

Malaysians take the top spot with 13,400 enrolled students, with Hong Kong and Macao also well represented.

Since Beijing is keen to isolate Taiwan under President Tsai Ing-wen, since 2017 it has capped the number of Mainland Chinese students allowed to attend degree courses on the island at 1,000 per year. This move has adversely affected private universities, which are dependent on revenue from the higher tuition fees paid by foreign students. The government of Taiwan is thus doubling down on its New Southbound Policy toward Southeast Asia and has offered scholarships and other incentives to students from that region.

Yet, criticism abounds on the treatment of students from countries such as the Philippines and Indonesia. Several private universities have forced them to do factory work as part of their degree programs, allegedly threatened them with financial penalties and withdrawal of their scholarships, and subjected them to verbal and physical abuse. Since international student numbers are set to rise further, it is in the interest of Taiwan to ensure an adequate oversight of programs that target foreign students, especially at private institutions.

#### CONCLUSION

Taiwan provides an example of the challenges posed by an aging society to the management of educational institutions. While the prospect of a decline in enrollments may seem daunting at first, it can bring about positive effects. If done right, this process can help realign curricula to better suit current needs, concentrate resources to strengthen the quality of education, and foster a drive to reach across borders. As policy decisions will affect faculty, students, and the broader society, they should not be rushed, but rather take into account all parties and allow for adequate transitional periods. ■

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## Taiwan: Higher Education under Pressure

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After a period of expansion and reform, Taiwan's higher education system currently enjoys a high level of participation and a reputation for quality in Asia. The percentage of the population between ages 25 and 64 with a university or an advanced degree reached 46 percent in 2016, significantly higher than the 37 percent average in OECD countries. But the system has been facing increasing pressure from within and outside of the country, making its future seem less optimistic.

#### A CANDLE BURNING AT BOTH ENDS

During the period from 1949 to 1987, Taiwan's higher education system underwent a phase of planned growth. Many junior colleges and private universities were established to train skilled human resources for emerging industries. During the 1990s, the deregulation of education was broadly advocated. In 1994, the "410 Demonstration for Education Reform" called for an increased number of senior high schools and universities in each city in order to reduce the pressure of massification. In response to public demand, the number of higher education institutions increased considerably, from 130 in 1994 to 164 in 2007. Some were new, but many were upgraded junior colleges or technical institutes. In 1991, the net enrollment rate (NER) was 20 percent, only slightly above the threshold of an "elite" system. It quickly increased to 50 percent in 2004, reaching the "mass" threshold, and to 70 percent in 2013, reaching "universal" coverage. The percentage of high school graduates entering university reached 95 percent in 2008 and has since remained constant. However, this extremely high enrollment rate also reflects the failure of the system to be selective and a decline of competitiveness within higher education.

#### LOW BIRTHRATE

A significant risk factor for Taiwan is its low birthrate. According to the data released by the Central Intelligence Agency (CIA) World Factbook in 2018, Taiwan has the third-lowest birthrate in the world. Young couples in Taiwan worry about low salaries, the cost of housing, the cost of education, and achieving a satisfactory standard of living; some embrace DINK ("double income no kids") as an attractive lifestyle. The Taiwanese government sensed that the situation was critical already in 2011, but is still grappling with how to solve the problem. According to the ministry of education, higher education enrollment is expected to decrease from 273,000 in 2015 to 158,000 by 2028. This decrease will have a huge impact on the higher education system, with 20 to 40 universities estimated to be in danger of disappearing within five years, especially small and private universities in the suburbs.

**THE CHINA FACTOR**

In 2016, the Democratic Progressive Party (DPP), which stands for the ideology of Taiwan's independence, won the presidential election. The government launched a national "New Southbound Policy," aiming to shift the focus from unilateral investment endeavors to building bilateral people-to-people relations with South and Southeast Asian countries. Since the DPP does not accept the Chinese government's "One China Policy," the relationship between China and Taiwan soon came to an impasse, directly impacting the willingness of Chinese tourists and students to come to Taiwan. The number of short-term Chinese students in Taiwan decreased abruptly by 37 percent from 2016 to 2018 as a result of a ban by the Chinese government, causing much stress among private universities in Taiwan. Chinese scholars who want to visit Taiwan are expected to face more rigorous vetting by the Taiwanese government. Taiwanese students are no longer encouraged to study in

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China; as a result of these politics, the flow of knowledge between China and Taiwan has been stifled, contributing to a decline in enrollments. With the trade war between China and the United States getting worse, the Taiwanese government, which chose to support the United States, is expected to face more pressure from China in the future.

Although communication between the two governments is temporarily halted, the Chinese government still endeavors to push for unification through soft means. For example, it announced "a package of 31 measures" in spring 2018, to attract young Taiwanese professionals to study, work, and live in China. In April 2018, an additional "60 measures" plan was released by the city of Xiamen, announcing the provision of 5,000 job vacancies per year and many other benefits to Taiwanese people. In May 2018, 30 universities in the Jiangsu and Zhejiang provinces in China opened highly paid professorships, aiming to recruit 150 elite Taiwanese PhD professionals to teach in China. With the impending slowing down of the economy and of the industrial upgrading in Taiwan, these policies and initiatives from China have attracted the attention of Taiwanese people and are a huge pull factor, potentially triggering brain

drain and a talent deficit crisis in Taiwan

**REFLECTIONS**

With the current hostile climate between the United States and China, the future for China and Taiwan is bound to be turbulent. The "New Southbound Policy," aiming to build new connections between Taiwan and South and Southeast Asian countries, appears to be opening other channels for higher education institutions in Taiwan. Obviously, the impact of declining student numbers from China and the threat of brain drain will last for some time, but, in the long run, the "New Southbound Policy" is expected to create opportunities for Taiwan's higher education institutions in the regional and global education market. For example, the percentage of students from Southeast Asian countries increased from 25.5 percent in 2016 to 38.3 percent in 2018.

Aside from these external factors, the quality of higher education has become a crucial issue. Taiwanese higher education has gone through the "elite" and "mass" stages, reaching universal enrollment within only a few decades. It has produced highly educated citizens for society and valuable human resources for the development of the country, but it has also created an oversupply of graduates, resulting in youth unemployment and "human capital flight" among young professionals. Some universities, most of them public, have been successfully consolidated, but there is no broadly accepted mechanism to transform or shut down universities, especially private ones, that fail to attract sufficient numbers of students. The Taiwanese government should facilitate a university "elimination" mechanism, while protecting the students' right to education and the teachers' right to work. It should also intervene against universities that demonstrate low quality or poor performance, and transform or close institutions when student numbers are too low and continue to decline. By focusing on high-performance universities, the investment of government in higher education can be maximized, with no wasted effort on ineffective institutions.

Facing increasing global competition and the strong influence of China, higher education in Taiwan is in urgent need of transformation. The government plays a critical role. The real crisis in higher education does not come from a lack of students, but from the inability of the system to pursue excellence. An increase in student numbers may solve the immediate problem; improving quality will take more time and effort, but will offer a more sustainable solution in the long run. ■