as a leader in educational innovation in Southeast Asia. SkillsFuture Singapore (SSG) is administered by the Ministry of Education (MOE) of Singapore ([skillsfuture.gov.sg](https://skillsfuture.gov.sg)).



**Table 1. Regulatory and Developmental Practices of Southeast Asian Higher Education Systems**

<b>Country</b>	<b>Regulatory Practices</b>	<b>Developmental Practices</b>
<b>Thailand</b>	Mandated Internal Quality Assurance plus Online Quality Assurance System	Internationalization; focus on STEM
	Designation of Autonomous Universities	
<b>Singapore</b>	Designation of Autonomous Universities	SkillsFuture Singapore – Comprehensive Life-long Learning Approaches; Targeted Subsidies
<b>Malaysia</b>	SETARA: Performance-based Funding system and Strategic Planning	
<b>Indonesia</b>	Decentralization of the Higher Education System	
<b>Vietnam</b>	Mandated Internal Quality Assurance with Capacity Building	

*Summary of Good Practices that may be Adapted by the Philippines*

*Commonalities and Key Challenges*

Quality assurance is a common strength among these countries. Malaysia and Vietnam have established quality assurance agencies that ensure institutions meet international standards. These agencies conduct regular assessments and provide accreditation to institutions that meet the required criteria. This practice helps maintain high standards and fosters continuous improvement in higher education.

Another good practice is the autonomy and decentralization of higher education governance. Indonesia’s approach to decentralizing higher education governance has allowed universities to innovate and respond to local needs. This practice can be beneficial if coupled with adequate support and oversight. However, it is essential to address the disparities in the quality of education that may arise from decentralization<sup>1</sup>.

Internationalization is also a notable strength. Thailand’s policies to promote internationalization and research collaboration have enhanced the global competitiveness of its higher education institutions. This includes partnerships with foreign universities and

participation in international research projects. However, it is crucial to balance internationalization efforts with addressing local educational needs.

Another excellent practice that has been noticed in the area is strategic planning. Malaysia's Higher Education Blueprint 2015–2022 provides a thorough foundation for advancing higher education. This covers objectives for raising graduate employability, quality, and accessibility. Strategic planning guarantees a coordinated response to issues and assists in bringing higher education policies into line with national development goals.

However, the literature also highlights issues that these nations face in common. The conflict between institutional autonomy and centralization is one of the main flaws. Although centralized regulatory frameworks are useful for guaranteeing compliance and standardizing quality, they can also inhibit institutional innovation and responsiveness. This may be seen especially in nations like Thailand and Vietnam, where regulatory agencies have a great deal of control over universities—sometimes to the detriment of local adaptation and flexibility. Furthermore, the swift growth of higher education systems in these nations—especially in Vietnam and Indonesia—has frequently resulted in differences in the caliber of institutions, with many new or distant schools finding it difficult to satisfy fundamental requirements.

Inadequate budget, ineffective bureaucracy, and a sluggish pace of transformation frequently undermine the efficacy of the numerous interventions of the Ministries of Education in these nations. For example, even though the government of Vietnam has made large investments in higher education, the field nevertheless faces persistent underfunding and resource shortages, especially in rural areas (London, 2011).

Furthermore, a recurring problem in all of these nations is the mismatch between the demands of the labor market and higher education. Although there are continuous attempts to improve industry collaboration and modernize curricula, the literature suggests that these efforts have been inconsistent and frequently insufficient. One major problem remains the gap between the capabilities of graduates and the demands of the labor market, especially in fast-emerging nations like Vietnam and Indonesia.

In conclusion, there are both advantages and disadvantages to Southeast Asian government institutions' ability to regulate and develop. Even though there have been significant advancements in quality control, independence, and globalization, issues with equity, finance, and conformity to market demands still exist.

## **4.2 Local Literature Review on the Philippine Higher Education System**

### *4.2.1 EDCOM II Findings on Higher Education System*

Enrollment in higher education within the country, particularly at public institutions, has seen significant growth; however, attrition rates have alarmingly more than doubled from 20% in 2019 to 41% in 2020. While the gross enrollment rates in tertiary education are relatively high at 34.89%—surpassing the lower-middle-income countries' average of 25.92%—they lag behind ASEAN counterparts. The surge in enrollment is primarily at state university and college (SUC) campuses, with private institutions' enrollment share dropping to its lowest since 1945. Despite this growth, equitable access and high-quality education remain elusive, as shown by the slow increase in enrollments from the poorest students and a decline in the share of autonomous and deregulated HEIs, which are considered high-quality private institutions. Furthermore, the reconstitution of technical panels, crucial for assuring the quality of education, has been slow, with only 15 out of the required 98 panels reconstituted, prompting recommendations to fast-track this process.

Challenges continue with the slow pace in increasing the number of autonomous and deregulated institutions and centers of excellence, with significant concentration in the National Capital Region. The effectiveness of voluntary accreditation is modest, affected by its voluntary nature and associated costs. Moreover, most beneficiaries of the tertiary education subsidy are not the poorest, with a significant decrease in the share for the poorest (from 74% to 31%), contrary to the goals set by the Universal Access to Quality Tertiary Education Act (UAQTEA). Budgetary allocations for the Free Higher Education Program have seen substantial increases, particularly for LUCs, highlighting stark regional disparities, with the NCR experiencing the highest enrollment increases. EDCOM II has called for reforms to improve targeting of subsidies and the effectiveness of technical panels to ensure equitable access to quality education.

#### *4.2.2 Paqueo and Orbeta (2022)*

Paqueo and Orbeta (2022) highlight critical challenges and areas needing reform within the sector. They emphasize that while enrollment rates have improved, quality and equitable access to higher education remain significant issues. The study points out that even with free tuition policies, disparities in access persist, particularly affecting students from poorer households who remain underrepresented in higher education institutions. Furthermore, the quality of education is described as uneven across institutions, exacerbated by insufficient funding and outdated teaching methodologies that fail to meet the needs of a modern workforce. The authors suggest policy reforms focused on improving educational quality and effectiveness, enhancing transparency in reporting education outcomes, and implementing targeted financial assistance programs to ensure that the benefits of higher education extend to all segments of society, particularly the disadvantaged.

#### *4.2.3 Bayudan-Dacuycuy, Orbeta and Ortiz (2023)*

This Policy Note provides an assessment of the Philippine Higher Education system. Attendance rates in higher education institutions (HEIs) are relatively high considering the country's income level, but they still lag behind those of other member states in the Association of Southeast Asian Nations (ASEAN). While a significant portion of tertiary education providers are private, these institutions experience lower enrollment rates compared to public HEIs. The Philippine higher education system currently grapples with challenges related to quality and equity of access, as revealed by various outcomes and input indicators that show a concerning level of low and uneven quality. Additionally, issues of equity in access persist despite reforms aimed at improving financing.

To enhance the overall effectiveness of the higher education system, there is a pressing need to promote better collaboration between public and private HEIs and to tackle the existing disparities in quality. Key recommendations include implementing more equitable student financing schemes, improving the financial sustainability of HEIs, fostering a stronger culture of research and development, and developing an innovation ecosystem. Furthermore, addressing these challenges is essential for improving the employability of graduates in the Philippine workforce.

#### *4.2.4 Saguin (2023)*

In "The Politics of De-Privatisation: Philippine Higher Education in Transition," Saguin (2023) examines the evolving landscape of higher education in the Philippines, focusing on the decline of private higher education enrollment vis-à-vis public enrollment. Government policies aimed

at enhancing public education funding have influenced institutional dynamics, leading to a gradual de-privatization trend since the 2000s.

Saguin (2023) contextualizes the historical development of the Philippine higher education system, detailing the reliance on private institutions as a response to inadequate public funding and government's rebuilding efforts during the early postwar period. However, recent governmental efforts to expand access and improve quality have resulted in significant public spending, prompting a reevaluation of the role of private entities in the educational sector. Saguin (2023) argues that these trends are not merely economic but also reflect broader political shifts towards greater state involvement in education though with resistance from private institutions fearing loss of relevance.

He adds that while increased public funding can enhance access, it may also lead to moral hazard issues among public institutions if not coupled with accountability measures. The challenge remains in ensuring that public universities deliver quality education that meets evolving labor market demands.

CHED's regulatory mandate involves overseeing quality assurance and promoting academic standards across both public and private sectors. As the situation shifts, CHED must manage the intricacies of increased support for SUCs and LUCs while maintaining the integrity and competitiveness of private institutions.

## **5. The Philippine HE System and the Regulatory and Developmental Roles of CHED**

The Philippine education system is heavily influenced by the United States, characterized with strong market orientation and reduced government intervention. Private providers in higher education and TVET were dominant early on until the 1990s (Philippine Qualifications Framework (ASEAN 2019, p.2); however, a most recent phenomenon, half of total higher education enrolment is with public HEIs. Private for-profit and non-profit HEIs have proliferated throughout the country. Almost the majority are small private colleges providing a standard and quality of education that needs a lot of improvement. However, their existence is part of the history and social fabric of local communities, and it is politically difficult and oftentimes infeasible for CHED to close their program offerings much more so closing private higher education institutions<sup>4</sup>. According to official CHED data as of January 2024, there are a total of 1,977 higher education institutions (HEIs). Out of these, 263 are public HEIs, while 1,714 are private institutions. The total tertiary enrollment is 4,792,160, 2,465,628 (51.5%) are in private HEIs and 2,326,532 (48.5%) are in public HEIs.

### ***5.1 The Regulatory and Developmental Role of CHED***

The Commission on Higher Education (CHED) has a critical role in the management and development of higher education in the country. Its regulatory and developmental mandates

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<sup>4</sup> In an interview, one higher education official said, it will take only 6 months for the CHED Chairman to remain in office if s/he makes it a point of her/his period of office to close non-performing programs or schools.

are comprehensive to ensure quality education and to promote accessibility. The key functions and responsibilities of CHED are:

#### *5.1.1 Regulatory mandate:*

*Quality assurance:* CHED sets and enforces minimum standards for academic programs and institutions of higher education through accreditation. This is the process of evaluation of programs' curricula, faculty qualifications, library and laboratory facilities, and other required educational resources. The process is a complex complementation of public and private quality assurance (QA) bodies that constitute the country's system for quality assuring qualifications. These bodies have preceded the existence of CHED.

For private HEIs, these include:

- Philippine Accrediting Association of Schools, Colleges and Universities (PAASCU);
- Philippine Association of Colleges and Universities Commission on Accreditation (PACUCOA);
- Association of Christian Schools, Colleges and Universities-Accrediting Council, Inc. (ACSCU-ACI).

For SUCs and LUCs:

- The Accrediting Agency of Chartered Colleges and Universities in the Philippines (AACCUP), Inc.
- The Association of Local College and Universities Commission on Accreditation Inc. (ALCUCOA), was organized in the latter part of 2003.

They are all members of the Federation of Accrediting Agencies of the Philippines (FAAP) which is duly recognized by CHED and which has the authority to certify the levels of accreditation of the HEIs -1,2,3 or 4.

*Authorization, recognition and supervision:* CHED grants authorization and recognition for the establishment of new HEIs as far as private and local public community colleges. (State universities are created by enactment of law in Congress.) The same applies to new academic programs and extensions of existing programs. This regulatory function helps control the quality and relevance of higher education program offerings. CHED monitors colleges and universities to ensure compliance with standards. This is to ensure they meet the prescribed guidelines for delivering quality education. It classifies private HEIs into autonomous, deregulated and regulated.

The Commission on Higher Education (CHED) on Sept 24, 2024 said 92 higher education institutions (HEIs) have been granted a three-year autonomous and deregulated status. CHED said that the 77 autonomous private universities represent the best of the best among our higher educational institutions, producing world-class graduates and are included in international rankings. There were 17 deregulated HEIs. For autonomy, the HEIs' performance in professional board examinations, employability rates, curriculum alignment with industry demands, and global linkages and engagements, among others were the key criteria. The new guidelines for getting autonomous status include global partnerships and international engagement with top universities all over the world. The other HEIs secured deregulated status after meeting "high standards" with good quality performance and program results. Autonomous higher education institutions (HEIs) and deregulated HEIs enjoy certain privileges, but they differ in terms of the extent of their autonomy and the regulatory requirements they must meet:

### Autonomous HEI:

Autonomous HEIs are recognized for demonstrating exceptional institutional quality and are granted greater operational independence. They have the ability to make significant decisions regarding their academic programs, including the creation of new programs, without needing to seek prior approval from the Commission on Higher Education (CHED) for all changes. They must, however, still meet specific quality assurance standards and demonstrate effective internal quality management systems

### Deregulated HEI:

Deregulated HEIs enjoy similar freedoms as autonomous HEIs, such as greater flexibility in their operations. However, they are still required to secure permits from CHED for new programs and campuses. This means that while they have some independence, they remain more regulated compared to fully autonomous institutions

In summary, the key difference lies in the level of independence and regulatory oversight each type of institution faces, with autonomous HEIs enjoying broader privileges than deregulated ones. What is important to note is that high performing SUCs and LUCs are not given autonomous status unlike private HEIs. All the other private HEIs not classified as autonomous and deregulated are fully monitored by CHED.

#### *5.1.2 Developmental mandate:*

*Program and curriculum development:* The Commission on Higher Education (CHED) has a pivotal role in the development of higher education (HE) programs and curricula, ensuring that they align with both national educational standards and global competitiveness. This role involves updating, innovating, and enhancing academic programs to meet the evolving needs of the economy and society. CHED does these with the help of the programs' technical panels and committees. CHED promotes innovation to adapt to global trends and local needs, including the integration of emerging technologies and interdisciplinary approaches. Given a set of criteria, it categorizes HEIs to be "Centers of Excellence" and "Centers of Development" and rewards them with grants that HEIs can use to further develop their programs or advance their research.

*Research and innovation promotion:* CHED fosters research in higher education by funding research programs and innovative projects through its Higher Education Development Fund (HEDF) which is regularly funded by the national government. This includes funding grants and establishing research centers aimed at fostering cutting-edge academic pursuits, development of emerging programs and practical innovations.

*Faculty development:* CHED implements various faculty development programs and training aimed at enhancing the qualifications and skills of faculty members in higher education. These include scholarships, training grants, and other professional development opportunities.

*Access and equity:* CHED strives to promote greater access to higher education, especially for underrepresented and disadvantaged groups. This involves providing scholarships, grants, and other financial assistance programs to help students afford higher education. Currently, the Unified Student Financial Assistance System for Tertiary Education (UniFAST) is attached to CHED. Under UniFAST, all eligible students are offered fully funded scholarships, to pursue tertiary education without paying any tuition and other school fees under the

State Universities and Colleges (SUCs) and CHED-recognized Local Universities and Colleges (LUCs).

*Internationalization:* CHED encourages HEIs to benchmark against international standards, facilitating partnerships with foreign universities and integrating global best practices into local curricula. This approach helps improve the international competitiveness of Philippine higher education. The CHED Chair reported that 86 public and private universities have been ranked internationally (PNA, June 19, 2024)

## **6. An Analysis of CHED's Regulatory and Developmental Mandates**

### ***6.1 Characteristics of an Ideal Regulatory and Developmental System***

An ideal regulatory and developmental system for higher education in the Philippines should encompass the following characteristics:

1. *Inclusivity and Access:* Ensure equitable access to higher education for all, particularly marginalized groups, through scholarships, financial aid, and flexible learning options.
2. *Quality Assurance:* Implement robust accreditation processes and regular assessments of educational institutions to maintain high academic standards and relevance to labor market needs.
3. *Curriculum Relevance:* Foster collaboration between educational institutions and industries to ensure that curricula align with the evolving demands of the economy, enhancing employability.
4. *Research and Innovation Support:* Encourage research initiatives and innovation through grants, partnerships, and a focus on local and global challenges.
5. *Capacity Building for Faculty:* Invest in faculty development programs to enhance teaching quality, research capabilities, and professional growth.
6. *Transparent and Fair Governance:* Promote transparency, fairness and accountability in the regulatory processes, including clear guidelines for institutions and stakeholders.
7. *Stakeholder Engagement:* Actively involve students, faculty, and industry representatives in policy formulation and program evaluation to reflect diverse perspectives.
8. *Data-Driven Decision Making:* Utilize comprehensive data collection and analysis to inform policies, track progress, and identify areas for improvement in the higher education sector.
9. *Adequate and Equitable Financing of Key Programs:* Availability of funds and fair allocation of grants and subsidies among HEIs

These characteristics can provide a simple framework for analyzing CHED’s implementation of its developmental and regulatory mandate. A cursory assessment of CHED using this lens is shown in the table below:

**Table 2. Characteristics, Strengths, and Weaknesses of CHED’s mandate**

<b>Characteristics</b>	<b>Strengths</b>	<b>Weaknesses</b>
Inclusivity and Access	Free tuition in SUCs and LUCs; TES for Private HEIs	Financial Sustainability
Quality Assurance	A system of voluntary accreditation for public and private HEIs	Standards of Accrediting Agencies not Harmonized; Inactive Coordinating Council of AAs
Curriculum Relevance	Private sector representation in Technical Panels; ETEEAP established	Some Panels still unorganized; labor mismatches still exist
Research and Innovation Support	HEDF mechanism and financing available	Not so many HEIs are able to access the grants; HEDF needs fund augmentation to reach more HEIs
Capacity Building for Faculty	Establishment of the SIKAP program	Financing for scholarships is still insufficient; regional offerings for certain disciplines lacking
Transparent and Fair Governance	Unqualified opinion from COA for two consecutive years	The “un”level playing field between private and public HEIs; Requirements for applications cumbersome; delays in getting approvals
Stakeholder Engagement	Established policies on stakeholder consultations (for HEIs and TPs)	Lack of student representation in some key processes; needs deeper collaboration with the private sector
Data-Driven Decision Making	Started the Process of Digitalization	Need more funding for equipment and digital infrastructure e.g. software; Need for added investments in training personnel for Digitalization



Adequate and Equitable Financing of Key Programs	Regulatory and Developmental Programs established; HEDF institutionalized	Need for prioritization of programs for funding (e.g. HEDF); need for performance-based funding for HEIs complemented by development assistance for HEIs with potential; need to improve disbursement rate
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However, a more detailed discussion of key areas of the regulatory and developmental mandates of CHED follows in the next sections.

## 6.2 Strengths of CHED’s Regulatory Processes

### 6.2.1 On Inclusivity and Access

Increased access to tertiary education and providing a mechanism to establish standards and guidelines are two of the Philippine higher education system's strengths as implemented by the Commission on Higher Education (CHED). The Universal Access to Quality Tertiary Education Act (RA 10931), which grants free tuition to students attending State Universities and Colleges (SUCs) and Local Universities and Colleges (LUCs), has been one of the major initiatives that have greatly boosted access. As a consequence, thousands of students from various circumstances are now able to enroll in tertiary education. In addition, CHED also implements the Tertiary Education Subsidy, a scholarship program for private universities and colleges. There are also financial aid and scholarships for faculty of various universities to enroll in graduate school.

**Figure 1. Tertiary enrollment throughout Southeast Asia**

**Tertiary school enrollment, percent of all eligible children, 2021:** The average for 2021 based on 9 countries was 39.9 percent. The highest value was in Singapore: 97.1 percent and the lowest value was in Laos: 12.46 percent. The indicator is available from 1970 to 2022. Below is a chart for all countries where data are available.

Measure: percent; Source: UNESCO

South East

Countries ▲▼	Tertiary school enrollment, 2021 ▲▼	Global rank ▲▼	Available data ▲▼
Singapore	97.1	1	2016 - 2021
Thailand	49.67	2	1971 - 2022
Indonesia	41	3	1970 - 2022
Malaysia	40.91	4	1979 - 2022
Vietnam	38.87	5	1976 - 2022
Philippines	34.89	6	1971 - 2021
India	30.33	7	1971 - 2022
Cambodia	13.88	8	1971 - 2022
Laos	12.46	9	1971 - 2021

### *6.2.2 On Quality Assurance*

In terms of quality assurance, it has established a process where national standards across various disciplines through its Policies, Standards, and Guidelines (PSGs) are established. These guidelines guarantee a minimum standard of quality and consistency in programs across universities and colleges. Moreover, private accrediting bodies like the Philippine Accrediting Association of Schools, Colleges, and Universities (PAASCU), Philippine Association of Colleges and Universities Commission on Accreditation (PACUCOA) and the Association of Christian Schools, Colleges and Universities-Accrediting Council, Inc. (ACSCU-ACI) have member institutions which seek voluntary accreditation to improve the quality of their programs.

### *6.2.3 On the Relevance of Curricula*

CHED also administers the Expanded Tertiary Education Equivalency and Accreditation Program (ETEEAP) in the Philippines which allows individuals to earn degrees based on prior learning and work experiences. The program evaluates and accredits these experiences against academic requirements, enabling participants to obtain formal qualifications through flexible schedules that accommodate working professionals. The program is implemented in partnership with various higher education institutions that provide the necessary assessment and degree granting. ETEEAP aims to enhance professional growth and promote lifelong learning by making higher education more accessible to adult learners. CHED also promotes transnational education (TNE) which include joint degree programs and faculty exchanges.

### *6.2.4 On Research and Innovation Support*

The Higher Education Development Fund (HEDF) was established under the Commission of Higher Education (CHED) in 1994 with the goal of further enhancing higher education. The HEDF is assured of continued funding from the government. Current contributions to the HEDF come from the following sources: a) 40% of travel tax collection of the Philippine Tourism Authority (PTA); b) 30% of the registration fees collected by the Professional Regulation Commission (PRC); and c) 1% of the gross sales of the lotto operation. In 2023, the HEDF had a budget of P 799 million pesos. Aside from the initial appropriations, P3.5 billion was released from the off-budget fund to be used for settling outstanding balances of the UAQTE subprogram in 2023 (CPBRD, 2024). The establishment of the Fund institutionalizes financing support for the developmental mandates of CHED which includes but are limited to research and innovation, scholarships, faculty development and support for emerging programs.

## ***6.3 Weaknesses of CHED's Regulatory Processes***

### *6.3.1 On Governance*

While CHED is structured to manage and oversee the compliance of HEIs with educational standards, several challenges undermine its effectiveness. The strengths of CHED lie in its comprehensive framework and encouragement of accreditation, which inherently promote higher standards. However, its effectiveness is limited by manpower constraints, regional disparities in capability, and bureaucratic delays. One of the major challenges for CHED is the limited number of personnel relative to the vast number of HEIs it needs to monitor. This can result in stretched resources and less frequent inspections or evaluations, potentially allowing some institutions to lag in compliance without timely detection. Once new programs and

institutions are authorized, CHED's capacity to monitor these entities to ensure ongoing compliance can be limited. Without robust post-authorization reviews, there can be a drift from initially approved standards and objectives.

The bureaucratic nature of CHED can lead to inflexibility and slow responses in updating curricula to keep pace with rapid changes in various fields, especially in fast-evolving sectors like technology and business. Limited resources can constrain CHED's ability to effectively support HEIs in developing and implementing new programs. Financial limitations also affect the ability to conduct extensive faculty development programs and infrastructure upgrades necessary for high-quality education.

### *6.3.2 On Relevance of Curricula to Industries*

There are mismatches between HEI curricula and industry needs, leading to skill gaps in the labor market. There is usually a disconnect between the skills taught in higher education and those required by industries, which has contributed to graduate underemployment in some fields. Moreover, collaboration between industry and academia remains limited, reducing the effectiveness of education-industry alignment and hampering the development of a workforce with the skills needed for economic growth.

While there are efforts to align education with labor market needs, CHED sometimes faces challenges in fostering deep and sustained collaboration between HEIs and industries. More robust partnerships are needed to ensure that curricula remain relevant and responsive to job market demands. While there are efforts to link research with industry needs, these are not always sufficiently robust or systematic, limiting the potential for research to directly influence and transform local industries.

### *6.3.3 On Quality Assurance*

The disjointed quality assurance system is one major problem. Disparities in program quality amongst schools and inconsistent application of standards are caused by the different criteria used by different accrediting authorities. This results in shifting memberships and process inefficiencies with no streamlined and harmonized process for assessing program and institutional quality. Some HEIs adhere to high standards through voluntary accreditation, while others fail to meet basic requirements and avoid accreditation.

Moreover, the Commission on Higher Education (CHED)'s capacity (financial and human resource constraints) to enforce academic standards is limited, particularly impacting lower-tier institutions that often bypass rigorous accreditation, negatively affecting education quality. Delays in accreditation processes and misaligned assessment criteria further compound these issues. Additionally, there needs to be more accountability for HEIs that consistently underperform, with minimal consequences enforced, fostering a culture of complacency towards quality assurance. The possibility of facing legal suits in closing down programs has hampered CHED's regulatory capacity.

### *6.3.4 On Adequate & Equitable Financing*

Funding and resource distribution is another major concern, with inequitable allocation of funds among SUCs. Big institutions like the University of the Philippines (UP) System often receive a larger share of financing, leaving smaller institutions underfunded. This inequity in budget allocation also extends to research funding, with many universities struggling to secure

grants, limiting their contribution to the country's research output. Private HEIs also demand for a greater slice of the higher education pie to level the playing field.

Many State Universities and Colleges (SUCs) in the Philippines face significant bureaucratic challenges that constrain their autonomy, particularly in financial management, program design and decision-making, limiting their ability to innovate and compete globally. In terms of financial management, SUCs have limited flexibility due to stringent government regulations, which restrict their capacity to allocate resources effectively, hindering improvements in infrastructure, program expansion, and research initiatives. Heavy bureaucratic oversight affects SUCs' ability to develop academic programs, research areas, and recruit faculty in line with evolving industry needs, reducing their competitiveness in the global education landscape.

## ***6.4 Other Key Concerns and Issues***

### ***6.4.1 The Challenge of Regulation and Development for a Mix of HEIs***

A key question that CHED needs to answer is whether it wants to maintain a healthy mix of private and public HEIs as private HEIs are advocating “complementarity” and “competitive neutrality”. With the current trend of legislating new public universities that can offer free tuition especially in the regions, it will not be surprising to see a future of decreasing enrollment of private HEIs and smaller ones shutting down. Does CHED want to have a set-up of public HEIs serving a majority of the population and maintaining only a number of top tier private universities and colleges (e.g. the autonomous and regulated ones)? Another important question is how far can the free tuition policy for tertiary education be sustained given the perennial and limited fiscal space of the government. This, however, may be out of CHED’s hands but is the decision of top policymakers in Congress and the Executive.

Because of this situation, there have been calls for more collaborative approach between public and private sectors to address the challenges of higher education. There are clamors for policies that foster synergy, ensuring that both sectors can coexist and contribute to a robust educational system. Also, private HEIs continue to demand a level playing field as SUCs and LUCs have offered similar courses to what private HEIs offer.

The Commission on Higher Education (CHED) in the Philippines also faces significant challenges in balancing its regulatory and developmental roles, often resulting in operational inefficiencies. CHED is responsible for setting and enforcing regulations for a large number of Higher Education Institutions (HEIs), while also promoting their development, which sometimes results in conflicting responsibilities. This dual role can stifle innovation by burdening HEIs with excessive regulatory requirements, particularly affecting smaller, less-resourced private and public institutions. Some institutions find it difficult to focus on improving education quality due to the overwhelming amount of paperwork and compliance requirements. Furthermore, CHED has historically placed greater emphasis on regulation over development, leading to insufficient support for HEIs in areas such as capacity building, research, and innovation for smaller HEIs, both public and private. For example, funding for Centers for Excellence and Development has been limited and in some years non-existent.

#### *6.4.2 On Authorization and Recognition of HEIs*

CHED's role in authorization and recognition of new HEIs, academic programs, and program extensions is vital to ensuring that new entities and offerings meet quality standards and align with national education policies. It established a relatively rigorous process for evaluating applications for new HEIs and programs, which includes a comprehensive review of the institutions or program's potential to meet established academic standards through the PSGs crafted by Technical Panels and evaluation and monitoring of RQATs. It also hopes to ensure that new HEIs and programs align with national educational policies and standards, such as those pertaining to curriculum, faculty, qualifications, and infrastructural requirements. It tries to involve various stakeholders in the authorization process, including industry experts and academic leaders, to assess the viability and relevance of proposed institutions and programs. This engagement ensures that new HEIs and programs are responsive to both academic and market needs.

However, there is room for improvement in the process of authorization and recognition. Fulfilling requirements need extra time and effort from the HEI staff. HEIs need to submit voluminous documents that often times move from the regional to the central office. Long delays in the evaluation process and approvals hamper the implementation of new programs. Even the recent decision on autonomous and deregulated HEIs took some time. There are also issues related to multi-disciplinary or completely new programs such that there is difficulty in determining which TP should evaluate. Some HEIs are not able to offer programs being demanded by the market because there are no TPs related to them (e.g. transport engineering). Enhancing efficiency in the process through digitalization could also significantly improve CHED's ability to fulfill these critical functions effectively and timely.

#### *6.4.3 On CHED's Technical Panels (TPs)*

The technical panels of the Commission on Higher Education (CHED) exhibit significant inconsistencies in their performance and output across different disciplines. While some panels are proactive, keeping their Policies, Standards, and Guidelines (PSGs) current and relevant, others are less engaged, leading to outdated or incomplete standards, which affect the responsiveness of academic curricula to industry trends and labor market demands (as mentioned in the previous section).. The lack of industry experts on many panels results in a misalignment between academic standards and the actual skills needed in the workplace. Additionally, the process of updating PSGs is often slow and mired in bureaucracy, leading to delays that prevent higher education institutions (HEIs) from adapting their curricula to new academic and industry standards. This is compounded by CHED's inconsistent enforcement of these standards and a lack of clear performance metrics for the panels, which hinders their ability to effectively innovate and improve the quality of education.

Some academic programs suffer from significant oversight gaps due to the absence of established technical panels. This deficiency leads to outdated or missing Policies, Standards, and Guidelines (PSGs), resulting in notable inconsistencies in curriculum design, teaching methods, and learning outcomes across institutions. These gaps affect the quality of education and the institutions' ability to adapt to changing industry demands. The Commission on Higher Education (CHED) has been struggling to form panels across all academic fields due to resource limitations and difficulties in attracting qualified experts, particularly from emerging

and interdisciplinary areas. For programs lacking technical panels, higher education institutions (HEIs) must often develop their own curricula without consistent guidance or national standards, leading to variations in program quality and undermining efforts to standardize and enhance educational offerings.

#### *6.4.4 On the Performance of HEIs in the Board Examinations*

“PRC data indicated that it only has a 40.81 percent “average passing rate” in 36 professions from 2017 to 2022.....Many of our graduates are from poor and disadvantaged groups and it is truly disheartening that they could not pursue their much-sought profession because they could not pass the board exams,” a lament voiced by Rep. Paul Daza in Congress (Porcalla 2023, par.1–2).

In our interviews, there were concerns that the exams given by PRC are disconnected with the recommended curricula of the technical panels (TPs). Other disciplines meanwhile had better communication between the TPs and the PRC boards resulting in better board exam performance.

#### *6.4.5 On Tuition Fee Regulation*

CHED Memorandum Order # 3, Series of 2012 outlines the policies and procedures for private higher education institutions (HEIs) in the Philippines regarding tuition fee increases. The order establishes a transparent and systematic approach for HEIs to follow when applying for tuition hikes. It mandates that institutions submit their applications for tuition fee increases to the Commission on Higher Education (CHED), detailing the justification for the proposed increase, which may include factors like inflation, operational costs, and the institution’s financial status. Furthermore, the order emphasizes the necessity for consultations with students and other stakeholders to ensure that the proposed increases are reasonable and justified.

Private HEIs seeking to increase tuition must submit a letter of advice from the President informing the Commission of their intention to raise fees. They are also expected to furnish a Certificate of Intended Compliance stating that 70% of the proceeds from the tuition fee increase will go to salaries, wages, and allowances for employees and at least 20% to facility improvements, as well as a Certificate of Compliance for the current school year to this effect. Also adopted as a guide for the suitability of tuition fee increases are the Regional Inflation Rate numbers for the prior year.

The memorandum also sets forth the criteria for evaluating the applications, focusing on the institution's financial needs, quality of education, and the potential impact on students. CHED is tasked with the final approval or disapproval of the applications, ensuring that tuition fee increases do not adversely affect students' access to education. By regulating this process, CHED seeks to balance the financial sustainability of HEIs and the affordability of higher education for students. Complaints against non-approved excessive tuition fee increases and non-consultations are coursed through the various Regional Offices of CHED.

One issue is the need for better monitoring mechanisms to ensure compliance with regulations. CHED requires that seventy percent (70%) of the proceeds derived from the tuition fee increase for the current school year being used for the payment of increases in salaries, wages, allowances, and other benefits of its teaching and non-teaching personnel and other staff, except administrators who are principal stockholders of the HEI, and may be used to cover increases as provided for in the Collective Bargaining Agreement (CBA). At least twenty percent (20%) shall go to the improvement or modernization of buildings, equipment, libraries, laboratories, gymnasias, and similar facilities and to the payment of other costs of operation. There is a lack of monitoring on whether these provisions are complied with. Regional Multisectoral Committees on Tuition and Other School Fees are in charge of monitoring but not all are active in monitoring.

With regard to SUCs and LUCs, there are still no clear guidelines on whether they can take in paying students as the UAQTE has provided free tuition to all students accepted by the SUCs and LUCs. But with budget cuts, these public HEIs would also want to diversify their revenue streams and could accept paying students at both the undergraduate and graduate levels.

#### *6.4.6 On the Higher Education Development Fund (HEDF):*

An important issue is the utilization and impact of the Higher Education Development Fund (HEDF). The CPBRD (2024) notes that about 92.6% of the P799.1 billion HEDF budget was obligated, while only 65.2% were disbursed. This is very near the Obligation-Appropriations ratio of the entire CHED of 63.1%. Another issue is the prioritization of where the funds should be spent. For example, a congressman insisted that HEDF must be used to augment financing for scholarships while CHED should focus on programs that will strengthen higher education through grants to HEIs (<https://newsinfo.inquirer.net/1769689/daza-disputes-ched-claim-theres-precedent-for-hedf-to-be-used-for-scholarships>).

At the same time, a senator reminded CHED, as per the Tourism Act of 2009, has to offer tourism-related programs to promote the country's tourism industry ([Senate of the Philippines 2024](#)). Thus, the decision on prioritization is a choice among more student scholarships, tourism related education programs versus programs geared towards strategic long-term goals such as enhancing research, improving faculty quality, or modernizing infrastructure. There must be a need for a more strategic framework in fund allocation to rationalize the utilization of the Fund. Another issue is whether the annual budget of the fund itself is sufficient for these strategic development programs.

#### *6.4.7. On CHED's Human Resources at the National and Regional Levels*

The Commission on Higher Education (CHED) in the Philippines faces significant challenges due to heavy workloads and understaffing across its regional offices. Many staff members are overwhelmed with multiple responsibilities, including accreditation, monitoring, evaluation, and providing developmental support to higher education institutions (HEIs). This overstretching of resources has led to delays in decision-making and program monitoring, negatively impacting the development of the sector. Additionally, the limited number of staff and the high volume of work hinder effective monitoring and enforcement of Policies,

Standards, and Guidelines (PSGs), which compromises the quality assurance system and reduces CHED's regulatory effectiveness.

The regional staff's lack of access and time to undertake professional development further limits their ability to manage and regulate the growing demands of higher education, especially in areas like accreditation, program evaluation, and research support. Moreover, staffing levels vary significantly across regions, leading to inconsistencies in service delivery and inefficiencies in supporting HEI needs, particularly in marginalized areas. Surprisingly, the number of unfilled positions in CHED is about 24% of its total authorized positions. For 2024 and 2025, the Commission reports 172 unfilled positions out of 689 permanent positions. (CPBRD, 2024)

The CHED Central Office, mirroring the regional offices, is significantly overburdened. Tasked with national-level policy formulation, quality assurance, and coordinating with regional offices, the central staff faces immense workload pressures, especially when managing cross-regional issues and stakeholder coordination. This often leads to delays in policy implementation and decision-making due to insufficient manpower.

Additionally, the central office struggles with strategic planning and research capabilities, limiting its involvement in innovative and long-term sectoral improvements. The office's capacity for research and data analytics is limited, which hampers the effectiveness of policy evaluations.

Furthermore, despite having some of CHED's most seasoned personnel, there is an underinvestment in staff development and limited staff time, restricting their access to ongoing training and exposure to international best practices. This shortfall impedes the staff's ability to keep abreast of the latest in higher education management. There are also coordination challenges between the central and regional offices which further complicates the implementation of educational policies and programs.

#### *6.4.8 On the Commissioners Chairing SUCs*

When a CHED commissioner serves as the board chair of multiple State Universities and Colleges (SUCs), it poses significant challenges to the regulatory mandate of the Commission on Higher Education (CHED). This dual role can lead to conflicts of interest, as the commissioner may be responsible for overseeing institutions while also having a governing position in those same institutions. Such a situation can undermine the objectivity and impartiality expected from a regulatory body, potentially compromising the integrity of decision-making processes.

Moreover, this arrangement may blur the lines between regulatory oversight and institutional governance, raising concerns about accountability. The presence of a CHED commissioner on the board of multiple SUCs might lead to favoritism or bias in the regulatory process, affecting the equitable treatment of all institutions under CHED's jurisdiction. This conflict can hinder the effectiveness of regulatory functions and diminish public trust in the oversight capabilities of the Commission.



Furthermore, this additional responsibility significantly increases their workload, diverting their focus from critical functions at CHED such as policy development, quality assurance, and educational reform. The extensive number of institutions each commissioner oversees leads to logistical challenges and inefficiencies, with difficulties in maintaining timely and effective governance over SUCs and LUCs. This can result in delayed board meetings and slow decision-making processes. Moreover, their extensive involvement in institutional governance detracts from their capacity to engage in national-level strategic initiatives and policy-making, which is vital for the sector's overall development and innovation. This dual role stretches commissioners' capacities (and available time) thin, impacting their ability to execute CHED's strategic priorities and long-term goals effectively.

## **7. Recommendations**

### *7.1 On Complementarity and Competitive Neutrality*

The government should adopt a hybrid approach to higher education that promotes both equitable growth and competition. The approach needed should maximize the strengths of both sectors. This includes recognizing the unique roles each type of institution plays in meeting diverse educational needs and ensuring that public and private HEIs can work together effectively rather than in competition. This involves the targeted expansion of public HEIs in underserved areas where private institutions are not viable, with a focus on addressing regional development needs. At the same time, the government can maintain a diverse mix of public and private HEIs by providing competitive neutrality, where subsidies and financial aid extend to students in accredited private institutions. Government should create a regulatory environment that treats both public and private HEIs fairly. This includes ensuring that funding, resources, and policy initiatives do not disproportionately favor one sector over the other. The goal is to establish an ecosystem where both types of institutions can thrive and contribute to the overall improvement of the higher education landscape, thus fostering an environment of healthy competition that benefits students and society as a whole.

To further enhance the system, the government should employ differentiated regulation, granting more autonomy to high-performing institutions, both public and private, while offering support or stricter oversight to those that underperform. Strengthening public-private partnerships (PPPs) through collaborative programs among HEIs, faculty exchanges, and research projects can also drive innovation and growth. Ultimately, maintaining a complementary dual system with competitive neutrality ensures that both public and private HEIs thrive, addressing access and quality while promoting innovation and effectively serving underserved markets.

A *strategic roadmap* embodying and detailing this approach will be a critical guide for CHED and its regional bodies.

### *7.2 On CHED's regulatory and developmental functions*

CHED should not lean excessively towards regulatory functions but instead adopt a balanced approach. While regulation is crucial for maintaining standards, fostering accountability, and ensuring quality, a developmental perspective is equally important. There should be a “strategic separation” of CHED's regulatory and developmental roles and structures to enhance

efficiency and reduce conflicts. By maintaining its regulatory authority and delegating developmental functions to a specialized (and enhanced) unit<sup>5</sup> or department, CHED can also focus on capacity building and innovation within HEIs. Additionally, a more flexible regulatory framework is advised to grant HEIs greater autonomy in curriculum design and governance while ensuring accountability. To reduce the regulatory burden, digitalization (see details below) and simpler requirements are suggested, especially for smaller HEIs, with a tiered approach that grants more flexibility and autonomy to high-performing institutions (as will be explained in the classification of HEIs below).

Strengthening CHED's developmental role involves increasing support for capacity building, infrastructure, faculty development, research and internationalization, specifically focusing on SUCs/LUCs and private HEIs in disadvantaged areas. Increased resources for the HEDF must be prioritized (see below for details). Promoting innovation through research grants and industry partnerships is also emphasized for all HEIs. Furthermore, enhancing CHED's data and research capabilities which is critical for informed decision-making, a national HEI performance database must be created to improve transparency and guide policy decisions.

To devise a development program that incentivizes higher education institutions (HEIs) to perform better, a performance-based funding model can be implemented. (We can study Malaysia's SETARA in more detail). This model would tie government grants and subsidies to specific outcome indicators *regardless of the type of recipient HEIs*. First, it is essential to establish clear and measurable outcome indicators aligned with national educational goals, such as graduation rates, employment rates of graduates within six months, student satisfaction surveys, and research grant acquisitions. A comprehensive evaluation system should be developed to assess these indicators annually, enabling institutions to showcase improvements or identify areas needing support.

Government funding should be allocated in tiers based on performance, rewarding institutions that meet or exceed benchmarks while providing “developmental” support to those that do not but have potential. Additionally, technical assistance and resources should be available to underperforming institutions, including professional development and grants for innovative projects. Finally, ensuring transparency in the funding process by publicly reporting performance metrics and funding decisions will foster accountability and encourage competition among HEIs.

### *7.3.A Simple Framework for CHED's regulatory and developmental function*

CHED has already classified HEIs horizontally and vertically. The former's typology includes Professional Institutions, Colleges and Universities (for private HEIs), SUCs, LUCs and OGS (for public SEIs) while the latter consists of Autonomous HEIs, Deregulated HEIs and Regulated HEIs. We think this classification is important because CHED can use this in delineating their regulatory work from their developmental mandate. The government should adopt a differentiated regulatory approach, where institutions (public and private) with a track record of excellence and innovation are given more autonomy, while those struggling with

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<sup>5</sup> Ideally a separate (outside CHED) but affiliated development agency can be established but this will probably require legislation

quality are given more support or face stricter oversight. CHED should match the corresponding regulation and development intervention with the classification of the HEIs. *We also think that there should also be autonomous and deregulated public HEIs.* This will further reduce the number of HEIs that CHED needs to regulate. The table below shows this possible correspondence:

**Table 3. A proposed framework for HEIs in the Philippines**

HEI	Nature	Type (Horizontal)	Quality Type (Vertical)	Size (Enrollment, Expenditures)	Regulation	Development Intervention
HEI 1	Public	SUC	Autonomous	Large	Zero to Low	As Needed
HEI 2	Private	Profit/Non-Profit Professional Institute College University	Deregulated	Medium	Low	Medium to High
HEI 3	Private	Profit/Non-Profit Professional Institute College University	Regulated	Small	High	Low to High
HEI 4	Public	LUC	Regulated	Small	High	Medium to High
HEI 5	Private	Profit/Non-Profit Professional Institute College University	Autonomous	Large	Zero to Low	As Needed

*Nature:* Whether the institution is funded and operated by the government (public) or by private individuals or organizations (private).

*Size:*

- Enrollment numbers - Number of students currently enrolled.
- Total annual expenditures - Overall financial outlays in a year, reflecting the institution's size and scope of operations.

*Quality:*

- Autonomous, Deregulated or Regulated

*Regulation:*

- **High:** Extensive governmental oversight, with frequent inspections and strict compliance requirements.
- **Medium:** Standard regulatory adherence with regular but less frequent oversight.

- **Zero to Low:** *Minimal regulatory oversight, more autonomy for the institution.*

*Development Intervention:*

- **High:** *Significant investment in terms of funding, resources, and support to foster growth and improvement.*
- **Medium:** *Moderate level of support and resources.*
- **Low:** *Limited or no additional support beyond the basic operational framework*
- **As Needed:** *Funding through approved program or project proposals*

This simple classification format provides a structured way to compare HEIs across various dimensions critical for regulatory and developmental interventions. We recommend that CHED design and implement specific types of interventions based on the classification of HEIs (and their characteristics). This classification framework will also be useful for policy analysis, strategic planning, and resource allocation<sup>6</sup>.

*7.4 On Streamlining Monitoring and Evaluation and Harmonizing Quality Assurance*

The granular and tier classification of public and private HEIs (as described above) will be the key in streamlining CHED’s monitoring and evaluation (subject also to digitalization of the system) and for consistency of enforcing the same set of quality standards and processes across all HEI categories. Autonomous and deregulated HEIs must have minimal oversight from CHED as long as the process of their selection remains strict. Just like in Thailand, an internal quality assurance (IQA) system in HEIs can be mandated to facilitate the conduct of external quality assurance<sup>7</sup>. *Given their current staff and resources, CHED can strategically target which HEIs need to be monitored and evaluated given certain indicators (e.g. Board passing rates, number of complaints received, employability of graduates, etc.)*

A substantial restructuring of the accreditation landscape in the Philippines is also needed. We propose a **harmonized system** that coordinates various accrediting bodies to streamline processes and enforce **uniform quality standards** across all Higher Education Institutions (HEIs). This would include:

- Coordination and alignment of standards, processes, and outcomes across accrediting bodies.
- Streamlining the accreditation process to reduce bureaucratic inefficiencies while maintaining the specialization and flexibility that different accrediting bodies bring.
- Increased oversight by CHED, ensuring that accrediting bodies are held accountable to national quality standards, while also empowering them to improve the quality of their assessments.
- Encouraging collaboration among accrediting agencies to share best practices and create a more cohesive national system without necessarily consolidating them into a single entity.

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<sup>6</sup> CHED should fill the table/matrix so this can guide the regions in their regulatory and development functions. It should define the specific types of interventions in more detail

<sup>7</sup> Most top tier and autonomous HEIs have already established these dedicated units. CHED may assist smaller HEIs in establishing these units.

Enhancements in the operational capabilities of accrediting bodies are recommended, including advanced training, technological upgrades, and rigorous performance evaluations to maintain accountability. Additionally, adopting international benchmarks is suggested to elevate local HEIs to global competitiveness. The current tiered accreditation model (Levels I-IV) can be further strengthened and aligned with CHED's developmental interventions to reward high-performing institutions with more autonomy and resources, while providing structured support to lower-tier schools to elevate their standards. CHED should position accreditation not merely as a regulatory measure but as a dynamic tool for institutional development, encouraging continuous improvement and innovation within the Philippine higher education sector.

### *7.5 On Enhancing CHED's Technical Panels*

CHED should finish organizing the technical panels across all programs. There must also be improvements in the compensation of panel members and clarify roles and accountabilities. At the current set-up, panel members while official appointees are only compensated with small honoraria per meeting. When they are busy and not available, the panels are difficult to convene.<sup>8</sup> *They should be treated more like paid experts/consultants who should produce specified outputs given a fixed duration.* Their terms of reference must be exact and clear.

Technical panels must also regularly review and update Policies, Standards, and Guidelines (PSGs) to keep academic programs current and aligned with industry standards, suggesting revisions every three to five years to adapt to global trends and labor market changes.

To bridge the skills gap (labor mismatches), the inclusion of more industry practitioners in technical panels is recommended, enhancing the practical relevance of academic programs and ensuring curricula meet real-world demands. It is recommended that CHED partner with industry and professional associations to facilitate the choice of this panel member. This approach aims to integrate diverse perspectives from various sectors for holistic policy development.

Streamline the processes for developing and revising PSGs, advocating for more efficient workflows and the use of digital platforms for stakeholder collaboration, aiming to expedite policy updates and reduce bureaucratic delays. Setting definitive performance metrics for technical panels, such as timelines and review frequencies, is crucial. Third-party evaluation can be utilized for these assessments.

Encourage innovation in program standards through proactive engagement with global trends and international collaboration to maintain the competitiveness of Philippine HEIs.

### *7.6 On Post Monitoring and Evaluation of HEIs*

Once recognized by CHED to operate its various programs, higher education institutions (HEIs) must consistently enhance their offerings. CHED, through its Regional Offices and the Regional Quality Assurance Team (RQATs), is responsible for monitoring and evaluating

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<sup>8</sup> In fact many panels meet at most 4 times a year or even less.

these programs. A review of the process involving RQATs must also be made including their composition, compensation, duration of service, etc. (should be a clear Terms of Reference just like Technical Panel members). A pool of dedicated RQATs should be organized per region.

Additionally, CHED should provide the public with a comprehensive list of accredited and recognized HEIs, both public and private, often referred to as a "**white list.**" Currently, a list of all HEIs in the Philippines is available on their website. Still, we recommend that CHED's national and regional offices actively inform their publics through various media about HEIs which are officially recognized and certified to operate. Furthermore, through the FAAP, the accredited HEIs should also be publicly listed and disseminated across various channels, including print, online platforms, and social media. This list should be regularly updated before each academic year to keep the public informed. If necessary, a legal framework should be established to prevent frivolous lawsuits.

Moreover, CHED must have *the legal authority* to shut down non-compliant programs in both public and private HEIs. Currently, CHED hesitates to permanently close these programs due to potential lawsuits from the institutions involved. However, with a solid legal foundation supporting such actions, CHED could more effectively oversee compliance across many sectors.

#### *7.7 On Tuition Fee Regulation*

CHED currently employs a cap-based model that limits tuition increases to align with regional inflation rates. This cap helps ensure that any tuition hikes by HEIs remain reasonable and in line with the cost of living, thereby protecting students from abrupt and excessive increases. CHED must continue with this policy of linking fee adjustments to economic realities in the region, marking the inflation rate as the threshold. However, while this model controls cost increases, we suggest that tuition hikes can also be linked to broader performance indicators, such as institutional quality and graduate outcomes. Thus, HEIs performing well can go beyond the threshold as long as properly approved by CHED. By expanding the model beyond inflation-based caps, CHED could promote improvements in educational standards while ensuring tuition increases are justified by tangible benefits to students.

#### *7.8 On the Higher Education Development Fund (HEDF):*

Developing a comprehensive framework to guide the use of the HEDF is recommended. This framework should focus on achieving long-term and sustainable impacts within the higher education sector, such as capacity building, faculty training, research, innovation and infrastructure. The framework should also guide the prioritization of the types of programs to be funded by the Fund. It should also set specific criteria for funding marginalized institutions, particularly those that are under-resourced, including HEIs in rural or conflict-affected areas. The framework should also include enhancing the region's role in determining institutions that have potential and in need of development assistance. This framework should be part of CHED's strategic roadmap.

This development assistance should be linked to the framework (and intervention table) discussed above. The fund can incentivize performance and innovation by supporting HEIs that excel in research, teaching quality, and internationalization, thereby fostering modernized teaching methods, digital technology incorporation, and international partnerships.

As the resources of the HEDF are limited, it is recommended for CHED to explore other sources of funding (e.g. income taxes collected from private for profit HEIs; 10% preferential tax). The fund can also try to tap the surplus funds of Philippine Amusement Gaming Corporation (PAGCOR) or the Philippine Charity Sweepstakes Organization (PCSO) and private and corporate donors. Though this might need legislation or an Executive Order.

### *7.9 On Resolving Labor Mismatches*

To address labor mismatches, CHED can take a leading role in fostering collaboration between HEIs, industry stakeholders, and government agencies. Linking with established industry organizations and professional associations will facilitate such collaboration. A critical step is incentivizing employment matching activities, such as sector-specific internships, apprenticeship programs, and job fairs tailored to industry demands. Additionally, CHED should work closely with agencies like DOLE to align curriculum with labor market trends and emerging job sectors, ensuring students acquire skills relevant to current economic needs. In partnership with DOLE and DTI, CHED can establish a responsive labor market information system (LMIS) to provide real-time data on industry needs and guide HEIs in updating course offerings and advising students on career paths with high demand. Further, CHED should encourage HEIs to conduct regular curriculum assessments with input from industry experts to ensure programs remain relevant and forward-looking.

SkillsFuture Singapore can provide a model on how the HE system and continuing education are responding to the 4th Industrial Revolution and other technological changes. CHED could implement a performance-based model, incentivizing HEIs that produce graduates with high employability rates and fostering a culture of continuous improvement within academic programs. By prioritizing these strategic actions, CHED can significantly enhance the alignment of higher education with labor market demands, thereby improving graduates' employment outcomes

### *7.10 On CHED's Human Resources at the Central and Regional Offices*

A multifaceted approach to bolstering the effectiveness of CHED's regional offices and overall operational dynamics is needed. Key recommendations include augmenting staff at regional offices to adequately manage their increasing responsibilities, notably in program monitoring and accreditation. This can be done by filling up the existing vacant plantilla positions at the Central and Regional Offices. This can be further enhanced by securing governmental funding for additional plantilla items to augment staffing in regions with heavy workloads. We also propose enhancing the performance-based incentives to spur more innovation and excellence among staff. Concurrently, CHED can further equip staff with the necessary skills in emerging areas such as digital evaluation tools, thereby ensuring they can meet the evolving demands of the higher education sector.

Further strategic measures suggested include digitization of processes and decentralizing decision-making to regional offices to foster quicker and more effective responses to local educational needs, coupled with rigorous accountability protocols to ensure efficacy (see details below on digitalization). Implementing a holistic human resource strategy is also proposed, focusing on competitive remuneration and career progression to attract and retain talent, while leveraging advanced digital tools to streamline operations. A reassessment of task distribution within CHED Central and the regions to enhance efficiency and effectiveness might also be needed.

There is also a need to expand the central office's staffing particularly in key areas such as policy research, data analysis, strategic planning & development interventions, and program implementation. This enhancement will provide CHED with the human resources needed to more effectively oversee national policies and offer substantial support to regional offices. By augmenting the central office's capacity for data and research through the recruitment of experts in policy analysis, monitoring, and education innovation, CHED would be positioned to better evaluate the impacts of its programs and make data-driven decisions.

Professional development for CHED's staff should be done through increased investments in training programs that focus on leadership, policy formulation, and global best practices. This initiative is intended to equip CHED personnel with the skills required to drive significant reforms in higher education. Collaborations with international entities and government agencies are also encouraged to broaden learning opportunities and draw insights from successful global education systems.

#### *7.11 On the Commissioners' Chairing SUCs*

There is also a need to reassess the CHED Commissioners' roles as chairs of the governing boards for SUCs and LUCs. It suggests that these responsibilities might be more effectively handled by others to allow Commissioners to concentrate on broader, more strategic functions like policy development, regulatory oversight, and strategic planning. It is recommended to delegate the board chairmanship to senior officials or prominent academics in the region who are closer to the operational realities of the institutions, which could lead to more responsive and efficient governance. Commissioners could better utilize their expertise in steering national education policies and strategic directions, rather than being bogged down by the operational specifics of individual institutions. It is possible though that Commissioners may sit in select but very few SUCs to be able to get a feel of the the operations of SUCs on the ground.

Further, the inclusion of independent experts on these boards could infuse new perspectives and expertise that enhance institutional governance and strategic planning, potentially addressing specific challenges more effectively. Such reforms are intended to ensure that CHED can focus on its core mission of enhancing the quality and relevance of higher education across the Philippines, aligning educational programs with labor market needs, and fostering research and internationalization efforts within the sector.



### *7.12 On Digitalization of CHED's Key Processes*

CHED has begun to pilot a digital regulatory system. Digitalization can significantly enhance the regulatory processes of the Commission on Higher Education (CHED) in several ways. The digital regulatory application shall be the first to screen the submission of requirements as they are uploaded, and they are designed as a step-by-step process where the system will only accept final submissions when all steps are completed. This will take some time for the system to be perfect, but this is the right direction. This applies as well, particularly to the tedious manual process in the issuance of Special Orders for non-deregulated and non-autonomous private HEIs, and for LUCs with lower than Level 2 accreditation. By utilizing digital platforms, the submission and processing of documents related to accreditation, certification, monitoring, and evaluation of higher education institutions (HEIs) can be streamlined, leading to improved efficiency and transparency.

This transformation allows for faster response times and a clearer process for stakeholders, enabling institutions to track their compliance in real-time. Additionally, digital tools empower CHED to collect and analyze substantial data concerning educational outcomes, program performance, and institutional compliance. This data-driven approach facilitates informed decision-making and policy adjustments aimed at enhancing the quality of education across the sector. It also lightens the workload of the CHED staff.

Moreover, digital channels foster enhanced communication between CHED, HEIs, and other stakeholders, allowing for regular updates and announcements to be easily disseminated. This ensures that all parties remain well-informed about regulatory changes. Digitalization also grants HEIs access to a wealth of online resources and training programs, helping them meet regulatory requirements more effectively. Furthermore, the ability to conduct remote assessments and evaluations allows CHED to monitor institutions, particularly those in remote areas, ensuring uniform standards are upheld. Ultimately, integrating digitalization into CHED's regulatory processes can create a more responsive, efficient, and effective higher education system in the Philippines.

## **8. Concluding Remarks**

CHED plays a crucial role in overseeing and enhancing the quality of higher education in the Philippines. Its regulatory mandate includes setting policies, standards, and guidelines for higher education institutions (HEIs) and ensuring compliance. One of CHED's strengths is its established legal mandate and regulatory mechanisms, which give it the authority to implement regulations and monitor the performance of both public and private HEIs. However, our policy-makers and CHED must decide on whether it will sustain the “complementarity” of public and private institutions or further expand SUCs and LUCs and maintain a small pool of autonomous and top-tier private HEIs in the country.

CHED also faces challenges such as limited resources and staffing, which can hinder effective oversight and the timely execution of its regulatory functions. Additionally, there is a need to strengthen further its legal mandate in providing a “white list” and in closing down non-performing programs and institutions. It must also harmonize the standards of the major

Accrediting Agencies and align these with the PSGs of TPs. It is also necessary to bolster its developmental function by establishing a special developmental unit, augmenting the HEDF and providing a strategic financing framework.

To enhance its regulatory and developmental mandates, CHED should be allocated more budget to expand its human and financial resources. The increased budget can be allocated for training and capacity building which can empower staff and ensure they are equipped with the latest knowledge and skills in higher education management and governance. Furthermore, establishing partnerships with local and international educational institutions can facilitate knowledge sharing and provide best practices in regulatory oversight. Additionally, integrating digital tools for real-time monitoring and evaluation can streamline processes and improve transparency. Finally, regular stakeholder engagement and feedback mechanisms can ensure that CHED's policies are responsive to the evolving needs of the education sector, thereby fostering a more adaptive and effective regulatory environment.

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### **CHED Memorandum Orders**

CMO # 3 Series of 2012 Enhanced Policies, Guidelines and Procedures Governing Increases in Tuition and Other School Fees, Introduction of New Fees and for Other Purposes

CMO # 46 Series of 2012 Policy Standard to Enhance Quality Assurance in Philippine Higher Education Through an Outcome-based and Typology-Based Quality Assurance

CMO# 15 Series of 2019 Policies, Standards and Guidelines for Graduate Programs

CMO # 6 Series of 2023 Policies and Guidelines for the Grant of Autonomous and Deregulated Status to Private Higher Education.

## **Annex A**

### **Highlights of EDCOM II First Year Report**

The 1st Annual Report of the Education Commission II (EDCOM 2) of the Philippine Congress, titled “Miseducation: The Failed System of Philippine Education,” presents a comprehensive analysis of the systemic failures in the country’s education sector. Released on January 23, 2024, the report highlights several critical findings and offers major recommendations to address these issues.

#### **EDCOM II Over-all Report**

The report identifies significant systemic failures within the Philippine education system. It emphasizes that the education sector has been plagued by poor learning outcomes, which are a result of various underlying issues. The Commission conducted extensive research, including 19 hearings and consultations, 12 focused group discussions, and 23 site visits across the country. They also commissioned 90 research studies in collaboration with institutions like the Philippine Institute for Development Studies, University of the Philippines, and De La Salle University.

The findings were detailed in twelve out of twenty-eight priority areas. These areas include:

- 1. Lack of Coordination Among Educational Agencies:** The report highlights the fragmented nature of the education system, with the Department of Education (DepEd), Commission on Higher Education (CHED), and Technical Education and Skills Development Authority (TESDA) operating in silos. This lack of coordination leads to inefficiencies and inconsistencies in policy implementation and educational outcomes.
- 2. Inadequate Professional Development for Teachers:** The report points out that teachers often lack access to continuous professional development opportunities. Challenges such as financial limitations, inadequate internet access, and resistance to change hinder the effectiveness of existing programs. This results in teachers being ill-equipped to deliver quality education.
- 3. Insufficient Research Partnerships:** There is a notable gap in research collaboration between higher education institutions (HEIs) and state universities and colleges (SUCs). This lack of partnership limits the capacity for innovation and the development of evidence-based educational practices.

#### **Major Recommendations**

- 1. Establishing a Coordinating Body:** One of the primary recommendations is to create a permanent coordinating body between DepEd, CHED, and TESDA. This body would ensure better alignment and cooperation among these agencies to improve the overall education system.
- 2. Enhancing Professional Development:** The report suggests addressing the challenges faced by teachers in accessing professional development. This includes providing financial support, improving internet infrastructure, and fostering a culture of continuous learning among educators.
- 3. Fostering Research Partnerships:** Another key recommendation is to establish targeted human resource development partnerships between first-tier research-intensive HEIs and second-tier SUCs. This initiative aims to increase the research

capacities of these institutions, thereby enhancing their ability to contribute to the global knowledge-based economy.

The report underscores the importance of addressing these issues to uplift the quality of education in the Philippines. By implementing these recommendations, the Commission aims to create a more effective and equitable education system that can better serve the needs of Filipino learners.

## **EDCOM II Report on Higher Education**

### ***1. Enrollment and Attrition Rates:***

There has been a significant increase in enrollment, particularly at public institutions, with state universities and colleges (SUCs) experiencing a surge. However, attrition rates have more than doubled in recent years, from 20% in 2019 to 41% in 2020, indicating a major issue with student retention.

### ***2. Access and Equity:***

The report notes improvements in the enrollment of the poorest students but points out a decline in enrollment at higher-quality autonomous and deregulated institutions. Studies cited in the report reveal a persistent "income advantage" in admissions to top universities, indicating that students from wealthier backgrounds are more likely to gain admission. This highlights ongoing challenges in achieving equitable access to higher education.

### ***3. Quality:***

The quality of programs and the capacity of institutions to provide high quality education remains a significant concern. The number of institutions recognized as centers of excellence or development has grown modestly, with many concentrated in the National Capital Region. The reconstitution of technical panels, crucial for quality assurance, has been slow, with only a small fraction completed. This affects the ability to ensure the delivery of quality programs across higher education institutions. There is also an absence of a comprehensive database to track quality indicators across institutions, which complicates efforts to improve educational outcomes.

### ***4. Quality Assurance and Accreditation***

Quality assurance in the Philippine higher education system is rigorously managed by the Commission on Higher Education (CHED), which adopts a comprehensive approach to ensure that higher education institutions (HEIs) and their programs adhere to established quality standards. CHED oversees several key processes, including accreditation, where HEIs voluntarily undergo evaluation by recognized accrediting agencies to affirm their compliance with academic standards. Additionally, CHED grants autonomous and deregulated status to institutions demonstrating consistently high standards, thereby allowing them greater curricular flexibility. It also designates certain programs and institutions as Centers of Excellence (COEs) or Centers of Development (CODs) based on their exceptional performance in specific academic disciplines. Furthermore, CHED's routine monitoring and evaluation, support from technical panels of experts, and the development of policies, standards, and guidelines ensure that educational programs remain relevant and of high quality. Some Philippine HEIs also participate in external

review and international benchmarking to align with global educational standards, enhancing their credibility and educational quality further.

**5. *Tertiary Education Subsidy:***

The report highlights a significant shift in the distribution of the tertiary education subsidy, with a decrease in the share going to the poorest students. It suggests that subsidies are not adequately targeted, contrary to the mandates of the Universal Access to Quality Tertiary Education Act.

**6. *Budget and Financial Allocations:***

Budget allocations for the Free Higher Education Program have increased, especially for local universities and colleges, with notable regional disparities in enrollment increases, particularly high in the National Capital Region.

**7. *Private Sector Participation:***

Despite private institutions making up the majority of higher education institutions, there's a notable balance in enrollment levels between public and private institutions, with each hosting about 2 million students as of the 2022-2023 academic year.

**8. *Key Recommendations:***

EDCOM II recommends enhancing targeting and equitable access in the distribution of educational subsidies, fast-tracking the reconstitution of technical panels, and improving the overall quality assurance mechanisms within the higher education sector. The report emphasizes the need for systemic reforms to address the highlighted issues, particularly focusing on improving quality assurance, targeting financial subsidies more effectively, and enhancing the structural and operational frameworks of higher education institutions to better serve the educational needs of the country.