
TNE Engagement in the Philippines



HIGHLIGHTS OF THE STUDY

The strong support from the country's education institutions, governing agencies, business sponsors as well as foreign entities sets out the readiness of the Philippine education environment to expand transnational education (TNE) engagement. As early as 2008, the Philippine Commission on Higher Education (CHED) recognised the importance of TNE as noted in CHED Memorandum Order (CMO) Number 2, Series of 2008 or the Policies, Standards and Guidelines on TNE.

Specifically, CHED has demonstrated a renewed commitment to TNE by lifting a temporary moratorium on the offering of new programmes via TNE for the 2015-2016 Academic Year through CMO Number 2, Series of 2015. Further, as a mandate, CHED "promote(s) relevant and quality higher education (i.e., higher education institutions and programmes on a par with international standards and graduates and professionals that are highly competent and recognised in the international arena)."

The country's commitment to internationalisation, along with its demographic and socio-economic profile, also presents a great opportunity for the Philippines to be the next TNE hub as it "appears to have many of the necessary ingredients for TNE opportunities: a growing youth population, a growing economy, a growing demand for higher education enrollment, widespread use of English, and, crucially, a comprehensive TNE strategy." However, areas that limit further internationalisation include restrictions on ownership, tightly regulated TNE activities, a re-active rather than a pro-active quality assurance and the current small numbers which suggest that this is largely uncharted territory.

This study on Transnational Education Engagement in the Philippines was commissioned by the British Council to provide an overview of the TNE landscape in the Philippines in order to respond to the need for reliable and robust information and to ascertain the opportunity for United Kingdom (UK) TNE providers in the promotion and championing of British based TNE in the Philippines at the secondary and tertiary levels.

The following research processes were undertaken to achieve the study's objectives:

- 1. Desk research**, which generated a total of 38 Philippine International Secondary Schools (ISS) and 17 Higher Education Institutions (HEIs) probable TNE providers;
- 2. Survey of the identified probable TNE providers**, which yielded a total number of 13 ISS and 10 HEIs as valid survey respondents. The research identified ISS and HEIs already engaged in TNE, creating a robust database of each of these institutions. A survey was then conducted to obtain hard information, opinions and insights into these institutions and their programmes in order to develop their profiles. This profiling data enabled an accurate assessment of TNE in the Philippines and an attempted projection of potential TNE opportunities for the Philippines in the future.
- 3. Assessment of the levels and capacity for TNE partner engagement of the relevant institutions.** The research also led to the creation of a simple formula for assessing levels and capacity for TNE partner engagement. This formula can be used or applied to schools/universities contemplating the

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establishment of TNE programmes and can be a useful indicator, as well, in identifying the potential for partner institutions to undertake such programmes.

A descriptive scale for levels and capacity for engagement was developed alongside the formula and this is one of the first documented attempts at quantifying the likelihood of success of TNE engagement.

4. **Analysis of both ISS and HEIs** in the areas of internationalisation strategies, funding mechanisms for TNE partnerships, nature of TNE partnerships and possible models, level and capacity for engagement in TNE, TNE data collection and collection systems, and challenges in their respective environments.

The following institutions comprised the survey respondents for the ISS:

1. Cebu International School
2. Domuscola International School
3. Faith Academy
4. Harvest Christian International School
5. International British Academy
6. International School Manila
7. Mahatma Gandhi International School
8. One International School
9. Singapore School of Manila
10. Southville International School
11. Stonyhurst Southville International School
12. Beacon International School
13. Westfields International School

The survey respondents for the HEIs are the following:

1. Adventist International Institute of Advanced Studies (AIAS)
2. Australian Institute of Higher Education (AIHE)
3. Aldersgate College
4. Asian Social Institute (ASI)
5. De La Salle State University-College of St. Benilde (DLSU – CSB)
6. Institute of International Culinary and Hospitality Entrepreneurship (iCHEF)
7. Nursing Solutions Incorporated (NSI)
8. St. Mary's University
9. Southville International School Affiliated with Foreign Universities (SISFU)

The highlights of the results can be summarised as follows:

Internationalisation Strategies

ISS

- Typically, international academic partners were curriculum and examinations providers: Cambridge International Examinations (CIE), International Baccalaureate Organization (IBO) and AP as opposed to individual institutions, with face-to-face as the mode of delivery (92.30%).
- The most common curriculum offerings were Primary Years (IBO) and Middle Years leading to International General Certificate of Secondary Education or IGCSE (Cambridge) with 38.46%, IB Diploma (IBO) with 38.46% and 15.38% starting next year, and APTs with 23.1%.

HEIs

- The four categories of TNE models in the Philippines are the following:
 - ◆ Twinning and international linkages (TIL);
 - ◆ Dual qualifications offered jointly by a Philippine HEI (PHEI) and foreign HEI (FHEI);
 - ◆ Franchise models under which the foreign provider offers programmes through a PHEI; and
 - ◆ Branch campuses which are permitted if the local HEI partner has at least 60% ownership.

- The Outbound TNE institutions would partly fall under the TIL category (academic linkages) as the delivery of their programmes overseas utilises the facilities of institutions outside the Philippines (Hong Kong, Macau, Laos and Vietnam).

- Institutional strategy for Inbound TNE programmes is either Full Focus (AIHE, SISFU) where all the programmes on offer are Inbound TNE with no local component or Added Value (DLSU-CSB) where the programmes are an addition to existing local programmes or Opportunity (iCHEF, NSI, WCC) where the institution has been set up specifically to address a gap in the market related to overseas employment.

- IHEIs offering TNE have skills level programmes for overseas skilled employment and Bachelor’s/Master’s degrees to prepare students to attain senior management positions, both here and overseas, based on the TNE partners’ reputation and branding (i.e., to gain a competitive advantage).

- While the quality of education delivered is critical for sustainability, the clear route to

international employment and a partner’s brand name are the main attractions that make the programmes viable to offer. Internationalisation strategies are anchored in competitive advantage for student employment and financial advantage for the institution.

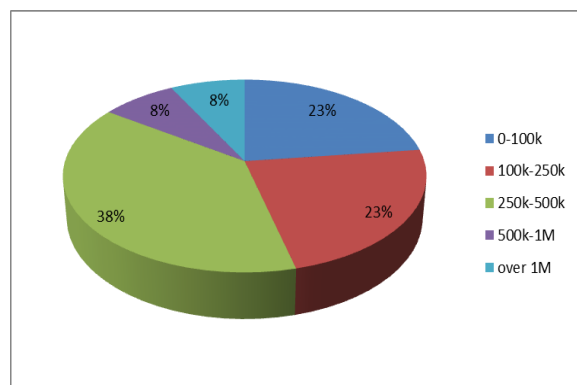
Funding Mechanisms for International Partnerships

ISS

- Funding for all types of international partnerships and international curriculum is internally generated from tuition and other fees.

- The biggest portion of the schools surveyed (38%) had fees in the band of Php250,000 – Php500,000 and the least (8%) had fees both in the bands of Php500,000 – Php1 million and over Php1 million per year. While established schools are typically non-stock, non-profit, educational corporations and are VAT-exempt on tuition fees, educational services and imported educational items, there are no exemptions or allowances on remittances of fees to academic partners for provision of curriculum, assessment and qualifications.

Graph 1. Annual Tuition Fees



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- Most of the schools did not respond to the issue of seed funding in starting/re-starting or expanding their TNE programmes. It seemed clear that financial capacity for running the programmes was entirely their concern. While most of their students came from an upper-middle class background, there was a strong desire to extend scholarship to deserving students who could not afford the fees.

HEIs

- Almost all of the institutions surveyed were exclusively funded by tuition fees and other internal financial capacities.
- All Outbound TNE Programmes were under the tuition fee band of Php0.00 – Php100,000.00 per year, whereas Inbound TNE Programmes belonged to either the Php100,000.00 – Php250,000.00 or Php500,000.00 – Php1M band. This is a reflection of the cost differential of franchising TNE Programmes from an overseas provider versus the cost of an internally developed PHEI Programme.
- Motivational factors for TNE engagement include the programme's considerable appeal; enough number of enrolment at the level of fees set to ensure financial sustainability; programme's relevance for a sufficient period of time for an adequate return on investment to be made; and manageability of counter-party risk.
- Typically, the Philippine partner pays for the following fees: visit, site approval, programmes' approval, faculty training, programmes and administrator training, per student franchise, visiting faculty costs, audit, external examiners, graduation, and textbooks. With a UK

university, this ordinarily amounts to £40,000.00 - £60,000.00 (Php2.67M – Php4.0M) set up costs in the first year and a minimum student franchise fee of £45,000.00 - £75,000.00/year (Php3.0M – Php5.0M/year). This does not take into account the cost of teaching, facilities, administration, domestic taxes and other related costs.

- In return, the partner provides the curriculum (usually off-the-shelf at no cost), access to an online library, quality assurance (usually a self-study paper exercise) and the qualification. Regrettably, the cost model for developing countries tends to be the same as for developed countries and, thus, TNE tends to be regarded as elitist due to the level of fees.

Nature of International Partnerships and TNE Models

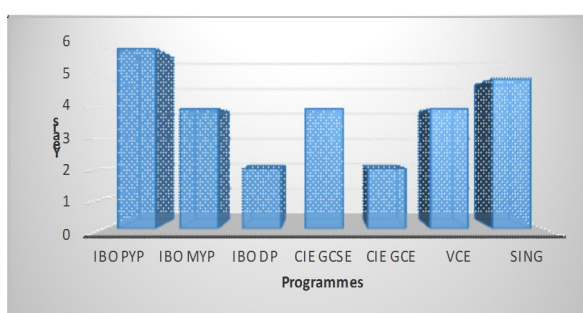
ISS

- The nature of ISS international partnerships and TNE models was inbound and international partnerships were with curriculum, assessment and award providers rather than individual institutions.
- The Cambridge curriculum is largely used in the middle school years, specifically for years 7 – 10, and frequently finishes at age 16, at the end of year 10, with the GCSE externally marked examinations. This serves as excellent scaffolding for the IB Diploma and, therefore, schools opt to have the Cambridge curriculum and the IB Diploma.
- Across schools, TNE offerings were in the Primary (IBO) and Middle Years

programmes leading to GCSE (Cambridge) as well as IB Diploma (IBO), all with 38.46% (the latter will have another another 15.38% starting next year), and APT's with 23.1% .

- The different programme offerings are different in lengths giving students limited exposure to an international curriculum before entering Grade 11.

Graph 2: Duration of ISS TNE Programmes Delivered in the Philippines



HEIs

- The nature of international partnerships and TNE models do not strictly follow the CHED definitions and are more usefully categorised according to Inbound and Outbound and the mode of delivery is face-to-face or online or blended.

Levels and Capacity for TNE Partnership Engagement

- An assessment of the levels and capacity for partner engagement for TNE was determined through the use of the following formula for both ISS and HEIs:
 - ◆ The institutional answers to the survey questions on partner engagement were added and converted to a percentage figure and the average of the ten (for ISS)

and nine (for HEIs) categories represented the overall level of partner engagement. Additionally, for the HEIs, there were five Yes/No questions where Yes = 100% and No = 0%. These five questions together were given equal weighting to one of the nine preceding questions. Descriptors were provided for the interpretation of the result.

- ◆ To quantify the Capacity for Partner Engagement, the Level of Engagement provided the base figure. Other significant factors (variables) were then introduced: enrolment, tuition fees and the strength of the institution's vision/mission statement on TNE.

A formula was designed where:

$$\text{Capacity for Engagement} = \frac{\text{Level of Engagement} \times \text{Enrolment Band} \times \text{Tuition Fee Band} \times \text{Mission/Vision Statement}}{100}$$

The result is expressed as a percentage with descriptors for the interpretation of the result.

ISS

- Results on the levels of partner engagement showed high approval ratings for IBO in the areas of Conferences and Issuance and Acceptance of Student Qualifications (both with 96%), Assessment (91%), and Curriculum (90%), among others. On the other hand, Textbooks and Student Workbooks with only 31.4% and 17.1% approval ratings, respectively, were weak areas.

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- In comparison, Cambridge was found strong in the following areas: Qualifications (94%), Curriculum (90%), Assessment and Online Support (both with 86%). Development areas were on Teacher training (50%), Audits (47%), and Administrator training (45%). The biggest criticism of Cambridge was its non-provision of regular training workshops for teachers and for administrators. Seemingly, it relied on its publications to close this gap.
- Overall, IBO registered a higher approval rating than Cambridge with 76% and 69%, respectively.
- Generally, schools exhibited high levels of partner engagement which ranged from strong to strong and sustained to fully integrated TNE programmes structure. Three schools registered the highest level of engagement (Singapore School of Manila, 89%; Mahatma Gandhi International School, 84%; and Stonyhurst Southville International School, 82%).
- Across areas, Student Qualifications and Curriculum both got high percentages with 9.12% and 9%, respectively. Student Workbooks with 4.17% had the least percentage.
- The schools' capacity for partner engagement ranged from limited/specialised to excellent. The International School of Manila got the excellent mark.
- Most of the existing ISS had capacity for TNE engagement with Primary, Middle and Secondary Schools. Typically, any school with an enrolment of more than 240 students and tuition fees set between Php150,000.00 (£2,250.00) and

Php250,000.00 (£3,750.00) per year should have the financial capacity to run TNE programmes.

- Accreditation is another measure of capacity for TNE engagement and part of the process is to ensure that schools have the genuine, continuing capacity to deliver TNE education. Many of the ISS had accreditation from the Western Association of Schools and Colleges (WASC), USA or the Council of International Schools (CIS). Only 23% of the school respondents had both local and international accreditation.

HEIs

- Levels of partner engagement ranged from moderate to strong to strong and sustained. No school was found to have a fully integrated TNE programmes structure. ASI (73%) and SISFU (64%) registered the highest level of engagement.
- Similarly, the schools' capacity for engagement registered lower percentages which ranged from limited/specialised to moderate to good to very good. SISFU with 61% had the highest capacity level although at the lowest end of the range.

TNE-related Data and Data Collection System

ISS

- Sixty-nine per cent (69%) of the schools were found to have an in-place school management system for storage and retrieval of data on the TNE programmes implemented. International Baccalaureate (IB) schools, which accounted for 54% of the respondents, were using Managebac which is frequently supported by Turnitin.com.

Schools offering the Cambridge curriculum (31%) had CIE Direct, and the larger ISS (15%) either had their own system or had invested in PowerSchool. Interestingly, schools using the same system did not necessarily use the same features of the system so there was considerable diversity in usage. Likewise, none of the schools surveyed had the Managebac or CIE Direct integrated into their school management systems.

HEIs

- All institutions surveyed had some form of registration and data collection system, though none had systems specifically geared towards TNE programmes. All but one use internally created systems, some of which are adequate in data storage and retrieval and some need improving. It is clear that there is no standardised developed systems for TNE programmes and that many institutions highest priority is to be compliant with their academic partners' systems.

Perceived Challenges and Recommendations

ISS

- Clearly, money is not the main challenge for ISS but the following:
 1. A major shortage of trained subject teachers
 2. Helping parents/students to understand the benefit of an internationally recognised academic qualification

3. Mapping the international curricula to the Philippine National Senior High School Curriculum
- Apparently, engagement data indicate clear opportunities for the British Council to support TNE engagement in international secondary education in the Philippines. There were 13 school respondents which had levels of engagement ranging from strong to strong and sustained to fully integrated programmes structure. Capacity for engagement ranged from limited/specialised to excellent.
 - RA 10533 (the addition of Grades 11 and 12) and DepEd's encouraging attitude towards international curriculum are being considered by many emerging ISS and upmarket private schools as the impetus for them to offer an international programme. These schools could be evaluated with the same method and scale used in this research to assess their capacity for TNE engagement.
 - Considered as having a high potential for growth at the current time, ISS can best respond to the opportunities presented through:
 1. Conducting training workshops for Teachers and Administrators, specifically for schools offering a UK curriculum
 2. Holding academic conferences on the UK curriculum and on the latest research concepts in pedagogical methodology and leadership with participation from schools from other Asian countries
 3. A full display of UK textbooks and other support materials available and an Ordering Centre with details on

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costs, ordering scheme, clearance from customs, and the like

4. Establishing an easily accessible “one-stop shop” (physically and online) for TNE partnerships between appropriate UK and Philippine institutions to bring potential partners together and assist them with the start of operations
5. Designing and implementing a system for assessing Capacity for TNE Engagement where the overseas partner or provider enters key data and receives a Capacity for Engagement estimate based on the scales and descriptors used in this report
6. Establishing a portal, in partnership with the DepEd, on reporting TNE programmes with key data updated on an annual census date.

For the HEIs, a number of perceived challenges were identified as follows:

- Unconstitutionality of foreign ownership of more than 40% of an educational institution in the Philippines and holding the most senior position in that institution (e.g., Chairman, President, Chancellor, Vice-Chancellor)
- Different levels of tuition fees for different programmes (e.g., local and TNE) are not permitted
- High level of TNE set-up costs (more than £40,000.00 per programme with UK universities)
- High level of TNE programme maintenance costs including per student franchise fee (more than

£100,000.00 per year with UK universities)

- Mechanisms for approval to run higher education TNE programmes are unclear, especially in the area of accreditation and recognition of programmes
- Meeting quality assurance (QA) standards of the UK and other countries is onerous and costly
- Counter-party risk can be unacceptably high (e.g., overseas partner university changes policy on international outlook and shuts down programmes at short notice or programme fails to get re-accreditation by the overseas partner institution)
- Expectation of numbers by the overseas partner university is frequently unrealistic (X-Ref number of students enrolled in current TNE higher education programmes in the Philippines)
- A shortage of locally sourced, equipped faculty, especially for new and innovative courses.
- However, the opportunities are still there, particularly with Philippine institutions that believe that TNE is the way to go, or with autonomous universities/deregulated colleges that perceive a competitive advantage through TNE programmes.
- **To realise the potential for TNE engagement**, effective ways to respond to the challenges and opportunities presented would be to:
 1. Create a comprehensive TNE manual addressing UK universities’ concerns regarding the legal and academic requirements for setting up TNE programmes in the Philippines and

The manual should contain the advantages, disadvantages, typical costs of TNE engagement, and a list of institutions currently allowed to engage in TNE. It should also incorporate possible sources of funding (e.g., CHED funding for Innovation projects; British Council funding/grants for TNE programmes) for set-up costs, teacher training costs, UK published textbooks, and potential scholarship.

Moreover, the manual should include relevant reference documents (e.g., CHED CMOs on Internationalisation, TNE and related publications plus UK QA Policies for off-shore programmes). To provide quick access to users, the manual should be made available online and be updated at regular intervals.

2. Complement the TNE manual with a YouTube style video explaining some of the key procedures, processes and decision points.
3. Fund initial set up costs as a UK education export initiative with a common fixed fee for all universities based on the Gross Domestic Product (GDP) of the country.

Such an approach would test UK universities' appetite for TNE on an equitable basis and make UK partners highly attractive to Philippine HEIs. Franchise (per student) fees could be based on relative average income models (e.g. average income in the UK is £26,500.00/year, average income in the Philippines is £2,312.00/year which is 9% of the UK amount). Franchise fees should not exceed 9% of UK tuition fees (£9,000.00 for UK students) or £810.00/student/year for the first

three years. This would ensure an equitable, stable and predictable model for partnerships and these numbers could be set annually and made available to potential partners.

4. Establish an easily accessible "one-stop shop" (physically and online) for TNE partnerships between appropriate UK and Philippine institutions to bring potential partners together and assist them with the start up of operations.
5. Resources should include a materials display, available advisory/counselling services from qualified members of a credible institution, and seed funding for schools/universities that opt to go with UK curriculum and qualifications.
6. Set up access to an online UK university library service.
7. Establish a portal – in partnership with the DepEd and CHED – for reporting on TNE programmes with key data updated on an annual census date.

The data should have selected access points. Ideally, this would be done on a standardised basis in all countries where UK TNE programmes are offered in order to obtain robust and comparative data for analysis.

8. Establish a portal – as per No. 7 – where ISS' and HEIs' Engagement Listing and Capacity for Engagement will be displayed.

The system will be available to potential providers or partners to enter required data and quickly obtain a score indicating the potential for TNE partnerships.

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9. Obtain a ruling from CHED that if two-tier tuition fees are not permitted to differentiate between local programmes and TNE programmes, the overseas component cost of running the TNE programmes can be included under Miscellaneous Costs.
 10. Provide seed funding support for eligible Philippine HEIs taking the initiative to engage in TNE Programmes.
- It is suggested that the logistics for the implementation and delivery of the recommendations be studied by a select committee composed of decision-makers from the UK and the Philippines to ensure a structured and agreed approach to promoting UK TNE programmes in the Philippines.
 - These approaches are straight-forward and pragmatic and will have an immediate and sustained impact on the presence of the UK in TNE programmes in the Philippines.

CONCLUSION

This report provides an analysis of the current position of TNE programmes in the Philippines at the secondary and higher education levels. Both are engaged, as they have identified and explored specific market segments, and are using TNE to give competitive advantage either to their students or to their own institution.

Almost all TNE programmes are self-funded through tuition fees. The capacity for sustainability is closely allied to the attractiveness of the programmes based on partner branding or employment prospects, student enrolment and level of tuition fees.

Analysis further shows that more institutions from the ISS are well positioned with a strong capacity level for TNE.

Both ISS and HEIs are confronted with a range of challenges to commence and maintain TNE originating from the UK, none of which are insurmountable, though. For ISS, the pathway is relatively straight-forward while for HEIs, more work is required to establish TNE programmes that are attractive and sustainable and to ensure protection from counter-party risk.

Clearly, the UK plays a major role in promoting and supporting British Education bodies through TNE Programmes in the Philippines and in disseminating accurate and updated information about the opportunity and process for establishing TNE programmes between UK universities and Philippine HEIs. Providing a template of expected costs and having available mechanisms to support TNE programmes can make a significant difference to institutions in both countries in terms of making positive decisions.

There is a substantial opportunity for UK Education at the secondary school level and a smaller opportunity, but a high quality niche market, for Higher Education Institutions. The latter is potentially dependent on some external support if the UK is to be the country of choice as academic partner. Timing for the secondary school market is ideal because of the implementation of RA 10533, and this may well prove to be opportune for the HEIs which are re-thinking their educational strategies due to the knock-on effect of RA 10533.