THAI HIGHER EDUCATION REFORM: A NEW FUNDING FRAMEWORK

BY

NANNAPHAT SAENGHONG

THESIS

Submitted in partial fulfillment of the requirements for the degree of Master of Arts in Educational Policy Studies in the Graduate College of the University of Illinois at Urbana-Champaign, 2009

Urbana, Illinois

Masters Committee:

Professor James Anderson, Chair
Professor William Trent
Professor Jacquetta Hill
Abstract

This study examines the new funding framework for Thai higher education under the autonomous university system. The study also explores the effects of this new funding framework on university faculty, especially with respect to institutional income generation. The research is employed a mixed method approach involving quantitative archival data and qualitative interviews. Six Thai university faculty from three different universities were interviewed using open-ended interviews. The archival data such as legislations, reports, and recommendation documents were collected and analyzed.

The research findings reveal that the new framework of higher education funding is comprised of four major elements: performance-based funding mechanism, resource mobilization for higher education, institutional external income generation, and shifting greater funding to demand side (students and parents) through income contingency loans. The research findings also disclose that the new funding framework for higher education has effects on academic work time and effort of university faculty: they must to teach more students while at the same time they are compelled to focus much more on research and publications. In interviews, university faculty emphasize a discrepancy: research performance of faculty is enhanced whereas the quality of students is viewed to decline.

The study raises four issues: equity assurance; cultural change of public’s giving to education; the pressure of resource allocation over available time for teaching, and leadership issues. Recommendations are made for further development of Thai higher education funding: developing regulations to assure financial aid or loan for needy students; creating a culture of giving to education; utilizing graduate assistances; and developing leadership program. In conclusion, the study provides suggestions for future research.
Acknowledgements

I am deeply grateful to Professor Dr. James Anderson who served as chair of my thesis for his assistance in completion of this research and my Master studies. I am thankful to other members of my committee: Professor Dr. William and Professor Dr. Jacquetta Hill Trent. I am thankful to Dr. Trent and appreciated his comments and recommendations that improve my research. My sincere appreciation and special thanks go to Dr. Hill for her personal support of my academic endeavors and for her mentor throughout my Master studies.
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Chapter 1

Introduction to the Study

Introduction

Higher education is an agent of change in culture, an engine for national economic growth, and an instrument for the realization of collective aspirations (Johnstone, 1998). Universities and higher education systems of the world are varied and diverse. They display marked differences of style, resource, quality, and capacity (Jonhson & Christensen, 2004). Nevertheless, they have faced similar phenomena of higher education that has taken place in many parts of the world. Within the notion of higher education reform, there is an increasing trend for the higher educational institutions to be more autonomous in managing their resources, personnel, and curricula policy. While they are given greater autonomy and flexibility, they also are asked to provide accountability to funding providers, such as, states and governments, to students, parents, to public, and etc. This trend initially started in developed countries and is now spreading all over the world, particularly in developing countries.

In the case of Thailand, the concept of “autonomous university” was introduced into Thai higher education system as a higher education reform scheme over three decades ago. With the enactment of the first 15-Year Long Range Plan on Higher Education (1990-2004) in 1990, the autonomous university idea then was officially embodied by establishing the first autonomous public university.1 The concept of autonomous university has been given attention and seen as a significant step toward strengthening public higher education institutions so that they will be: more accountable to the public; more adaptive to educational and social needs and market

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1 The first 15-Year Long Rang Plan on Higher Education for Thailand was established in 1990. The goals of this plan, covering 1990-2004, were to increase opportunity and equality in higher education, to enhance effectiveness of higher education system, and to develop higher education institutions to become international. The Framework of the Long Range Plan was prepared by the Office of the Commission on Higher Education.
demand; and more proactive and dynamic in prioritizing their goals, outputs and outcomes.

Ideally, the autonomous university system will give a greater degree of flexibility and innovative to public universities. Once public universities become autonomous, they will gain control over their own administration and management of finance and budgets; own academic programs and university structures; and own personnel system, recruitment, remuneration and benefits. The attempt of the government to transform all existing public universities into autonomous universities has been an ongoing process for at least two decades, and reform completion is unpredictable. The development of the autonomous university system moved forward once more when the first National Education Act of Thailand was enacted in 1999\(^2\). From a total of twenty-four public universities, eleven of them have become autonomous, while another thirteen universities are in the process of making the transition. Any new public university will be required to be established as an autonomous institution from the beginning. At present, the concept of autonomous university will be applied only to twenty-four national public universities. Rajabhat University (formerly teaching colleges) and Rajamangala University of Technology (former technology colleges) which were upgraded to university status in 2004 and 2005 may be included in the autonomous university system in the future.

Higher education reform in the form of the autonomous university system has brought one important change to Thai higher education: a change in government funding for higher education. This change is the main focus of this study. While the scheme of higher education has been transformed, the government funding for higher education inevitably has to be changed as

\(^2\) The National Education Act of Thailand was enacted in 1999. This act serves as a basis for the education reform of Thailand, including higher education. If the National Education Act is completely implemented; it may be the most major transformation of Thai education in all levels, since the first transformation that introduced public education and institutionalization of schools over a century ago.
well. The new government funding policy and framework needs to be formed for institutions of higher education under the autonomous university system. Higher education funding has been receiving growing attention in many nations around the world including Thailand, along with the reform of higher education. The change in funding for higher education has not only been initiated by nation themselves but also has been supported and/or pressured by international organizations such as the World Trade Organization (WTO), International Monetary Fund (IMF), Asian Development Bank (ABD), and UNESCO, particularly in developing nations. The framework of the change in higher education funding in many nations is parallel regardless of the differences in political, economic, and educational system. These parallels include: the decline of government funding for higher education; change in resource reallocation; change in funding mechanism; cost sharing between the government and students; self-income generation of higher education institutions; resource diversification for supporting education, and more.

**Statement of the Problem**

Higher education plays a very vital role in economic and social development of Thailand. It will guide and lead the nation to be competitive in the growth of the global economy and will respond to changing demands and needs of Thai society. In the history of Thai tertiary education, the government has been the main funding provider for higher education. Government funding for higher education obviously affects management of higher education both in terms of quality and quantity. Such effects will become critically when there is a change in government funding for higher education. The new funding framework will have a significant impact on the resources that public higher education institutions will receive from the central government. Therefore, the change in higher education funding will affect the available governmental resources that will be
allocated to each institution providing higher education. That is, some institutions may receive larger funding and some institutions may obtain less funding. The institutions securing less funding would be less satisfied with the change of funding mechanism, and may cause issues of institutional operations. For these reasons, a study of the change in Thai government funding to higher education needs to be focused.

This research represents a scenario of changes under the ongoing Thai higher education reform by using financial resources or the funding framework to drive the change. The effective change in funding for higher education is crucial to the success of the whole system of educational reform. Yet, literature that specifically deals with the new funding framework of Thai public university under the autonomous university reform is still absent in Western sources and even in Thailand. Most literature found in Thai publications is recommendation reports and research projects by the Ministry of Education, the Office of Education Council, and the Office of Commission on Higher Education. Only a few sources were found focusing on overall reform of Thai higher education system under the recent Thai higher education reform. None really touch on the new framework of the government funding for higher education institutions and the effects of this new funding framework on academic work of university faculty, with regard to institutional external income generation. Studies focusing on the new framework for funding higher education and its impacts on university faculty’s work, regarding income generation of institutions, are necessary because it allows us to learn not only about the new funding framework but also the effects and consequences for future development of higher education funding in Thailand. For these reasons and necessities, this research is conducted to provide insights regarding the new funding framework and the change of higher education funding for stakeholders of higher education both at national level such as policy makers and at institutional
Purpose of the Study

This study examines the new government funding framework for higher education institutions under the current Thai higher education reform called a system of the autonomous university. The purpose of this study is to explore how the new government funding framework particularly for public universities, which is being developed today in Thailand, has been formed and developed. The study will also aim to analyze the effects of this new funding framework, which is the policy created by the policy makers at micro level, on the academic work of university faculty, who are at micro level, with regard to intuitional external income generation. In addition, the study looks critically at some implementation of the new funding framework to provide some practical policy recommendations for further development of the funding framework for higher education institutions. This study will also provide a ‘big picture perspective’ on the intentions, goals, and concerns of the new funding framework, pertaining to issues of equity and access in higher education.

Scope of the Study

A mixed research approach involving mixing quantitative and qualitative research methods addresses the purpose of this study. Mixed method research is an approach in which a qualitative research paradigm is used for one phase of a research study and the quantitative research paradigm is used for a different phase of the study (Johnson & Christensen, 2004). Qualitative methodology encourages detailed description and fits with the need to document a set of circumstances surrounding reforms in education policies and practices. It also supports interpretive objectives such as understanding the impact of the new funding framework on university faculty, identifying the links between the government and/or educational policy
makers and organizational actors who actually practice the policy. The higher education reform legislation and its policy implications for public higher education institutions were studied quantitatively and qualitatively in the context of government funding for twenty four public universities from the perspectives of the autonomous university reform.

**Significance of the Study**

The significance of this study is its exploration of how the new funding framework for Thai public universities has been nationally developed. Funding is one key phrase in the transformation of higher education in Thailand and is potentially the most powerful instruments and incentive at a government’s disposal. An effective and efficient funding framework for higher education will significantly contribute to the success of higher education reform. It is appropriate, therefore, to start the empirical examination of the dynamics of higher education of Thailand by reflecting on the way in which the funding instrument was used in higher education by government. This study will also contribute to an understanding of how the trend of change in government funding for higher education has taken place correspondingly in nations that have dissimilar political, economic, social, culture, and education arrangements.

The study may have practical significance for educational policy and practice in Thailand and in other similarly positioned countries and it can be a source for further comparative analysis of the effects of the introduction of a new funding framework or the change of higher education funding, on the academic tasks of university faculty. The experience from conducting this study may contribute to the field of research methodology, regarding the questions of what happens when an interview is conducted in one language, but the analysis is completed in another.
Research Questions and Organization of the Thesis

The following questions form the framework of this study:

1. How has the new government funding framework been introduced and developed under the current Thai higher education reform? Or more specifically what kinds of government funding for public higher education has been introduced into Thai higher education?

2. How has the new funding framework affected university faculty in terms of their teaching research, and academic service with respect to institutional external income generation?

3. What are the responses of some public universities toward this new funding framework since it has been implemented to some extent?

These research questions established the substance of this study. Chapter 2 presents the background of the current Thai higher education reform called the autonomous university and offers information about higher education in Thailand. This chapter will also provide the literature review related to government/ state funding for higher education. Chapter 3 will discuss a mixed methods in methodology presented with the details for the selection of participants, instrumentation, data collection, and other aspects of the research process. Chapter 4 will present significant findings of the study from both archival data. Chapter 5 will present finding from interview data. Chapters 6 will provide overview of the study and conclusions, addressing research questions and offer recommendations and reflections.
Chapter 2

Relevant Literature Review

Introduction

This chapter is divided into four main sections. The first section of the chapter will provide relevant literature review with respect to higher education funding/financing. The second section will present background information of Thai higher education system. The third section will present the administrative system of Thai higher education. And the fourth section will present brief background information of Thai higher education reform called ‘the autonomous university system’.

Relevant Literature Review on Change in Higher Education Funding

The available and obtainable data concerning change in higher education funding in Thailand mainly are policy documents, reports, and recommendation documents written by the Office of Education Council (NEC) and Commission on Higher Education (CHE). Data and/or academic writings regarding the change in higher education funding in Thailand which were written by other institutions and researchers are very limited. Even if they exist, they are not accessible. Therefore, data regarding the change in higher education funding presented in this section will be largely drawn from NEC, CHE, and published sources by the World Bank.

Douglas Albrecht and Adrian Ziderman, in *Funding Mechanism for Higher Education* (1992), looked at the funding mechanisms used by governments to allocate educational funding to higher education institutions, particularly in developing nations. The study describes the strength and drawbacks of three types of funding mechanisms including negotiated-based
funding, output-based funding, and students-based funding.\textsuperscript{3} From the analysis, Albrecht and Ziderman discovered that three major types of government restrictions undermined the development of higher education intuitions. The three restrictions include (a) government’s control over student enrollment, (b) imposing higher financial dependency on universities through prohibiting revenue diversification; and (c) imposing restrictions on the extent to which institutions are able to allocate their funding as they see appropriate.

The study raises the question of how to grant greater autonomy to universities over decision making while ensuring the accountability to funding providers. Universities with more autonomy are viewed to have higher development pace.

Based on the implications of three government restrictions, the study offers three policy recommendations. First is to exploit the use of buffer funding organizations, which are positioned between the government and the academic institutions, as a way to secure the independence of institutions from direct political interventions. Nevertheless, this approach will work only if the government is willing to pass on the control of funding to the buffer organization. Second is to change funding allocation criteria. Within this approach, funding will be based on their performance in producing graduates and research. Third is to transfer funding to students either in the forms of loans or in the forms of grants, instead of funding directly to institutions. This approach is advocated with the idea to increase student choice and to increase competition among academic institutions in response to market demand.

Albrecht and Ziderman believe that more autonomy is what needs to be given to higher education institution under the reform of higher education finance. Institutions with greater autonomy in enrollment decisions, revenue, and deployment of institutional personnel and

\textsuperscript{3} See more detail of each funding mechanism in Funding Mechanism for Higher Education (1992) by Douglas Albrecht and Adrian Ziderman.
physical resources will be able not only to adapt to local conditions but also to respond to needs of students and to external demands more effectively and efficiently.

While the study by Albrecht and Ziderman (1992) focuses on funding mechanisms employed by governments to allocate resources to institutions, D. Bruce Johnstone (1998) examines a broad framework or trend in the reform of higher education finance. Johnstone, in *The Financing and Management of Higher Education: a Status Report on Worldwide Reforms* (1998), states that over the last two decades, there has been a significant and similar change in the funding of higher education across the world regardless of differences in political, economic, and higher education tradition systems. Johnstone’s purpose is to study the worldwide reform of finance and management of universities and of other higher education institutions during the late 1990s. He points out that the reform agenda of higher education finance can be viewed in the context of five themes of reform of world tertiary education. These five themes are (a) expansion and diversification of students and types of institutions; (b) fiscal pressure; (c) the ascendance of market orientation and solutions; (d) the demand for greater accountability; and (e) the demand for greater quality and efficiency.

Turning specifically to finance and management, Johnstone claims there are three main types of trends and reforms in finance and management of higher education. The first main type is supplementary governmental revenue with non-governmental revenues. Within this context, the financial burden in higher education cost is shifted from taxpayers to students, parents, philanthropists, and university services purchasers. He found that to shift cost sharing and/or to obtain additional income from other sources than the government source, the following five means are widely introduced and employed in higher education institutions.
First is the introduction of tuition increase or cost recovery both in developed and developing countries, such as, UK, Poland, Turkey, China, Africa, Latin America, and Mexico. Second is the introduction of means-tested financial assistance provided by governments and academic institutions and various types of student loans provided by either governments or commercial banks. Mean-tested grants and loans are provided to maintain educational access for economically-disadvantaged students when cost of higher education is increased. Third is the encouragement of private higher education support through tuition and fees. Private higher education has been growing in different parts of the world such as in Asia, Latin American, Soviet Republic, and somewhat in African and the Middle East. Private academic institutions are allowed to compete with public institutions to provide students with high quality of education and are permitted to charge modest tuition and fees. Fourth is the encouragement of entrepreneurial activities on the part of either faculty or university. According to Johnstone, many countries have encouraged entrepreneurial activities given the fact that public funding for higher education has declined and there is a need for institutions to diversify their revenue. In Argentina, the resources generated by the universities themselves increased from 7% of the total budget in 1991 to 14% of the total budget in 1996. China is another example of gaining large income from entrepreneurial activities. In 1992, 50% of the total higher education institutions in Shanghai operated about 700 enterprises, which accounted for ¥ 1billion. Fifth is the encouragement of philanthropy either for endowment or direct operations as well for scholarships to students. He points out that philanthropy is viewed as one potential source of university income, but successful philanthropy in a nation needs both a tradition of philanthropy and tax incentives. However, Johnstone comments that philanthropy in developing nations might
not play a significant role in institutional supplementary income due to limited wealth, but it can be reinforced through the use of tax incentives.

The second main type of trend and reforms in finance and management is reform of public sectors financing. Within this concept, there are two main aspects of change. The first element is devolution of management and spending authority from the central government to the institutional level. Academic institutions are given autonomy to manage and control their financial affairs on the one hand and they are expected to manage their resources efficiently and effectively on the other hand. The second element is budget reforms. Performance budgeting has been popularly employed as a mechanism for fund allocation in many countries. The performance budgeting allocates public funds to higher education institutions not only based on a criteria of enrollment but also on other criteria, for instance, degrees awarded, average time to degree completion, licensure examinations, or success of faculty in winning competitive research grants.

The third main type of trend and reform in finance and management presented by Johnstone is radical change (restructuring) of higher education institutions. The radical change is pressured by either financial constraints or the consolidation of tertiary education to promote institutional finance. A radical change has an impact not only on mission and attributes of institutions but also on faculty, academic staff, and support workers with respect to compensation, workload, individual behavior, or work styles.

In his conclusion, Jonhstone points out that the ongoing debate will be carried on in several counties on the issues of centralized and decentralized framework, the importance of the public and private, the role of the government, and the autonomy of the university. Yet, the greatest challenge for public policy is the question of how “to combine the efficiency and
flexibility associated with diversification and privatization with the continuing responsibility of
governments with a view to guide, regulate and subsidize” (p. 28). One interesting feature found
by this study, particularly in developing nations, is that the financial and management reform of
higher education is significantly influenced and supported by the World Bank either through
policy intervention, providing financial aid, or offering advice or recommendations.

Thai Higher Education System

Higher education learning in Thailand was initially held in the palace, at temples, and in
traditional professional communities. The fields of study were on political science, liberal arts,
training for teacher preparation, and training for Thai medicine and architecture. The education
was mainly provided for the male population. The inauguration of Thai Higher Education was
marked in 1889 with the establishment of the first medical school, Silirat Hospital. The second
important development of higher education took place in 1910 when the King Chulalongkorn
(Rama VI), along with the pressure from western nations, promoted the Royal Page School into
the Civil Service School to be independent and modern. Six years later, the status of the Civil
Service School was promoted to university status and renamed Chulalongkong University. In
1933, Thamasat University was instituted to meet the increasing demands of political leaders and
civil service education. In the year of 1943, three more universities were found: namely Mahidol
University that is the university of medical science; Kasetsat University that is the agricultural
university; and Silapakorn University that is the university of fine arts. The main purposes of
universities founded in this period were to produce capable human resources for government
services and administration. These universities all were located in the Bangkok area and
nationally become elite public universities. Public universities, private universities, and other
higher education institutions such as colleges and institutes were increasingly expanded both in Bangkok and in the provinces to meet the growing demands for higher education. In 2008, in a nation of 63 million populations, there were 551 tertiary education institutions under the Ministry of Education with more than two million students, or about 3.8 percent of the total Thai population.

By and large, higher education system in Thailand is composed of public and private educational institutions. It can be divided into eight types of educational institutions: public universities with limited admission⁴; autonomous public universities; open universities; Rajabhat universities (teacher preparation colleges); Rajamangala Universities of Technology (former colleges of technology); Private Universities; Public Vocational Colleges; and Private Colleges. These institutions, except for public and private colleges, offer programs of studies in bachelor’s degrees and master’s degrees, as well as doctorate degrees. Public and private colleges offer degrees at lower levels or diploma levels. The majority of courses offered in these colleges are associated with vocational education, which requires two years of study. All public institutions, (that is, excluding private colleges and universities) operate on the government budget.

To be specific, under the Commission of Higher Education⁵, there are 165 universities and colleges including 97 public universities and colleges and 68 private universities and colleges. The system encompasses about one million students and over one hundred and forty two thousands (142,000) faculty members. The predominant public sector enrolls about 967 thousand students and private sector about 160 thousand students. The Rajabhat universities

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⁴ Limited public universities recruit students through the system of national entrance examination.

⁵ The Commission of Higher Education, formerly named as the Ministry of University Affairs, is responsible for proposing policies, plans and standards for higher education; mobilizing resources; ensuring education quality and standards in all public and private higher education intuitions; improvement of higher education institutes and community colleges; monitoring, inspection and evaluation of education provision of higher education; and conducting secretarial works of the Commission.
(formerly teaching colleges) have the highest number of student enrollment, 302,053. The open universities comprised only two institutions have the second highest enrollment of student, which is with about 297,421. This is followed by the limited admission university which has 165,090 students.

Table 1

*Numbers of Higher Education Institutions, Enrollments, and Academic Staff in 2008*

<table>
<thead>
<tr>
<th>Types of Institutions</th>
<th>No. Institutions</th>
<th>No. of Enrollments</th>
<th>No. of University Faculty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>162</td>
<td>1,133,505</td>
<td>142,045</td>
</tr>
<tr>
<td>Public institutions</td>
<td>94</td>
<td>967,785</td>
<td>29,253</td>
</tr>
<tr>
<td>limited admission universities</td>
<td>13</td>
<td>165,090</td>
<td>46,234</td>
</tr>
<tr>
<td>Autonomous universities</td>
<td>11*</td>
<td>122,820**</td>
<td>43,876</td>
</tr>
<tr>
<td>Open universities</td>
<td>2</td>
<td>297,421</td>
<td>6,333</td>
</tr>
<tr>
<td>Rajabhat universities</td>
<td>40</td>
<td>302,053</td>
<td>22,255</td>
</tr>
<tr>
<td>Rajamangala institutes of technology⁶</td>
<td>9</td>
<td>68,765</td>
<td>10,555</td>
</tr>
<tr>
<td>Public vocational colleges</td>
<td>19</td>
<td>16,536</td>
<td>-</td>
</tr>
<tr>
<td>Private institutions</td>
<td>68</td>
<td>160,820</td>
<td>12,792</td>
</tr>
<tr>
<td>Private universities</td>
<td>38</td>
<td>136,327</td>
<td>10,692</td>
</tr>
<tr>
<td>Private vocational colleges</td>
<td>30</td>
<td>24,493</td>
<td>2,100</td>
</tr>
</tbody>
</table>

*Note. No. is Number*

*Excluding two Autonomous Buddhist Universities.*

**Excluding number of student of Autonomous Buddhist Universities which is about 4,900.*


Among the total enrollments at higher education institutions, students majoring in engineering accounted for 8%; in the sciences 10%; in the medicine 12%; in the humanities 9%; in management 10%; in law 35%; in education 5.3%; in economics 5%; and in agriculture almost 3%. Humanity majors have accounted for the largest proportion of students since the 1950s and are still the largest single group these days. The number of students in engineering, applied science, and other applied fields is expected to slowly increase, while enrollments in the

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⁶ Rajamangala University, the former institutions of technology, was granted university status in 2004.
basic science and the humanities is declining in response to the labor market. By and large, the enrollment ratio between social science and science is expected to become 50:50 in the next few years.

Regarding university faculty, the Thai higher education system under the Office of Higher Education Commission is currently composed of full professors (19.5 %); associate professors (80 %); and assistant professor (0.5 %). An overview of faculty members at the university level shows some imbalance. For example, Chulalongkorn University, 43 percent are lecturers, 23.3 %; are assistant professors; 30 %; are associate professor; and only 4 % are professors. At some of the leading national universities, senior faculty members accounted for a much larger proportion of the total. For example, Mahidol University, senior faculty members including both professors and associate professors accounted for more than 60 % of the total faculty members.

The differentiation among these eight types of higher educational institutions can be made in three ways. The first significant difference is the quality of their graduates. Public universities with limited admission and autonomous universities, regarded as prominent institutions, can produce the highest quality graduates since they recruit the best educated group of high school students through the national examinations, which will be discussed in the following section. The per head cost of graduates which includes government and non-government sources of budget is the second major difference (OEC, 2004). Limited admission universities in combination with autonomous universities had the higher per head cost of graduates, which was about $ 2, 500 per year, with high success rates and high quality graduates. While open universities, which per head cost is around $ 150 per year, had the lowest cost per

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7 Open university is a university that recruits its students without using the national entrance examination system.
head with low graduation rate since majority of their students are adult learners who already are employed. Tuition fees are the third important difference among the eight types of higher educational institutions. Private universities have higher tuition fees than those public institutions since they need to cover their operational costs by themselves. For example 2008 tuition fees in science programs in different types of institutions in the Bangkok areas, are as follows: $1,191 at a public university (Chulalongkorn University); $3,075 at a private university (Assumption University); $72 at the open university (Ramkhamhaeng University); and $800 at Rajabhat university (Saun Sunandha Rajabhat University). Furthermore, the tuition

The Administrative System of Thai Higher Education

Prior to 2003, the functions of higher education administration were mainly under the jurisdiction of two Ministries, namely the Ministry of Education (MOE) and the Ministry of University Affairs (AUA). The MOE was mainly responsible for Rajabhat Institutes (former teaching colleges) and Rajamangala Institutes of Technology, and public and private vocational colleges. Public and private universities, on the other hand, were under the supervision and coordination of the MUA. In the year of 2003, the 1999 National Education Act (NEA) amalgamated three ministries playing active roles in Thai higher education i.e. Ministry of University Affairs, the Ministry of Education, and the Office of the National Education Commission into a single Ministry of Education with a new administrative structure. The new structure of the Ministry of Education thus is composed of 5 major offices and units as follows: Office of the Permanent Secretary; Office of the Education Council; Office of the Basic Education Commission; Office of the Vocational Education Commission; Office of the Higher Education Commission; and The Office of the Minister.
Commission on Higher Education (CHE), particularly, encompasses eight organizations. CHE is responsible for proposing policies, plans, and standards of higher education; mobilizing resources, ensuring education quality and standards in all public and private higher education institutes. It has the authority to manage and to promote higher education, including public and private higher education, on the basis of academic freedom and excellence. Each public university has its own charter empowering the University Council to function as the governing body i.e. to be responsible for the policy and administration of the university introduced as a government-supervised public university. The president of a university operates the university according to the policy laid down by the University Council. Each private university under the Private Higher Education Institutional Act of 1979 has its own council which is responsible for the general functioning of the institution as well as the organization of its internal administrative structure.

**Thai Higher Education Reform: “Autonomous University System”**

**Brief history of higher education reform.** The initial idea of Thai higher education reform, under the name of the autonomous university, can be traced back to 1964 when there was a concept to stimulate Thai public universities to be more efficient and to have a different operation from the bureaucratic system. In early 1980, there were several attempts to change the existing sixteen public universities to become autonomous, but those attempts failed due to the resistance from several education stakeholders such as students, parents, faculty, and public. Once the sixteen universities failed to make the transition to become autonomous, the

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8 These are: Bureau of General Administration; Bureau of Central Education Testing; Bureau of Policy and Planning; Bureau of Community College Administration; Bureau of Cooperation and Promotion; Bureau of Standards and Evaluation; Bureau of International Cooperation Strategy; Bureau of Students Development; and Bureau of Personnel Administration and Development.
government created a requirement stating that every new public university has to be established as the autonomous university. As a result, Prime Minister Chatchai Chunhawan took a concrete step for the autonomous university by establishing Suranaree University of Technology (SUT) in 1990 as the first autonomous university. SUT was set up as a model for the autonomous university “to operate independently from the government bureaucracy with its own autonomous administration system and with government financial support in the form of block grants” (Commission of Higher Education, 2004, p. 13). The attempt to pass laws for the transformation of the sixteen existing public universities into autonomous university was made again by Prime Minister Anand Panyarachun in 1992. Sixteen autonomous university bills were submitted but the Parliament put off the legislation and the laws were dropped at the end. The third actual attempt was made again during Prime Minister Chuan Leekpai’s administration (1997-2001), along with great pressure from IMF and the Asian Development Bank (ADB) after the 1997 Asian economic crisis. In order to secure an educational loan for public universities, the ADB asked the government to make a commitment to transform all existing public universities under the civil service system to autonomous ones by 2002, and also at least one existing university must be provided with full autonomy by December 1998 (Navaroj, 2001). In the meantime, the policy of the autonomous university was integrated into the Fifteen-Year Long Range Plane on Higher Education of Thailand, covering (1992-2007). This long range plan called for more efficient administrative structure, a procurement system, and resource mobilization for higher education, along with the principle of autonomy and the flexibility of management and accountability. Consequently, two Buddhist universities-Maha Mongkut Rajavidhayalaya University and Maha Chulalongkorn Rajavidhayalaya University-changed their status to autonomous ones in 1997. King Mongkut’s University of Technology Thonburi (KMUTT) was
upgraded from the status of Technology College to the status of university and decided to make transition to become an autonomous university in 1998. KMUTT is publicly regarded as the first existing public university making the transition to become autonomous. Additionally, two more autonomous universities were established: Walailak University in 1998 and Mae Fah Luang University in 1999. As mentioned, the ADB demanded all existing public universities to become autonomous universities by 2005. Indeed, seven of twenty-one public universities were transferred into autonomous status in early 2008. The remaining public universities are in a transition process with encouragement from government to take concrete steps.

**Forces for Thai higher education reform.** The driving forces for the reform of Thai higher education are political decentralization, a growing demand for higher education, quality assurance issues, and impacts of globalization.

The first factor contributing to Thai higher education reform is national political decentralization. The concept of decentralization in which an appointed provincial governor was replaced by elected ones has taken place in Thailand since 1992. It was considerably advanced after the new constitution was promulgated in 1997, and the Decentralization Act became effective on November 18, 1999. The main objectives of the decentralization policy are to make decision-making, planning and response mechanisms more accountable, transparent and participatory, and to solve the growing socio-economic inequality within the society. The decentralization of national politics has broadened to other units of government including the educational system. Henry, Lingard, Rizvi, and Tayor (2001) state once the national political administration is changed, the structures and policy administration of higher education inevitably are transformed as well. Particular attention focusing on the educational aspect was mandated in the Decentralization Act of 1999, as Article 6 of the bill states:
"for the purpose of directing, administering and managing educational affairs, the Ministry of Education and its departments will decentralize, delegate, or transfer the authority to administer and manage both the technical and general administrative aspects of education, including personnel, budget and finance administrative to all educational institutes under its jurisdiction with a view to making it congruent with the education program of the National Economic and Social Development Plan and the Education, Religion and Culture Development Plan of the Ministry of Education”.

In addition to the 1999 Decentralization Act, another important regulation advocating the decentralization in higher education is the 1999 NEA (revised in 2004), which serves as the fundamental law for the administration and provision of education. The act clearly states the need for the decentralization of authority of educational service, educational institutions, and local administration organizations as shown in section 39 of chapter 5:

“The Ministry shall decentralize powers in educational administration and management regarding academic matters, budget, personnel and general affairs administration directly to the Committees and Offices of the educational service areas and the educational institutions in the areas”

The second force for the reform is the issues of higher education quality. Thai higher education is in the period of expanding education from elite education to mass education. Yet, the quality of higher education in Thailand has been of great concern for decades (Sinlarat, 2003 & Suwanwela, 2006). The teaching and learning in higher education institutions are perceived as having placed too much emphasis on memorization and content, which do not relate to the real world situation, labor demand, and the development policy of the country (Sangnapaboworn, 2003). As a result, higher education could not cope with the changes; during the economic booms, there were shortages of trained manpower, while during the crisis, unemployment and under-employment of university graduates prevailed. The attempts to change from didactic teaching to more effective forms, such as learning by inquiry or self-learning, has been made at major universities. Before 1999, there was no audit or follow-up assessment on Thai higher
education institutions even though the assessment of the quality of education is regarded as one of the most important measures of educational outcomes. This was viewed as one main condition causing the quality issue of Thai postsecondary education.

The third force for the reform is the increasing demand for higher education. The 12-year compulsory education, raised from 4 years fifty years ago to 6, 9, and lastly to 12 years since 2000, and a 15-year free basic education as a consequence of the 1999 National Education Act (revised in 2004) will result in a large increase of high school graduates. The number of students having access to higher education will rise due to an effort to provide greater opportunities at basic education level. Moreover, the number of high school graduates is expected to increase from 0.7 million in 2000 to 1.8 million in 2016, an increase of 150% in 15 years time (Katakana, 2002). Demand for higher education places will increase correspondingly and put severe pressure on higher education systems in the present form. Serving the increasing demand for higher education therefore requires a more complex and diversified system, with more complex organization, governance, and administration.

The last force inducing the change of Thai higher education is globalization. The pressures created by globalization (i.e. the rapid creation and dissemination of knowledge and the information and communication revolution) are leading to intense demands on Thai higher education institutions to develop new structures and modes of operation. In addition, both within the nation and abroad new forms of teaching and learning through distance learning or e-learning have emerged. For Thai universities, globalization is viewed as a one way process (Suwanvela, 2006). It is a passive globalization, with Thailand on the receiving end. Thai universities take in knowledge, ideas, personal, equipment, and technology from abroad more rapidly and extensively than during previous waves of internationalization. In addition, the number of
foreign university campuses in Thailand has been increasingly due to cross-border education together with being affiliation of international organizations such as FTA and GATS. Recently, there are 15 campuses of foreign universities, increasing from 3 in 2004 to 34 in 2008. In Thailand, the influx of transnational education programs has emerged. Many foreign universities from the United Kingdom, the United States, and Australia have set up their own campuses as well as institutional arrangements with local universities and colleges to offer their educational programs to Thai students.

**Reform model.** The government-controlled model was implemented on Thai higher education system since the establishment of the first Thai university. However, since the 1999 NEA was passed, the model was changed from the government-controlled model to the government-supervised model. The government-supervised model or the state-supervised model, which was historically implemented in the United States and the United Kingdom, has been increasingly implemented by many nations around the globe such as Chile, China, Argentina, and Japan. Reddy (2002) frames the term of state/government supervised model as follows:

“In the state supervision model, the state seeks its task as supervising the higher education system to ensure academic quality and maintain a level of accountability. Governments provide the framework within which the administrative leaders of the institutions are expected to produce the outputs government want. Variations of the model are found in the United State, Canada, Australia, the United Kingdom, and the Netherlands” (p. 112)

Within this model, senior professors have strong power, while the institutional administrators have modest powers and the state accepts the modest role; and each university has its own student recruitment system, hiring system, and curriculum determination (Bray, 2007 & Sinlarat, 2003). The state–supervised model is a system that on the one hand universities are given greater autonomy but on the other hand they are asked to be more accountable to state or government. In the framework of Thai higher education reform, autonomous university was
introduced and implemented with hope to promote flexibility of university operations. Each autonomous university has its own administration structure and budgeting system for self-governance and full autonomy. The university entirely handles decision making on administrative and management matters.

In contrast is the state-controlled model in which the government regulated and controlled the higher education system of Thailand for a long period. Reddy (2002), once more, describes the concept of this model as follows:

“In the state control model, the system is created by and almost completely funded by the state, with key aspects controlled either by the bureaucracy or the politicians. Such a model is operative in Western democracies such as France, in Eastern countries such as Malaysia and Singapore, and in a number of African countries” (p. 112)

In the case of Thai higher education, within this system, the Ministry of University Affair (MUA) was responsible for administering all public and private universities. It played active roles in curriculum development; in approval of academic programs and curriculums; in dissolution of operational units, such as faculties or departments; and in administration of personnel affairs of all public universities. The MUA received funds from the central government and allocated them to public higher education institutions. Each university was given some freedom but the university, as an agency under the Civil Service as other government agencies, had to follow civil service rules and regulations on procurements, budget disbursements and operational structures.

**Fundamental principles of the autonomous university.** The primary idea of the concept of the autonomous university is to promote flexibility and administration independence for each public university. The University Council of each university will play significant active roles in controlling and supervising university administration. The University Council is delegated the authority and responsibility solely on formulating rules and policy to regulate the
administration of the university, namely the academic affairs, personal administration, and budget and asset management. The final decisions pertaining to these university administrations are subjected to the approval of the University Council, instead of the central government approval, as in the preceding system. All members of the University Council, comprising between nine and fifteen members, will be appointed for a period of two years and may be reappointed in the future. The University Council is also given the authority to grant degrees, graduate certificates, diplomas and certificates at the institutional level.

The National Education Act of 1999 describes the status and characteristics of autonomous university as follows:

1. The autonomous university is neither government sector nor state enterprise;
2. The autonomous university is a juristic entity under the supervision of Commission of Higher Education; and
3. The autonomous university is a state agency given budget allocation from national budget

In a few words, the autonomous university is the university that operates independently from the government bureaucracy with its own regulations and administration system, and is provided with government financial support in the form of a block grant. Principally, it is given autonomy to manage three major internal administrations: academic affairs, personnel affairs, and finance and budget affairs. These three administrative elements are be detailed as follows.

The administration of academic affair is the first element that is undertaken by the University Council of each institution. The university is empowered to determine curriculum, academic programs, and university structure independently. The university is also given the power for making decisions on what is best academically for the public, what programs to offer, how to offer them, what teaching and learning methods are to be used, and what are the standards of teaching and learning and research, etc.
The second element is the administration of personnel. The university has a full authority to constitute its own regulations and criteria for personnel administration, including recruitment, employment, evaluation, promotion and development, remuneration, benefits, complaint and appeal, and disciplinary action and punishment. The personnel administration under the autonomous university system is expected to recruit more qualified personnel, particularly university faculty who are able to deliver the desired academic outcome leading to an academic excellent.

The third administrative element is financial administration. The university council has the authority to regulate its own financial and accounting system. Each university is sanctioned to manage and invest its assets and properties and mobilize and generate income from various sources such as tuition fees, gifts, alumni, community organizations, private organizations, enterprises, and foreign countries for use in the provision of education. Each autonomous university receives educational funds in the form of block grants from the government. The university council is in charge of securing funds and to administer the use of funds in order to efficiently and effectively attain the desired academic outcome. Nonetheless, the university council is subjected to financial audit through reports to the government annually.

An autonomous university is self-governing or independent in operating and decision making (ONEC, 2004). However, the government has the power to evaluate and assure the standard and performance of autonomous universities and the government has the authority to audit accounts and assets of the university. In addition, the operation of autonomous university should be based on six key values made by the Eighth Higher Education Development Plan (1997-2001), which is a five year plan for higher education: Access and Equity; Quality and
Excellence; Efficiency and Accountability; Relevance and Delivery; Privatization and Corporatization; and Internationalization and Regionalization.

**Conclusion**

In the first part of the chapter, relevant literature review regarding change in higher education funding was presented. The archival data regarding reform of higher education funding in Thailand written by other sources than the Office of Education Council and Commission on Higher Education are neither available nor accessible. The researcher decided to present the literature review based on works done by the World Bank. It reveals that Thailand is one among many nations around the world that has undergone reform of higher education funding. It is interesting to note that ongoing higher education reform in Thailand is parallel to either what already happened in developed countries such as in UK and US during 1990s, or what is taking place now in other developing counties such as in China, Mexico, Chile, Indonesia, South Africa, and etc. One would deem that important factors such as international organizations, globalization, or neoliberalism are driving these similar changes. While it is interesting, the study will not to go into this topic since it is not the main focus of the study.

This chapter also provided a brief history of Thai higher education in which the first Thai university was established in 1916. The current higher education system consists of seven types of institutions: public universities with limited admission, autonomous public universities with limited admission; open universities; the Rajabhat universities (former teacher preparation colleges); the Rajamangala university of technology (former colleges of technology); private universities; public vocational colleges; and private colleges. Public institutions, except public vocational schools, are under the supervision of Commission on Higher Education which in turn is under the Ministry of Education. At present, there are more than 2 million students enrolled at
these institutions. In 2003, the structure of Thai education was reorganized: the Ministry of Education (MOE), the Ministry of University Affairs (AUA), and the Office of the National Education Commission which controlled and supervised education were merged into a single Ministry of Education with the establishment of five new offices, and CHE is one of them.

Also this chapter presented a brief history of the establishment of the autonomous type of university which was given the status of juristic person and given autonomy in financial, personnel, and academic management. The autonomous university is still regarded as a public institution and provided with educational funding by the government in the form of block grants or a lump sum. The autonomous university is different from the regular public university in that it gained in power of decision making, flexibility in institutional operations, and self-governance. The autonomous university policy is designed as a new system of Thai public higher education system. It was expected to address and/or enhance the quality of Thai higher education, which was viewed as in the crisis because of the low quality of graduates and low ranking of Thai universities in international arena.
Introduction

This chapter includes a description of the research design, methodology, and limitations of the study. The methodology section details the explanation and description of the population and the sites, research questions, research instrument, the data collection procedures, and the analysis method.

Description of the Research Design

This study is a mixed method research project: involving both quantitative and qualitative approaches to investigate, describe, and analyze the research. The study deals with the new funding framework for higher education under current Thai higher education reform called the autonomous university system. The study describes how it has been introduced and developed; how public universities have responded to this new funding framework; how some elements of this new framework have been implemented in some extent; and how implementation have been delayed; and how this new funding framework impacts academic work of university faculty, with respect to external income generation by institutions; and whether this new framework of government funding can actually enhance or address the issues of equity and access in higher education.

The methodology of this study was selected based on the goals of the inquiry, the questions being investigated, and the resources available. The central focus of this study is, first, on the analysis of content and context of educational policy of Thai government and, second, is
on in-depth interviews with organizational actors. The in-depth interviews were conducted with a limited numbers of Thai university faculty to secure qualitative data, on universities that are already autonomous. The content analysis of secondary data reveals how the policy of the new funding framework of the Thai government for higher education institutions, which is ongoing policy, has been introduced and changed over time in the past two decades. It also explores how this new funding framework has been influenced by higher education funding policy or funding frameworks of other nations, some of them having similar political, economic, and educational system while some have a different system from Thailand. In-depth interviews, on the other hand, are helpful for exposing relationships between policy and its actual implementation and for discovering how policy created at macro level effects persons at the institutional level who actually are implementing the policy.

The secondary and primary data analyses were utilized to provide a reliable and valid analysis. The analysis is based on many types of information. In dealing with the new funding framework for higher education institutions and some response of public universities toward this new framework, the study involved documentary research. The most relevant information was drawn from official records from various sources of government agencies. Some relevant existing statistical data was compiled, analyzed and presented in forms of graphs or tables. To deal with the impacts of the new funding framework on professorate, concerning external income generation of their institutions, primary data from in-depth interviews were involved.

**Methodology**

**Participants and selection.** The participants or subjects of this study were six Thai university faculty from three different elite public universities in Thailand. Access to these
subjects was obtained through informal networking. The technique that was used to select participants was purposive sampling. They were selected based on availability of access to them. These participants represent a group of people with experience in engaging income generating activities at their institutions systems; some of them have such experience in the government civil service system as well as in the autonomous one. In order to diversify the data, there was a selection of university faculty according to fields of academic specialization to have representatives from various groups. These university faculties were very open and spoke candidly when questioned, even the two interviews by phone. The interviews took approximately from 45 minutes to one hour and half.

These six participants consisted of three male and three female. Four participants are pursuing PhD degrees in different science programs at a well-know university in the Midwest, US. These four participants were sent to US by their host universities to pursue their specialization, but they are obliged to return and work as faculty at their sponsoring universities once they completed their degrees. These four faculty were instructors and had an average of two years and half experience in teaching. Other two participants are senior faculty who reside and teach at the College of Education at the same university in Thailand. These two faculty are associate professors and have long years of teaching experiences: one has taught for thirty one years and the other has taught for thirty four years. All participants are now university employees under the autonomous university system. The first four participants were assigned as university employees at the beginning of their employment, while other two senior faculty changed their status from civil servant to university employee after their university become autonomous. Only the two senior faculty were somewhat involved in the stage of policy process related to the autonomous university at their institutions; they took part in their university meetings to make
decisions on whether university personnel should change their status to become autonomous university employees or not.

**Data collection and instruments.** The methodology of the study is conducted in response to the three research questions of this study: (a) how has the new government funding framework been introduced and developed under the current Thai higher education reform?; (b) how has the new funding framework effected university faculty in terms of their teaching, research, and academic service especially with respect to institutional external income generation?; and (d) What are some responses of public universities toward this new funding framework since it has been implemented so far? The study requires the support and use of different sources of information to sustain the inquiry into the research problem. The following instruments and data were operationalized: (a) archival data which includes policy document, institutional documents, and existing statistical data and (b) guided open-ended interviews conducted with six Thai university faculty.

**Secondary data: archival data.** Archival data were collected to investigate these research questions: (a) how the new funding framework for higher education institutions under the autonomous university, which is continuing policy, has been commenced and changed over the time; (b) what are some responses of public universities since this framework has been implemented to a certain extent; and (c) whether this new framework for funding higher education can address the subjects of equity and higher education access. Documents are a valuable source of information in qualitative and quantitative research. These documents are public records that the researcher obtained from their publication on the Internet. They include state documents, newspapers, journals, books, and archival material in libraries (See References). These documents represent a good source for both text (word) data and numeric
data for a mixed method research. However, documents regarding the research topic are sometimes difficult to locate and obtain, particularly in English language. Documents in both Thai and English were obtained from the following sources: The Office of the Education Council (OEC); the Office of Commission on Higher Education (CHE); The Office of Higher Education Reform; Knowledge Network Institute of Thailand (KNIT); the Office of Budget Bureau; The Ministry of Education; the Office of National Economic and Social Development Board (NESDB); Annual report of Suranaree University of Technology (SUT); and Library of University of Illinois at Urbana-Champaign. The existing statistical data were mainly obtained from CHE and Bureau of Budget. The majority of obtained documents regarding funding/financing for higher education were written after the first National Education Act was issued in 1999. Various reports and recommendations pertaining to the perspective funding framework for Thai higher education were written by the Office of Higher Education Reform, OEC and CHE and were proposed to the Cabinet. Documents and data obtained were divided into five categories as follows:

1. The 1999 National Education Act (revised 2002)
3. Thai Higher Education Reform: the Autonomous University Act
4. Reports and Recommendations on Funding/Financing for Higher Education
5. Statistical data other relevant documents and data

**Primary data: interview data.** The interview was used as the main device to explore the following research question: how the new funding framework for higher education has an impact on university faculty in terms of their academic work, with reference to instructional external income generation. The participants of this study were a non-probability sample that facilitated
the gathering of primary qualitative data. The interview questions developed by the researcher were open-ended to probe participants’ perceptions about the effects on their academic work of the new funding framework for public higher education institutions. The interview instrument guide located in Appendix A was developed to capture essence of the experiences and perceptions of the research participants. The format of the interview was opened-ended questions: face-to-face conversations and telephone interviews. The interviews took variable amounts of time from fifty minutes to one hour and more. In order to obtain common themes that emerge from different participants about the same process, the interviewer repeated similar questions to different participants. The conversations during the interview were recorded by digital recording machine.

As mentioned in the beginning of this chapter, this study has six participants in total. I met with four participate individually and the other two participants communicated through the international telephone. Regarding gaining entry, each person was informed in advance by an electronic email letter asking for their cooperation on the research project. The respondents who indicated their interest in participating in the interview were contacted by phone for further information on the issue of confidentiality and to schedule interviews. Four of in-depth interviews were conducted in form of face-to-face conversations in the U.S. and other two interviews were conducted through the international telephone.

Before the interview began, I described the study in abstract to the interviewees and also asked him/her to sign a copy of a consent form. In case of the telephone interview, the participant located in Thailand verbally consent through the telephone. I also described to the interviewees the issue of confidentiality and reminded them that the data would be reported in such a way that names and places would not be identified. I then asked the interviewees for
permission to tape-record and to take notes during the interviews. All of the participants gave permission to be recorded. It should be noted that interviews to all the participants in this study were conducted in Thai and later translated them into English by the researcher.

The interview questions are divided into four major groups to provide specific guidelines in addressing the research problem. Each group of questions is used to develop an interpretative synthesis to answer research questions. The first group consisted of two sub-interview questions dealing with the reaction and/or view of faculty about the Thai higher education reform, named the autonomous university, and about the new funding framework of the government for public higher education institutions. The second group composed of five sub-interview questions relates to the effect of a new funding framework on their academic work, with respect to the need to seek additional income for their institutions. The third group comprised of three sub-interview questions aiming to search their reflections about sources of university income and their institutional engagement in income generating activities. The fourth comprised five sub-interview questions dealing with participants’ views in relation to the impact of the higher education reform and the new funding framework on the future development of Thai higher education and their main concerns.

Data Analysis

As presented in the beginning of this chapter, content analysis was used as the main instrument to analyze substantial collected secondary data. The categories were extracted and data were coded to identify the major themes that different data sources provide in light of the conceptual framework of this study.
The interview data were transcribed word for word into text data and translated from Thai language to English language. While the researcher listened and translated the interview tapes, there was an ongoing process of note-taking as a means of capturing interpretations. Codes and pseudonyms assigned during the initial stages of the research project were used to attribute information to the appropriate participants. The transcribed data then was segmented and coded. The researcher read the participants’ responses multiple times to identify themes and to interpret the data from differing perspectives. The analysis for interview data revealed that in the process of policy implementation at the institutional level, there were fundamental distinctions in the ways in which university faculty understood, perceived, and made meaning of higher education reform and to some extent of the implementation of the new funding framework. After multiple readings, reflection, and interpretation, the researcher extracted themes and then put them into four meaningful categories as follows:

1. participants’ feeling toward Thai higher education reform and the new government funding framework for public higher education institutions;
2. the effects of the new funding framework on university faculty’s academic work;
3. participants’ perception and experience regarding resource diversification for education and the institutional commitment to income generating activities;
4. and participants’ concerns vis-à-vis higher education reform and the new framework for funding higher education in Thailand.

Limitations of the Study

There are several limitations of the study. First of all, the small sample size of participants in this study may affect the study’s generalization of the finding. However, it should be noted that qualitative researchers often sacrifice the breath of the sample for the depth of understanding and richness of the data. Second, because this study was conducted with Thai
university faculty at public universities, there might be some limited generalization to the
government/state funding framework for higher education and its effects on professorate of
other countries. Third, this study includes only university faculty from public universities already
who transferred their status from government civil service to autonomous university employee.
Therefore, there might be some limited generalization to university faculty of other Thai public
universities and private universities as well. Fourth, doing research across cultures and languages
can be a challenge. That is because the interview process and the data transcription were
completed originally in Thai language. I, as a researcher, tried to stay close to the Thai language
meaning while trying to translate in a manner to get the message across in English. It should be
noted that there are some Thai words or contexts that cannot be translated into English.
Fifth, the number of professors was selected according to networking and snowball techniques.
The timing and funds available for the study limited the number of participants.

Conclusion

In this study, both quantitative and qualitative approaches were used to collect and
analyzed data in order to gain insight from policy documents relating to the development of the
new funding framework for public higher education institutions and from university faculty
regarding their perceptions of the effects of the new funding framework on their academic work,
in relation to institutional external income generation. The chapter explained what kinds of
archival data were collected and how they were gathered and analyzed. The chaptered also
detailed the subjects of this study; how they were selected; how the interviews took place; and
how the interview data were transcribed, analyzed and presented.
Chapter 4
Findings From Secondary Data

Introduction

This chapter will present findings from the analysis of the secondary data. The main body of the chapter will present the new funding framework of government for higher education, particularly for public universities under the autonomous university system. This new funding framework was issued as policy based on proposals and recommendations by three government agencies: the Office of Higher Education Reform, the Office of Educational Council, and Commission on Higher Education. The chapter first will begin with the overview of funding for higher education. Second, the chapter will present the past funding framework for Thai higher education by focusing on the funding mechanism and government budget allocation. Third, the chapter will look at the four elements of the new funding framework which includes performance-based funding, resource mobilization for higher education, institutional external income generation, and the shift from supply-side funding to demand-side funding. Forth, in order to explore the reaction of public (autonomous) universities toward this new funding framework, the chapter will present Suranaree University of Technology as a case example. Fifth, the chapter will end with a summary of the first four sections.

Overview Funding for Higher Education

Higher education has significant roles in economic and social development of the nation. Currently, higher education in many countries, including Thailand, has been reconsidered and transformed through a reform to be more productive and excellent; to be able
to respond the needs of the society and nations; and to be an important engine enhancing the competitive capacity of the nation particularly in the era of the increasing global economy.

Along with the phenomena of higher education reform, public funding of higher education has been reconsidered and discussed among policy makers and academic writings across the world, including Thailand. Regarding the reform of public funding for higher education, several questions were raised: What kinds of funding mechanism should be introduced so that the university can be more efficient and accountable? What is appropriate government funding on higher education? Who should be funded by public money? Should other sources such as private cooperation, families, and donors support or participate in higher education funding? Should public institutions providing higher education be encouraged to engage in entrepreneurial activities to supplement a shortage of fund?

Thailand among other countries has made an effort to improve and develop higher education by initiating higher education reform called the autonomous university system. This reform has attempted to move all existing public universities from the government civil service system to the autonomous university system. The change in government funding for higher education is set as one important agenda under this reform. It was viewed that the effective and successful change in higher education funding will contribute to the success of the current Thai higher education reform.

The Past Funding Framework for Higher Education in Thailand: Funding Mechanism and Budget Allocation for Higher Education

**Line-itemed funding mechanism.** In the past several decades, Thailand employed several types of budgeting or funding mechanisms. Before the introduction of the new or current funding mechanism, line-itemed funding (LIF) or line-itemed budgeting mechanism
was selected and implemented as a national budget scheme since 1982. Since the Thai government was under the bureaucratic system or highly centralization system, the LIF system was employed by all government agencies including the Ministry of Education and Commission on Higher Education. Each government agency was allocated funds or budget based on the inputs and funds were allocated according to seven modes/categories: salaries and wages; temporary wages; remuneration, service other than personnel and supplier; public utilities; equipment, properties, construction; subsidies; and others. Each institution had to spend their budget based on rigid bureaucratic rules and any unspent balances on a line-itemed funding had to be returned to the national treasury. Institutions were not permitted to transfer these amounts to reserves under their control. This produced two consequences. First, there is a spending spree at the end of every year as institutions discharge accumulated funds. Second, there is no build-up of a reserve fund. Moreover, the expenditure budgets were finally approved based on current needs in the context of historical expenditure patterns. This amounted to adding a percentage to the allocation for the previous year, and did not address the issue of inequality with the more advantaged institutions or ensure adequate funds for institutional development. The LIB was used as an instrument to control expenditure in which the expenditure should not be surplus or greatly different from an originally-allocated budget. The LIF system among other causes is viewed as one main cause contributing to the current crisis of Thai higher education system (Sinlarat, 2003, Weesakul, 2004, & Kirtikara, 2004). The Thai higher education system is seen to face both qualitative and quantitative crisis. That is a major proportion of university graduates are not sufficiently competent in their fields of study and there is a surplus of graduates in the field of social sciences. The ranking of Thai

9 The term ‘line-itemed budgeting’ is particularly used by the Bureau of Budget.
universities at the international level is viewed as another evidence of needed improvement of the Thai higher education system.

It was found that academic writings regarding the need to remove the old funding system were written by the Office of Education Council (OEC), The Office of Higher Education Commission, and the Office of Education Reform. The report by OEC in 2003 to the cabinet of Prime Minister Tuksin Shinawatra presented drawbacks of LIF as follows:

1. Principally, the LIB mainly oriented toward controlling and auditing input. It lacks flexibility and consumes a lot of time to proceed or operate activities.

2. The LIF system did not facilitate the mobilization of resources for educational use from all parts of the society. Consequently, educational resources were not sufficient to develop institutions to become academically excellent.

3. Educational system was inferior in terms of efficacy because educational resources were not allocated to the sources that produced educational services, which were able to provide education in response to the real needs of the society.

4. The LIF system did not support the competition among educational institutions either between public and private institutions or among public institutions in term of seeking additional funding from other sources than the government source.

A report by the OEC in 2004 to the Higher Education Working Group of the Education Reform Steering Committee pointed out the disadvantages of the LIF mechanisms.

1. The ILF approach measured the success or failure of budget in terms of the ability to spend all allocated funds; it did not concentrate on the effective administration and outcome from the use of the budget.

2. University income derives from two main sources: revenue from the government and revenue generated by the university itself, mostly from tuition and fees. The separation of these two types of finances makes it difficult for a public institution to effectively handle its finances.

3. The government budget year is not consistent with the academic year. The government budget year begins on October 1st and ends on September 30th of the following year. While the academic year begins on June 1st and ends on the following May 31st. This is a problematic.
Government budget allocation for higher education. Funding for all public institutions is bureaucratically operated within the same government funding framework, and the government has been the main fund providers for public higher education institutions.\(^{10}\)

Table 2

Comparison of Gross Domestic Product, National Budget, and Educational Budget: Fiscal Year 1996-2009

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Gross Domestic Product (G.D.P.)</th>
<th>National Budget (N.B.)</th>
<th>Educational Budget (E.B.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount (Million Baht)</td>
<td>% (+) Increase</td>
<td>Amount (Million Baht)</td>
</tr>
<tr>
<td>1996</td>
<td>4,684,000.0</td>
<td>14.3</td>
<td>843,200.0</td>
</tr>
<tr>
<td>1997</td>
<td>5,302,000.0</td>
<td>13.2</td>
<td>984,000.0</td>
</tr>
<tr>
<td>1998</td>
<td>5,731,300.0</td>
<td>8.1</td>
<td>982,000.0</td>
</tr>
<tr>
<td>1999</td>
<td>5,583,000.0</td>
<td>-2.6</td>
<td>825,000.0</td>
</tr>
<tr>
<td>2000</td>
<td>5,420,000.0</td>
<td>-2.9</td>
<td>860,000.0</td>
</tr>
<tr>
<td>2001</td>
<td>5,208,600.0</td>
<td>-3.9</td>
<td>910,000.0</td>
</tr>
<tr>
<td>2002</td>
<td>5,614,900.0</td>
<td>7.8</td>
<td>1,023,000.0</td>
</tr>
<tr>
<td>2003</td>
<td>5,799,700.0</td>
<td>3.3</td>
<td>999,900.0</td>
</tr>
<tr>
<td>2004</td>
<td>6,263,700.0</td>
<td>8.0</td>
<td>1,028,000.0</td>
</tr>
<tr>
<td>2005</td>
<td>7,123,710.0</td>
<td>13.7</td>
<td>1,200,000.0</td>
</tr>
<tr>
<td>2006</td>
<td>7,878,500.0</td>
<td>9.5</td>
<td>1,360,000.0</td>
</tr>
<tr>
<td>2007</td>
<td>8,399,000.0</td>
<td>8.8</td>
<td>1,566,200.0</td>
</tr>
<tr>
<td>2008</td>
<td>9,232,200.0</td>
<td>11.0</td>
<td>1,660,000.0</td>
</tr>
<tr>
<td>2009</td>
<td>9,813,800.0</td>
<td>9.0</td>
<td>1,835,000.0</td>
</tr>
</tbody>
</table>

Note. Unite: Millions Baht
Source: The Office of National Council, 2009

In the past fourteen years (1996-2009) (See Table 2), the proportion of national educational budget of Thailand averaged 22.8 percent of the total national budget and 3.9 percent of GDP. In general, the educational expenditure has accounted for the largest percentage of the total national budget and there is an indication that it will grow increasingly.

\(^{10}\) Private higher education institutions are not funded and subsidized by the government funds. In the past few years, however, the government has begun to provide loan for these private institutions while they are encouraged to increase their roles in the production of quality graduates.
However, the government funding on education decreased during 1998-2002 because the effects of the 1997 Asian economic crisis. Yet, it increased again in the year of 2003. If we consider educational expenditure by function (See Table 3), the educational budget was largely allocated to K-12 education, which accounted 69 percent. On average, in the past fourteen years, the government support for of K-12 education was about 23 times higher than that for higher education.

Table 3

\textit{Educational Expenditure by Function: Fiscal Year 1998-2009}

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Educational Budget (E.B.)</th>
<th>K-12 Education (K-12)</th>
<th>Higher Education (H.E.)</th>
<th>Others</th>
<th>% of H.E./ E.B.</th>
<th>% of H.E./ K-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>226,609.8</td>
<td>154,367.7</td>
<td>40,926.9</td>
<td>31,315.2</td>
<td>18.1</td>
<td>26.5</td>
</tr>
<tr>
<td>1999</td>
<td>208,614.1</td>
<td>141,224.3</td>
<td>36,471.9</td>
<td>30,917.9</td>
<td>17.5</td>
<td>25.8</td>
</tr>
<tr>
<td>2000</td>
<td>221,051.1</td>
<td>147,907.2</td>
<td>35,289.1</td>
<td>37,854.8</td>
<td>16.0</td>
<td>23.9</td>
</tr>
<tr>
<td>2001</td>
<td>221,591.5</td>
<td>150,925.6</td>
<td>32,761.5</td>
<td>37,904.4</td>
<td>14.8</td>
<td>21.7</td>
</tr>
<tr>
<td>2002</td>
<td>222,940.4</td>
<td>151,728.1</td>
<td>32,008.3</td>
<td>39,203.3</td>
<td>14.4</td>
<td>21.1</td>
</tr>
<tr>
<td>2003</td>
<td>235,444.4</td>
<td>162,997.9</td>
<td>33,347.9</td>
<td>39,098.6</td>
<td>14.2</td>
<td>20.5</td>
</tr>
<tr>
<td>2004</td>
<td>251,233.6</td>
<td>179,721.1</td>
<td>33,480.4</td>
<td>38,032.1</td>
<td>13.3</td>
<td>18.6</td>
</tr>
<tr>
<td>2005</td>
<td>262,938.3</td>
<td>184,454.9</td>
<td>40,308.3</td>
<td>38,175.1</td>
<td>15.3</td>
<td>21.9</td>
</tr>
<tr>
<td>2006</td>
<td>294,954.9</td>
<td>203,246.2</td>
<td>48,152.3</td>
<td>43,556.4</td>
<td>16.3</td>
<td>23.7</td>
</tr>
<tr>
<td>2007</td>
<td>355,241.1</td>
<td>245,488.8</td>
<td>58,444.3</td>
<td>51,308.0</td>
<td>16.5</td>
<td>23.8</td>
</tr>
<tr>
<td>2008</td>
<td>364,634.2</td>
<td>253,509.4</td>
<td>67,011.2</td>
<td>44,113.6</td>
<td>18.4</td>
<td>26.4</td>
</tr>
<tr>
<td>2009</td>
<td>400,232.2</td>
<td>281,548.6</td>
<td>72,058.6</td>
<td>46,625.0</td>
<td>18.0</td>
<td>25.6</td>
</tr>
</tbody>
</table>

\textit{Note.} Unite: Million Baht

\textit{Source:} The Office of National Council, 2009

One important factor influencing the large funding to basic education is the commitment of the 1997 Constitution and the 1999 National Education Act to expand compulsory education from 9 years to 12 years and to provide free education to all Thais. The government will likely shift the greater part of the educational budget into basic education since the Thai government under Prime Minister Abhisit Vejjajiva expanded free education from 12 to 15 years in 2009. A program of 15-years free of education was launched to increase access to basic education, especially for students from poor and low income families.
Budget of higher education on average accounted for 16.2 percent of the total educational budget over the past twelve years. Higher education budget declined for seven consecutive years, from 1999 to 2005, but it increased again in 2006. Even though the total educational budget of the nation increased during 1999-2005, the budget of higher education was steadily reduced.

The Four Components of the New Funding Framework for Higher Education

The new funding mechanism: performance-based funding (PBF). The previous section has presented the old funding mechanism and the government budget allocation for higher education. This section will present ‘performance-based funding’ which is the new funding mechanism and is the first element of the new funding framework for Thai higher education. In order to understand the mechanism of performance-based funding, its historical background will be provided. In formulating a new funding mechanism, many studies and research projects were conducted; meeting and seminars were organized periodically to gather views and useful information from experts and official from concerned agencies; and advice also was also sought from foreign experts who were selected to serve as short-term consultants. These seminars and activities mainly took place right after the promulgation of the 1999 NEA and composed of various experts from different areas: committees of higher education reform; public and private university presidents; distinguished academics; the Secretary and officials of University Council; the director of Budget Bureau; the Secretary and officials of Education Council and; officials from Commission on Higher Education; representative from student organizations; as well as representative from the medias. To be specific, four funding
mechanisms were presented and discussed at these meeting: negotiated –based mechanism; input-based mechanism; output-based mechanism; and quality-based mechanism.

The negotiated-based mechanism has been broadly used by the government or states as the funding mechanism for educational institutions including universities. With this mechanism, university budgets are set in accord with their real or perceived political strength. The drawback of this pattern is that it does not create enough motivation for a university to operate and perform effectively, while its strength is to reflect the guarantee in the political equality for higher education institutions in the past.

The input-based funding is linked largely to student enrollment weighed by standard cost estimates and the priority attached by the government to different subjects. This funding pattern is also used as the mechanism to allocate funding to academic institutions by many nations such as South African. The advantage of this device is that the government can implement major policies without intervening in university management. However, it is viewed to lack support for the university to have effective performance and lacks an encouragement for the university to reduce its operational cost.

The output-based funding links the resources to the number of students completing courses and degrees. This model encourages universities to graduate as many students as possible and as quickly as possible. On the one hand, this mechanism encourages a university to screen and select high quality students and to reduce the failure and the retention rates. On the other hand, efficiency becomes an issue in a nation where it is common for students to take more years to graduate.

The last funding mechanism is quality-based funding. The interesting feature of this model is that the resources are linked to the number of high quality students admitted. Under this
scheme, the competitive national screening and selection process gives an advantage to children from more affluent families for admission into more prestigious public universities, because students’ families can afford to send their children to tutoring schools which tutor the students on how to pass the competitive entrance examination.

As a result of the conferences, the committees informally agreed to combine the mechanisms of input-based funding and output-based funding to create a new funding mechanism and called it performance-based mechanism. Performance-based funding (PBF) mechanism is the funding mechanism based on student body and graduate output in various fields of specialization such as degrees awarded, degrees awarded in particular fields, average time to degree completion, and performance of graduates on post graduate education. In addition, the reports of results on performance indicators are considered as factor to determine the total funding for a public higher education institution. The PBF was partially implemented as the new funding mechanism for Thai higher education in 2005.

Within the PBF mechanism, higher education institutions are directly allocated government funds in the form of block grants or in a large sum. A block grant is a large sum of the government funds allocated directly to higher education institutions with a broad provision, unlike categorical grants. The amount of block grants allocated to each institution can be varied on availability of government budget in each fiscal year. The authority and responsibility in financial management is given to institutions along with block grants as well. Each institution independently has to decide how to distribute block grant funds within its institution and how to

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11 According to the report by Bureau of Budget, the performance-based funding/budgeting is a complete method starting from planning, budget allocation, and management focusing on outputs and outcomes. Output is object or tangible and intangible service produced by a government agency, while the outcome is the benefits from the output and the effects of output on community and environment. The performance measurement is the important core of the operation of performance-based funding/budgeting. Within performance-based funding, all government agencies including universities are required to establish a self-evaluation system for institutional performance and are required to be evaluated by external reviewers.
create and control its own budget system. The government will not guide and control the institutional expenditure but will play roles of promoter, supervisor, and policy maker. Beside, the block grants allocated by the government are needed to be combined with income generated by a university itself to make-up an annual university income. In other words, the annual income of university is derived from two major sources: a block grant from the government and income from institutional-self generation. The institution will also have only one budget accounting system instead of two separate budget accounting systems, which are government budget system and university budget system as in the past funding framework. However, how to calculate the unit cost that is accurate and appropriate becomes the important issue that the government and universities have to cooperatively work out. The unit cost needs to be acceptable and agreeable to both funding provider (the government) and funding receiver (universities) but is still in the process of estimation.

When analyzed the data regarding the change of government funding mechanism, which will particularly apply to public universities under the autonomous university system, it was found that the new funding mechanism was intensively studied and discussed by government officials and government agencies during 1999-2004, even though the first three autonomous universities in Thailand were established during 1991-1995. Besides, several research projects regarding the reform of Thai higher education funding were conducted mainly by the Office of Education Council (OEC) and are mainly available in Thai language. Most research projects done by the OEC were studies of the funding of higher education of other countries such as England, Australia, Japan, U.S., Malaysia, Singapore, Taiwan, Korea, and China. The two most influential countries on the Thai funding mechanism for higher education were England and Australia. In addition, the Office of Education Council and Commission on Higher Education
sent their officials to either England or Australia to study, do search, or attend seminars about funding on higher education. The knowledge and research officials obtained were presented and shared at the meetings on the topic of either higher education reform or university funding reform. Therefore, the new funding mechanisms of the government funding to higher education institutions could be formed were on the combination of ideas on higher education funding from several countries. The funding framework of England particularly has an influence on the mechanism of government budget allocation, while the funding framework of Australia has an effect on financial assistance policies for students such as means-tested grants and Income Contingency Loan (ICL).

It is important to point out that the change in government funding to higher education is an ongoing process. Even though it was been established and accelerated its changing process by the 1999 NEA, up to the year of 2009 the legislation concerning funding of higher education had not been authorized. While some frameworks of new government funding for higher education such as performance-based funding has been implemented to some extent, other elements of government funding frameworks are still in the discussion and decision making process. In November 2008, the Secretary of Commission on Higher Education reported the development of the reform of government funding for higher education (Manager Online Newspaper, 2008). The report revealed that the government will allocate educational funds for higher education through ‘a buffer organization’. The buffer organization is not developed and established yet and it may be similar to the Higher Education Funding Council for England established in 1992, which is responsible for distributing government funds to higher education institutions. The Commission on Higher Education (2008) describes the buffer organization as follows:

1. The buffer organization will play a role as mediator: receiving funds from the government and then distribute them to academic institutions.
2. The buffer organization will undertake duties of negotiating the policy and budget allocation between higher education institutions and the government.

3. The buffer organization has to engage universities on effective planning and operation, for example, university strategic planning, budget development, funding allocation, and academic program review.

4. The buffer organization has to adjust annual budget allocation for public higher education institutions in order to accord with the goals of nation development and other development plans such as the National Economic and Social Development Plan.

The government will allocate educational funds to academic institutions according to five University Development Funds through the buffer organization. These five funds include (a) the Permanent Asset Fund, (b) the Professional Development Fund, (c) Research Fund, (d) Student Development Fund, and (e) Fund for supporting research and services to local communities. The buffer organization then will allocate fund to each institution corresponding to five kinds of funds and these five funds can be unconditional grants and subsidies or conditional grants such as loans or miscellaneous support grants.

**Resource mobilization for higher education.** In the introduction of this chapter I heralded the 1999 National Education Act (NEA) was the major source bringing about major changes in funding for higher education, and resource mobilization is one of those changes. Chapter 8 of the 1999 NEA section 58 states about the resource mobilization in education as follows:

There shall be mobilization of resources and investment in terms of budgetary allocations, financial support, and properties from the State; local administration organizations; individuals; families; communities; community organizations; private persons; private organizations; professional bodies; religious institutions; enterprises; other social institutions; and foreign countries, for use in the provision of education.

In short, the 1999 NEA encourages other sources to become educational supporters either as providers or partners in educational provision. Therefore, resource mobilization from other
sources than the government source could challenge both the government and higher education institutions. The government has to find strategies, incentives, and mechanism to attract public attention to contribute to education as stated in the 1999 National Education Act. At the same time, the academic institutions have to play active roles in seeking contributions from other sources since they are empowered to take action for diverse sources.

In recognition of the importance of the services of providing higher education to citizens and in order to respond to the intentions of the National Educational Act, the government has selected tax as the instrument to encourage resource mobilization for education. By and large, there are three types of educational taxes that have been employed to support education (Siam Development Institutions, 2007). The first type is tax revenue which is levied from various categories of tax. The government funds for education in all levels mainly come from this public tax.

The second type is tax incentives for education. In order to encourage other sources to donate funds to higher education, the tax incentive is established allowing contributors such as private business and organizations to deduct from their income and estate tax through charitable giving. Tax incentives such as in U.S. and UK are used as effective means to persuade both corporate and individual donors to contribute to higher education. According to Siam Development Institution (2007), the incentive tax system for education in Thailand is not efficient and effective enough to attract contribution from other parts of the society; it still needs greater development. Beside, other sectors of the society, especially private organizations, were not given sufficient information about tax deduction from contribution to education. Charitable giving or donations in Thailand generally go to religious institutions such as temples as oppose to educational institutions. An improvement on public understanding about tax exemption and
the meaning of donations for education is what needs to be given attention by the government and other relevant organizations.

In addition to tax revenue and tax incentive for education, the government also has implemented tax relief for education. Under the tax relief for education, students and their parents are granted a few tax breaks for their payment of expenditure on education. Parents specifically are allowed a tax deduction or credit for higher education tuition or other costs of their children.

Currently, even though the educational law encourages other sources and public to financially support higher education, the other source such as private organizations and corporatization, local administration organizations, communities, religious institutions, and social organizations did not increase their roles in contributions for education. The government still remains the major source of financial support for higher education. One important factor possibly influencing the degree of public contribution in higher education is the broad argument stating higher education costs should be viewed as a business investment or expense by students. It presumes that students would earn higher income after graduation from universities. The individual will benefit either in personal terms with a university degree (broadening of his or her intellectual horizons) or in terms of developing marketable skills (human capital) or both (Curran, 1982). Similarly, the Siam Development Institutions argues that students in higher education should be responsible for their education cost according to the benefit principle. They argue that students earn more benefits from their education than does the society at large.

Resource mobilization for education has not progressed as much as was expected and there is no effective scheme for inducing people who benefit from university education or operation to contribute to university operations and functions. For these reasons, in 2007, the
Office of Education Council (OEC) called for resource mobilization for education as a national agenda to be accomplished during 2008-2012, with respect to the development of education quality. In order to meet this goal, the OEC recommended the following strategies:

1. The government has to make clear about the benefits of supporting education by communities, private businesses and corporations, local administrative agencies, and social organizations.

2. The government must revise the laws and change the legislations regarding local administrative agencies to allow them to support academic institutions that are not under their authority.

3. The academic institutions should create effective mechanisms to communicate their needs to public.

4. The incentive mechanisms should be improved and developed to attract private sectors support for education. For instance, the government should revise the tax deduction code or the tax exemption code to be more attractive to the private sectors.

**Institutional external income generation.** External income generation is the third element of the ongoing new funding framework for public higher education in Thailand. External income generation of tertiary education or universities is a worldwide phenomenon. Income generation outside the government budget of higher education institutions are widely discussed and written about in academic writing (Williams, 1992; Rhodes, 1997; Sporn, 2003, William, 2003; Sinlarat, 2003; Slaughter & Rhoades, 2004; and John & Parson, 2004). Barbara Sporn (2003) points out that while the funding by the government of higher education has been diminishing, universities have begun to construct innovative and entrepreneurial structures. Fundraising activities, technology transfer units, research centers, and alumni clubs have been established to enhance private giving and endowments and to attract research grants.
In the context of Thailand, external income generation, like the mobilization of resources for education, was situated by the 1999 NEA. Income generation of academic institutions appears in Chapter 8, section 59 and 60. Section 59 states that:

State educational institutions which are legal entities shall be empowered to take charge of overseeing, maintaining, utilizing and earning interest from their properties, both state land as provided by the State Land Act and other properties; earn income from their services; and charge tuition fees neither contrary to nor inconsistent with their policies, objectives, and main missions.

In the meantime, the Section 60 proposes that:

The State shall be responsible for the following:
(2) Distribution of grants in terms of loans for those from low-income families, as appropriate and necessary; (5) Distribution of budgetary allocations as general subsidies for state degree-level institutions which are legal entities and are state-supervised or public organizations; and (7) Establishment of the State and Private Education Development Fund.

From the statement of Section 58 and 60, the sources of income of higher education institutions become diverse as shown in figure 1. In addition, the status of Special Juristic Persons established by the act enables public universities not only to control their own budget or to have finance autonomy but also allows them to supplement or increase their income from other appropriate sources. The revenue of academic institutions can derive not only from the government source in various forms such research grants and subsidy, but also from non-government sources such as donations, gifts, private organizations, and beneficiaries of university output (graduate, research and service). In contrast, university income under the bureaucratic system largely came from the government budget, along with small portion of supplementary income from tuition fees. In a nutshell, the institutions of higher education under the new funding framework can diversify sources of income to increase financial resources, provide discretionary money, and reduce governmental dependency if they are well supervised and committed to income generating activities.
This discussion will focus on six major means of income generation/supplementation which higher education institutions in Thailand have utilized or will be utilized in the near future to supplement their core income. These are: research; tuition and fees; academic services; investment; the sale of intellectual properties, and philanthropy. The statistical data is not yet available to indicate the performance and result of the implementation of these six main activities for external income generation and representing the whole of Thai higher education or even the twenty four public universities in this discussion. That is because, first, the Thai higher education system now has two groups of universities: one group already has become autonomous but the others still are under the government civil service system and are the making transition to become autonomous university. Second, even though now there are thirteen autonomous universities, seven of them just became autonomous universities at the beginning of 2008. That
means they have been legally permitted to engage in activities of external income generation or to diversify their resources for only two years. Indeed, it will take them a few more years before they can actually reveal the result and outcome from the implementation of the six means as mentioned above. The six main means of income generation will be discussed in detail in the following.

**Research.** Research is viewed as a crucial instrument to enhance the development and competitiveness of the nation and of higher education. In the framework of higher education, research is not only a means to generate and develop knowledge but also is one important means of university revenue. Research will increasingly play vital roles in terms of institutional income creation since the government has attempted to use funding for research based on open competition as the apparatus to enhance research activities and capacities in higher education institutions. In general, income from research can be draw from two types of research: research grants and research contracts.\(^{12}\) Higher education institutions have basically secured research grants from four main government agencies: the National Research Council (NRC) found in 1956, the Institute for the Promotion of Teaching Science and Technology (IPST) established in 1972, the Thailand Research Fund (TRF) originated in 1992, and the Commission of Higher Education (CHE). Other minor research funding can be obtained from non-government organizations (NGOs) including foreign or international organizations.

In Thailand, on average, research and development (R&D) budget share annually accounted only 0.74 percent of the total national budget and it has remained at 0.25-0.26 percent of GDP. In order to respond the need to enhance national research and development (R&D), in

\(^{12}\) A research grant is initiated by the researcher to pursue some academic objective and is to some extent subsidized out of general institutional funds. On the other hand, a research contract is usually initiated by sponsors or funding providers and the providers are expected to cover full cost of research projects.
2009, Prime Minister of Thailand, Abhisit Vejjajiva, announced to an increase in the national research budget up to 1 percent of GDP (komchadluek, 2009). To boost R&D capacity, in July 2009, Thai Education Minister declared that the Ministry of Education acquired the approval from the Cabinet to spend 12 billion baht on developing national research universities (Mahachai, 2009). The budget will be provided for research purposes to seven to ten universities from the total of twenty four public universities. Noticeably, one basic requirement of this research grant is that the eligible universities or institutions have to sit among the world's top 500 universities in *Times Higher Education* rankings in 2008. In fact, only seven Thai public universities meet this qualification. The rest of the universities have to demonstrate outstanding international research in the past five years and their research has to be recognized by the *Times Higher Education* ranking as well as PhD holders must account for at least 40 percent of their teaching staff.

The income from research contract in Thai public universities in the earlier periods did not account for the total of university earnings. However, with the encouragement of entrepreneurial activities under the current framework of government funding for higher education, generating income from research contracts could obtain considerable attention from universities. Research collaboration between university and private industry is one approach that has begun to be implemented by the government to increase research activities in universities or institutions providing higher educations. With the government’s initiative in university and industry research collaboration, greater amounts of university research would be funded by non-government sources. Meanwhile, more universities would slowly begin to apply more and more funds for campus research projects from private industries.
**Tuition and fees.** Tuition and fees has been increasingly and generally used as the form for shifting cost from the taxpayer to parent and students (Williams, 1992 & Johnstone, 1998). Some European nations where tuition for higher education used to be absent or even opposed to any form of tuition have begun to introduce not only tuition fees but also propose different types of tuition fees. Before the current reform of Thai higher education, tuition of higher education set based on price regulation and had a long tradition of charging very low tuition fee at public institutions. Students paid about 10-20 percent of the total tuition cost and the rest of tuition cost was funded or subsided by the government. Therefore, tuition fees did not significantly account for the total income for academic institutions as it did in private higher education institutions in which students had to be responsible for their full education cost. Since the regular tuition fee from a regular program does not increase the income of universities, several public universities manage the shortage of governmental funding by offering special programs including evening programs, weekend programs, and international programs and charging additional tuition\(^\text{13}\). In contrast, universities in the developed countries with well establishment uses of educational technology offer online educations or online degrees to create supplementary income of their institutions. Generating additional income from special programs has come to be commonly practiced among universities in Thailand. The tuition fee of special programs is usually three to four times higher than that of regular programs. To illustrate, the regular tuition fees of the law program at Chulalongkorn University in 2008 was 33,500 baht per year whereas the tuition fee to evening program was charged 163,500 baht per year. Most of students enrolled in the evening and weekend programs had already entered occupations. Under the reform of higher education funding, in addition to increasing tuition fees of regular programs, tuition and fees from special programs, using English as instructional language and dominated by Thai students with few students from other nations, are registered by students from middle class or wealthy families.

\(^{13}\) The international programs, using English as instructional language and dominated by Thai students with few students from other nations, are registered by students from middle class or wealthy families.
programs have remained significant in institutional external income generation. In terms of income generation of institutions, it perhaps would play a more significant role than increasing tuition of regular programs even if it has fewer students enrolled.

**Academic service.** Academic services are viewed as one potential means for academic institutions to create external income. Some Thai public universities have, for example, institutional consultancy services that aimed to function as a profit making enterprise. Academic services do not only increase income of institutions, but also justify in term of opportunities for practical professional experience for academic staff and students, and as a promotional activity to attract subsequent research contracts (Chapman, 2005). Several public autonomous universities, for example, King Suranaree University of Technology and King Mongkut's University of Technology North Bangkok, have taken steps in recent years to earn revenue by selling their academic service.

**Investment.** In the past, earning from investment barely accounted for total income of most public universities. As government agencies under the bureaucratic system, universities were not empowered to do investment to increase their institutional revenue. However, under the autonomous university system, the investment activity to supplement institutional income is permitted and could attract more institutions to undertake it since higher education institutions are legal entities allowed to engage in various investment activities with respect to income generation.

**The sale of intellectual properties.** In the past many decades, the issue of intellectual properties and patents were not given attention by most Thai universities. Academic institutions produced research but they did not focus on registering patents or the commercial use of intellectual properties. The intellectual properties were utilized for academic and social purpose
rather than for the commercial use since the academic institutions producing the intellectual properties were government agencies. The number of patents of Thai higher education institutions is very few compared to that of the academic institutions in other countries. To illustrate, Chulalongkorn University, which is the first Thai university and is regarded as the most elite university of Thailand, has had only twelve patents up to the year of 2005 and another thirty six patents are in the examination process (Rakpholmuang, 2007). In contrast to universities under the government bureaucratic system, King Mongkut's University of Technology Thonburi, which is the highest rank Thai university changing its status to become autonomous university in 1992, has had already seven patents so far and another thirty patents are in the process of assessment. Nevertheless, the autonomous university policy has stimulated autonomous universities to increase their interest in creating income from the sale of the intellectual properties. To support the production and sale of intellectual properties, the Office of Higher Education in 2005 initiated a collaboration project in research and development between the government sector and the private business sector by establishing the University Business Incubator (UBI) in higher education institutions and as well, setting up Technology Licensing Office. At present, the sale of intellectual properties has been gradually capturing the interest from several universities. Some universities set up policy or rules that require university faculty, researchers, and students to report their innovations that can potentially be used by their institutions for the commercialization. Universities even pay for patent registration fees. Most funds used for inventions mainly come from government subsidies and grants from the Office of Commission on Higher Education, while funding from the industrial section is still very low.

**Income generation from philanthropy.** In Thai higher education system, incomes from private gifts, endowment, charitable foundation, and donations account for a very small percent
of the total recurrent income of institutions providing higher education. As previously noted, the large charities or donations tend to support religion or go to religious institutions as compared to academic institutions or even to students. In contrast in the U.S., philanthropy giving to higher education both to private and public colleges and universities has been successful. For instance, the University of Michigan received about $150 million annually during 1990s from approximately 90,000 individuals, 1,600 corporations, 135 foundations, and 700 associations (Young, 1997). In Thailand, the culture of giving support to education needs much further development. Currently, the government has used tax reduction/exemption as an incentive to attract contribution from benefactors, but it is not so far effective. Perhaps, fundraising activity could be one possible means to draw greater support from alumni, corporations, and other donors. However, it may take universities several years along with a vast financial investment to assemble the updated alumni addresses, the alumni associations, and of the volunteers, and the experience with fund drives to begin making any net revenue.

The shift from supply-side funding to demand-side funding. The funding of public universities under the new funding framework has been moving toward performance-based funding or measurable output indicators, resource mobilization, and external income generation. In addition to these three elements, increasing funding on demand side is another main element of a new funding framework. This element is regarded as one important effort of the government to shift supply-side funding to demand-side financing--financing by students rather than by institutions. Within the notion of shifting higher education funding from supply-side to demand-side, funding for instructional costs used to be provided to institutions is now transferred and allocate directly to students through forms of governmental financial assistance schemes, called Income Contingency Loans (ICL), and need-based grants. The shift to demand-side funding was
written by several government agencies under the Ministry of Education. Yet, the report that is most relevant was written and proposed to the Cabinet by the Office of the Education Reform in 2004. This report proposes shifting from supply-side funding to demand-side funding as follows.

1. The fund for instructional cost which used to be allocated to institutions has to be transferred to educational loan funds.

2. Other funds will remain on supply-side funding: including (a) land and building (b) durable articles; (c) research and development; (d) academic service to society, art and cultural support; and (e) student quality development

3. The Office of Student Loans Funds (ELF) will be in charge of allocating funds to students, so that students can use money from the loan to pay tuition fee directly to institutions.

4. Tuition fee from student will be counted as university revenue.

5. The government funding on higher education will not be decreased: the annual budget for higher education funding which is about 140,000 million baht will be maintained to make higher education possible since education is viewed as public service.

6. With all five aspects mentioned above, the government funding allocation for higher education will be changed from supply-side funding to demand-side funding, or to students.

*Rational for shifting to demand-side funding.* The shift from supply-side funding to demand-side funding that is happening in Thailand and in other countries is influenced by the notion of cost sharing. The trend toward cost sharing by shifting higher education cost from being traditionally supported by the government to being shared by students and their families is a worldwide phenomenon. This tendency is seen in dissimilar social-political-economic systems and in national systems totally dissimilar in their growth phrase of higher education system (Chapman, 2005). Nevertheless, different nations have different rationales to support the idea of cost sharing. For the Thailand case, the analysis from relevant documents reveals that there are four main rationales for the government and policymakers to advocate shifting funding from
supply side (institutions) to demand side (students) or support the notion of cost sharing between the
government and students and parents.

The first reason is the notion of equity: the view that those who benefit should at least share in the costs. It is believed that programs or degrees will bring the greatest private return to the students (or parents) either in future earning capacity, in prestige, job security, or anything else of value in a profession or vocation. In addition, educational returns benefit the society, but it is thought that the private return of education is greater than the public return. Therefore, students in higher education should contribute to the instructional costs or tuition fee of higher education. At present, the government support for students in higher education accounts for 70-80 percent of the total education cost while students take responsibly for only 10-20 percent of their financial burden for higher education. The government expects the percentage ratio of government subsidy to the cost of university graduates and the student contribution to their education cost to become 50:50.

The second reason for the government to transfer funding from institution side to student is to address the issue of unequal government funding to students at public institutions over students at private institutions as well as a disproportionate number of the beneficiaries of higher education. Public institutions funded by the government are supposed principally to serve students particularly students from low income families. Yet, it turns out large number of the beneficiaries of higher education at public institutions are from middle, upper middle, and upper income families who could and would pay a portion of the cost of instruction if they had to. And they remunerated about 10-20 percent of their total education cost, whereas students at private institutions have to be responsible for the full cost of their education because their institutions are
not funded by the government. This is unfair for students enrolled at private institutions and for their parents who are also taxpayers.

The third reason that supply-side funding is shifted to demand-side funding is the government’s endeavor to improve the education quality of higher education through the pressure from students and parents who become consumers or purchasers. This motive is the end result of the neo-liberal economic notion: tuition fees – a price on a valuable and highly demanded commodity - will bring to higher education some of the virtues of the market. Within this idea, the quality of higher education will be based on efficiency since the payment of some tuition fees will make students and families more discerning consumers and the universities more cost-conscious providers. The institutions also will be pressured to be more competitive in improvement and enhancement of educational quality, thus becoming excellent in academics.

The fourth reason for the government to shift the burden of higher education costs from government to parents and students is to balance the introduction of tuition increases based on cost recovery. As presented, tuition fee based on price regulation which was used by the Thai higher education for several decades has been replaced with tuition fees based on cost recovery. The tuition will likely depend on market mechanisms and it can be raised if it is needed and is appropriate and acceptable.

**Shift from the supply side funding to demand side funding.** In order to shift supply-side funding to demanding-side funding and to secure transferred funds from the supply side, the Office of Student Loans Funds (OELF) was established and operated in 1996, and the Act of Student Loans Fund was promulgated in 1998. Principally, the government allocates funds to educational loan program and the OELF allocates and distributes fund to students according to special rules and procedures. Traditionally, the OELF provided only one type of government
financial assistance called a student loan. (In order to avoid confusing, the term ‘a traditional student loan or existing loan program will be used to refer to the original student loan or the first type of student loan in Thai higher education system). In the year 2004 and 2005, the Cabinet endorsed the Income Contingency Loan (ICL) and a need-based grant to be implemented in 2006. And the government allocated 5,493,238,200 baht to these two new types of financial assistance: about 4,803,268,200 baht for ICL and about 689,970,000 baht for a need-based grant. In the beginning, the government wanted to terminate the existing student loan program and replace it with the Income Contingency Loan (ICL) and need-based grants program. However, in order to see whether the ICL is suitable or not and as is waiting for the Act of Income Contingency Loan to be authorized, the ICL and need-based grants were implemented. While the traditional student loan was maintained only for the previous borrowers. The beginning of the first semester of 2006 academic year (May 15-October 15), students who applied for student loan from the Student Funds Loan were assigned and provided only with Income Contingency Loan (ICL). Notably, the ICL was temporally canceled in the 2007 academic year and was resumed again in May 2008. Given the fact that ICL is eligible for students in tertiary education and the traditional loan is reserved for the former borrowers, students at higher school level wishing to apply student loans were not allocated any educational loans between 2006 and 2007, but they were provided with a free grant or need-based grants instead. However, they were eligible again for the traditional student loan after the ICL was continued again in 2008. In addition, a need-based grant, which is non-repayable, was abandoned after one year of its implementation. Therefore, there are only two types of governmental financial assistance in the 2009: traditional student loan (repayable) and Income Contingency Loan (repayable). The Student loans Funds which is part of change in public university funding is in the process of
transition and change as well. Whether the government will slowly replace the traditional student loan with the ICL if the result of ICL implementation comes out effective, and the Act of ICL is enacted or not is unpredictable at this moment. The distinctiveness of each type of the government financial aid can be shown: the requirements; amount of loan and interest rates; repayment parameters, the minimum of income or salary to be repaid, and forgiveness of the debt.

*The traditional student loan.* A traditional student loan was first implemented in Thai higher education system in 1996. This student loan is available to students at high school and tertiary education on the basis of means testing of family incomes: family income must be equivalent to or less than 200,000 baht ($6,000) per year. Principally, the traditional student loan is designed to assist students from poor or low income families. The loan will cover tuition fee, cost of living, and other expenses relating to education. Regarding rates of interest and repayment parameters, this student loan carries low rates of interest and long repayment periods. Students who take the loan have to begin repayment after a 2 year period following their graduation. Collection takes the form of former students repaying directly to Krung Thai Bank Public Company Limited, which is a government agency, and when their income reaches 56,400 baht ($1,693) per year or 4700 baht ($141) per month. Students can either repay a loan monthly or annually. Students are given 15 years to repay the loan at an interest rate of one percent of the total loan, calculated after the first repayment. However, students can avoid the interest debt by paying up-front. Those opting to defer payment and repay the debt after graduation receive interest rate subsidies equal to the real rate of interest for each year the debt remains unpaid. Students are fully obligated to repay a loan and their parents have no responsibility for their son/daughter loan repayment. The loan repayment will become mute if students die.
**Income contingency loan.** Income Contingency Loan (ICL) which is the second type of the government student assistance scheme in Thailand was recommenced in 2008, after a year of temporarily suspending it in 2007. Researchers and policy makers of Thailand, including as well as other many countries, have been engaged in public debate concerning the potential of ICL to replace existing higher education financing arrangements. Income Contingency Loan (ICL) was first orientated by Australia in 1989, known as the project of Higher Education Contribution Scheme (HECS). ICL was originated to maintain access in higher education after the tuition charge was introduced and implemented, particularly for students from poor and low income families. The second country to adopt and implement a broad based ICL was New Zealand in 1992. The ICL has been popular and adopted by other many nations from low income countries to high income countries: the Republic of South African in 1991, US in 1993, Chile in 1994, and UK in 1997. In addition, with the support of the World Bank and other international organizations, the ICL was introduced along with reforms of higher education financing such as in: Indonesia (1995 and 1998); Papua New Guinea (1996); Namibia (1996); Malaysia (1999); Ethiopia (2000); Rwanda (2001); the Philippines (2002 and 2003); and Mexico (2003) (Chapman, 2005). The ICL system introduced in these countries shares some features but differs from arrangements introduced in Australia.\(^{14}\) Chapman (2005), in *Income Contingent Loans for Higher Education: International Reform*, examines the conditions behind the successful adoption of ICL in Australia, New Zealand, South Africa, and the UK. He revealed three main reasons for such an achievement: (a) these four countries have in place taxation systems allowing proficient collection of student charges on the basis of future incomes; (b) these countries have similar higher education systems inherited from the UK; and (c) the majority of universities of these

\(^{14}\) See more details about the differences and similarities of ICLs among these countries in Chapman’s discussion paper entitle “Income Contingent Loans for Higher Education: International Reform”.  

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nations are public sector institutions, which facilitated the recovery of the loans since the collection authority is also part of the public sector.

For the Thailand case, out of a growing concern over unjust and inefficient utilization and allocation of resources for higher education, the increase of outstanding debts from the Student Loans Fund over the past several years is regarded as another main reasons to introduce the Income Contingent Loan (ICL). The ICL scheme which is a new phenomenon in the funding of Thai higher education has been adapted from the Australian model to suit economic and social conditions in Thailand. The ICL is available for students who are in tertiary education regardless of their families’ income. The ICL is designed particularly for students who are not qualified for the traditional student loan, which is reserved only for economically-disadvantages students and their family with annual income is lower than 200,000 baht ($6,000). Even though the ICL provides for students regardless of family income, the ICL gives priorities to students who are in academic programs that the nation needs and corresponds to the production of private sector. The fields of study given priorities by ICL are sciences, engineering, medical programs, and industrial mechanics. According to the 2006 ICL allocation data, 35 percent of the total ICL was allocated to sciences and engineering, 35 percent to industrial mechanics, 15 percent to medical programs, and 9 percent to social science, humanity, and art. The ICL, as the traditional student loan, provides students with finance for tuition fee, cost of living, and other expense concerning education. The ICL is now being discussed once more by policy makers after it was restarted in 2008. The special rules regarding repayment parameters: debt collection; debt collector; a given time for repayment; interest rate, and debt forgiveness have not been created yet. Hence, it uses the repayment parameters of the traditional student loan while it is waiting for its new policy to be made. When the ICL was first implemented in 2006 with the policy commendation from
OEC, the collection of the debt depended on the borrowers’ future capacity to pay. Students were required to repay a debt when the level of their future incomes reaches 192,000 baht ($5,760) per year. While the student loan maintains a maximum interest rate at one percent, Income Contingent Loans had no interest or is a zero interest rate loan, but the amount of debt varied on a consumer index. ICLs borrowers were obligated to repay a maximum amount in present value terms for a given length of time and the repayment contract was invalided if students’ age reached 60 years old. In terms of debt collection, the Revenue Department was appointed to collect repayment from borrowers through the deduction of their income thresholds. How is ICL financially sustainable? Can it continue to be operational with large operational costs without earning any interest? Does it have effective collection programs? These questions would perhaps cause the current amendment of the ICL.

*A need-based grant.* A need-based grant was established in 2006 but abandoned in 2007. Nevertheless, it is worth to present at least it used to be selected and implemented as one type of government student financial assistance, under the shift from supply-side funding to demand–side funding. The need-based grant was a system of means-tested grant and was a free grant established to assist economically-disadvantaged students but academically outstanding at the high school and vocational school. In the year of its first implementation in 2006, the amount of need-based grants accounted for only 2.3 percent of the total amount of the government financial assistances, while the traditional student loan accounted for 81.9 percent and 15.8 percent for ICL. About 689.97 million baht of a need-based grant were allocated to 114,995 higher school students. Traditionally, high school students were eligible for the traditional student loan. However, once the ICL was introduced, the government wanted to discontinue the student loan for high school and vocational school students. In order to maintain and provide educational
accessibility of academically qualified but financially needy students after the discontinuity of the traditional loan, the government established and provided a free grant for these students. That was why the need-based grant was originated, even though eventually it was ceased.

In brief, the government has been shifting funding method from supply-side funding to demanding-side funding through educational loans. The discussion has illustrated major differences between two types of loans. However, whether the Income Contingency Loan (ICL) is effective in shifting higher educational cost burden from governments to students and addresses the issues of education quality and inequity or not may not be answerable and offered at present. Whether the implementation of ICL will be more effective than the existing student loan and will be as successful as in Australia, New Zealand, UK, or South Africa or not is what we may look forward to seeing in the near future.

The status and performance of student loans. In the year 2006, the Office of the Educational Loan Fund (ELF) provided the traditional student loan, ICL and a need-based grant to 2,679,772 students with the total fund of about 237,260 million baht. From the data appearing in the table 4, financial assistance schemes provide by the government, which consisted largely of the traditional student loan, may indicate some effectiveness in cost sharing between the government and student and may reveal the efficiency in increasing educational access and opportunities. The number students who were provided with financial assistance schemes increased from 148,444 in 1996 to 868,264 in 2005. Meanwhile, the amount of funds was increased from 3,652.59 million baht from 1996 to 25,393.32 million baht in the year of 2005. More than 8 million students were served with the total fund of 237,309.01 million baht during 1996-2006.
Table 4

The Allocation of Government Financial Assitances for the 2006 Academic Year

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Number of Student</th>
<th>Total Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>148,444</td>
<td>3,652.59</td>
</tr>
<tr>
<td>1997</td>
<td>435,426</td>
<td>12,151.19</td>
</tr>
<tr>
<td>1998</td>
<td>747,010</td>
<td>19,443.02</td>
</tr>
<tr>
<td>1999</td>
<td>881,868</td>
<td>23,746.39</td>
</tr>
<tr>
<td>2000</td>
<td>900,990</td>
<td>24,449.63</td>
</tr>
<tr>
<td>2001</td>
<td>987,655</td>
<td>28,481.07</td>
</tr>
<tr>
<td>2002</td>
<td>1,003,217</td>
<td>29,710.79</td>
</tr>
<tr>
<td>2003</td>
<td>918,966</td>
<td>28,637.18</td>
</tr>
<tr>
<td>2004</td>
<td>884,723</td>
<td>26,045.41</td>
</tr>
<tr>
<td>2005</td>
<td>868,264</td>
<td>25,393.23</td>
</tr>
<tr>
<td>2006</td>
<td>459,963</td>
<td>15,598.51</td>
</tr>
<tr>
<td>Total</td>
<td>8,236,526</td>
<td>237,309.01</td>
</tr>
</tbody>
</table>


Speaking about repayment and collocation, the percentage of repayment has slowly declined: from 89.85 percent in 1999 to 65.89 percent of the total payment in 2006.

Unemployment, lack of information regarding repayment, and lack of understanding repayment parameters were viewed as the causes for low repayment rate. The SLF has worked intensively on public relations and advertisements through internet, television, radio, newspaper, brochures, and etc to encourage borrowers to repay the loan. The SLF even offered special discounts if the repayment is made between March 15 and April 15, when the due date for repayment is every July 7 of each year. In addition, the SLF has established volunteer clubs in five different regions to provide information regarding the student loan and financial means-tested grants, repayment parameters, and others.

The educational cost is shifted to students and families by introducing financial assistance in the form of loans and/or grants to preserve accessibility and equity become part of the revenue
supplementation of organizations. For example, the Educational Loan Fund (ELF) was generated revenue about 219,989,456 million baht in 2005 and about 557,340,873 million baht in 2006. Large of revenue derived from the interests of loan and of saving account and from fine fees. The projections of future revenue of the ELF are expected to increase. This indicates that the government does not only shift cost to student but also can generate income from financial assistance schemes.

**Evaluation of the 1999 National Educational Act.** In 2009, the National Education Council (NEC) reported on the performance of the 1999 National Education Act nine year after it was implemented. In terms of the reform of finance for education, it is one vital issue among others that was called for urgent improvement and development. The capital mobilization for education was mainly derived from tax levy. Students in higher education still take less responsibility for their financial burden on education although they are viewed as the ones who earn most benefit from education they obtain. Consequently, the ones who actually can afford and have ability to pay do not take on financial burden they should be responsible for. The call of the government for other sectors of society to support and invest in education is less successful. In the meantime, the report points out that performance-based funding are not completely implemented because the unit cost or per head cost of student has not been well developed yet. The budgeting system also still focuses on budget allocation based on line items which do not relate to output and outcome. As the result, resources cannot be allocated to sources of production and service that have effective standard quality or have effective performance.

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15 Other two important issues that are required to be improved are the quality of education and decentralization of educational management.
Reaction of Public Autonomous Universities Toward the New Funding Framework: A Case Example of Suranaree University of Technology

Brief background of Suranaree University of Technology (SUT). To illustrate whether public universities under the autonomous university system have begun to engage in external income generating activities or to diversify their sources of income or not, Suranaree University of Technology (SUT) will serve as an example. SUT was founded as an autonomous university in 1990. SUT aimed to become a research university mainly concentrated in the fields of science, technology, and engineering. In terms of university funding, SUT is provided with block grants based on performance-based budgeting. The university prepares its annual revenue and expenditure budgets, categorized according to plan and project. The budget for that particular year is activated after the approval of the University Council. All financial and budgetary operations have the University Council as the final say. SUT has been financed by public money as have other public universities. However, after a few years, SUT has begun to earn income from a wide range of non-traditional activities: research grants; the growing demands for contract research; academic consultancy; and other expert services. The entrepreneurial activities within the frame of university do not only create advantages in terms of supplementary income but also produce other benefits (Pannell, 1982 & Johnstone, 1998). These benefits are: to help initiate a market sensitive institutional culture; to introduce correlative training experience for students; and to set up cooperative links with business partners who might become involved in curriculum guidance, work placements and part time teaching arrangement. In the long run, these advantages will assist the quality development of higher education and the influx of revenue.
Table 5

Sources of Income and Expenditure Budget of Suranaree University of Technology: Fiscal year: 1998-2007

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>University Revenue (%)</th>
<th>Expenditure Categories (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Government (Budget (%))</td>
<td>Operating Expenditures (%)</td>
</tr>
<tr>
<td>1998</td>
<td>77.09</td>
<td>58.90</td>
</tr>
<tr>
<td>1999</td>
<td>71.06</td>
<td>69.64</td>
</tr>
<tr>
<td>2000</td>
<td>71.72</td>
<td>67.68</td>
</tr>
<tr>
<td>2001</td>
<td>71.65</td>
<td>78.16</td>
</tr>
<tr>
<td>2002</td>
<td>72.82</td>
<td>79.00</td>
</tr>
<tr>
<td>2003</td>
<td>76.51</td>
<td>77.53</td>
</tr>
<tr>
<td>2004</td>
<td>75.87</td>
<td>72.76</td>
</tr>
<tr>
<td>2005</td>
<td>71.16</td>
<td>72.83</td>
</tr>
<tr>
<td>2006</td>
<td>70.96</td>
<td>74.20</td>
</tr>
<tr>
<td>2007</td>
<td>69.23</td>
<td>72.22</td>
</tr>
<tr>
<td>Average</td>
<td>72.80</td>
<td>72.29</td>
</tr>
</tbody>
</table>

Source: Annual Report Suranaree University of Technology, 1998-2007

Sources of funding and self income generation of Suranaree University of Technology. According the annual report of the Suranaree University of Technology (SUT), in the past decade SUT has sources of revenue as follows: (a) government allocated budget; (b) donations; (c) tuition, fees, and services; (d) investments and use of assets; and (e) use of the land entrusted to the University. The government budget has accounted for the largest percentage of the total university income. The funding from the government for SUT decreased from 77.09 percent in 1998 to 69.23 percent in 2007, but it has averaged 72.8 percent in the past decade (See Table 5). In contrast, the resources generated by university itself have gradually increased from 22.91 percent in 1998 to 30.77 percent of the total budget. It increased about 7.86 percent in the past ten years and, on average, it accounted for 27.19 percent of the total income of SUT. Regular operating subsidies from the government will not grow. So, SUT has to become entrepreneurial, earning extra income and involving faculty and students in this effort. It has
begun to generate income on its own through the sale of services, specialized courses, consultancy services from: Industrial Technology Assistance Program (ITAP); New Enterprise Creation (NEC); the Center of Scientific and Technological Equipment (CSTE); Science Park, Agricultural Technology Service Center (SPATS); University Business Incubator (UBI), and hotel and conference center. This shows that the university has made an effort to increase its budget by generating resources of its own.

Expenditures of Suranaree University of Technology. Expenditure of SUT is divided into two main types: capital outlay and operating budget. Available data reveal that a large part of university income was spent on capital outlay during 1990-1996 while the operating budget accounted for a small percentage of the total expenditure. In contrast, seven years after SUT’s establishment, the operating budget has gradually increased whereas the capital outlay has continuously declined. For example, in 2007, the operating cost accounted for 77.22 percent despite the fact that the capital outlay accounted for only 22.09 percent. Universities personnel expenses represent 60-70% of total operating expenses and 50-60% of the total expenses are direct expenses of teaching. In terms of the sources of income for expenditures, in 1991, one year after the founding year, 98.6 percent of the total expenditure derived from the government budget while other revenue accounted for only 1.4 percent. However, the other revenue which was created by SUT itself now plays a significant role in the total expenditure of institution beginning in 1993 up to the current year. In 2001, for example, 71.6 percent of the total expenditure was covered by the government funds and the rest of 28.4 percent was covered by income created by university itself. Expenditures on equipment and buildings are obtained mostly from the government budget. It is expected that the percentage of income from
institutional self-generation will increasingly account for the total expenditure of university. The annual government budget now accounts for about 70-75% of its total operating expenses.

**Research Performance of Suranaree University of Technology.** In terms of research, Suranaree University of Technology is committed to becoming the Research University of Thailand and has concentrated on research activities and strengthening its research funds from various resources. SUT, as with other public universities, secures its funding for research from three main sources: Internal funds (SUT revenue and SUT Funding), Bureau of Budget (approved by National Research Council of Thailand), and others. In the fiscal year 2008, SUT spent 15 million baht on research activities through research units, groups, and centers: 22 units, 1 group, and 5 centers. The university also secured government and outside funding for 420 research projects of the faculty and graduate students in different schools of the university. About 13.78 percent of the total research funding was obtained from the internal funds, 19.42 percent from the Budget Bureau, and 66.80 percent from other sources. Most university faculty have outside research funding and it is expected to acquire more outside funding in the future. In 2008, 36 articles were published in international journals; 10 articles were published in national journals; 69 articles were presented at international conferences; 38 articles were presented at national conferences; and 7 patents, 1 sub-patent, and 11 trade secrets have been obtained so far.

**Conclusion**

Funding for higher education in Thailand is undergoing a significant transformation along with the reform of higher education called the autonomous university system. The change in funding for higher education was situated primarily by the 1999 National Education Act. The first part of this chapter provided a general overview of funding for higher education.
The second part of the chapter presented the line-itemed funding mechanism which is the old funding mechanism and allocates educational funds to higher education institutions based on line items. This mechanism was viewed to lack flexibility, control of expenditure, and caused the issue of low quality of higher education.

The third part of the chapter provided the new framework of government funding for higher education that is being discussed among policy makers in Thailand. This framework consisted of four major elements. The first element is the new funding mechanism for higher education called performance-based funding mechanism. This mechanism is introduced and advocated not only to address the drawbacks of the previous funding mechanism, but also to enhance the quality of higher education by allocating funds for education to academic institutions based on performance measurement. The second element of the new funding framework is resource mobilization for education which was initiated by the 1999 NEA. The Act calls for other sectors of the society such as parents, private business, social organizations, NGOs, and local administrative organizations to contribute higher education either by being providers or partners in education provision. The government has employed tax exemption and tax relief to attract other sectors to support higher education. The third element of the new funding framework is institutional income generation. Once again, this element was initiated by the 1999 NEA. Higher education institutions are authorized to seek and create income from various means and sources, for example, by signing research contracts with private business. Concerning the change in funding in the context of the autonomous university system in Thailand, while the government has become much more selective in the criteria by which the government allocates funds to universities, universities are encouraged to seek an increasing proportion of their finance/funds from non-traditional sources or non-government sources. This
can be regarded as a new phenomenon for Thai higher education institutions, which were long under the governmental bureaucratic system that neither forced nor facilitated them to generate additional income or external income. With the influence of current higher education reform, Thai higher education institutions have to change their role from fund user only to become both fund user and fund generator. Each institution must learn how to generate external income from various sources as stated in the Chapter 8 of the 1999 NEA. Even if universities have existing means of income generation, they need to develop and enhance their existing means to be more competitive. It is acknowledged that some Thai public universities under the bureaucratic system have practiced some income generation activities such as evening programs, weekend programs, or international programs to compliment the shortage of funds received from the central government. Yet, other income creation activities such as fundraising, the sale of intellectual properties, and research contracts, which are commonly used by educational institutions in developed nations, for instance U.S. and OECD nations, have not been explored or utilized generally by most Thai public universities.

The last element of the new funding framework is the shift of supply-side funding to demand-side funding--funding student side rather than institutions side. This shift is pressured by the notion of cost sharing between the government and students according to the principle that students who are the ones gaining great benefits from their graduation should be responsible for their higher education cost or share educational costs to some extent. The funds from the institutional side were transferred to student loan programs under the office of the Student Loans established in 1998. Traditionally, there was only one type of student loan which is a low interest loan and has been reserved for students from poor and low income families. In 2006, the income contingency loan, which was adopted from the income contingency loan model of Australia, was
introduced as the second type of student loan. This type of loan is available to students who are not qualified for the first type of loan, and it gives priority to students in science programs. In addition, these student loans have been introduced to maintain accessibility in higher education in the face of increasing costs in the form of tuition and fees.

The fourth part of this chapter described reactions of public autonomous universities toward the new funding framework. Suranaree University of Technology (SUT) which is the first autonomous university in Thailand was selected and presented as the case example. SUT is provided with block grants by the government. With its granted the status of juristic person, SUT has engaged in income generating activities, focusing particularly on academic service activities by establishing various centers and types of academic services to private business, small and medium enterprises (SMEs), and the public. Income generated by SUT itself has increased gradually while a large part of university revenue is still obtained from the government.

The new funding framework for higher education in Thailand is ongoing process and one cannot anticipate when the new funding framework will be completed and fully implemented. However, this new funding framework hitherto has brought many changes to higher education institutions, to educational stakeholders as well as to the public.
Chapter 5

Findings From Interview Data

Introduction

The previous chapter had presented the finding of the new funding framework for Thai higher education which was drawn from legislation and policy documents, and from perspectives of policy makers at the macro level. In order to learn about the effects of the policy implementation of a new funding framework on institutional actors at micro level, open-ended interviews were conducted with six Thai university faculty from three different universities. University faculty is regarded as an important resource on academic institutions and they play significant roles on the success of institutions. Besides, in the case of the new funding framework of Thai higher education, they are the ones among other institutional actors who actually do implement the policy. Hence, it is important to study perspectives and experience of university faculty on how the new funding framework for higher education institutions has affected them, with respect to supplementary and/or external income generation of institution. The change in government funding for higher education cannot be successful without the coordination and support from university faculty who are institutional actors and who implement policy. Second, participant’s reflections may have significant impact on further development of the government funding framework for higher education.

The qualitative interviews of this study were conducted with six participants: three male and three female. Five of participants are lecturers and other participants are associate professors. In term of age of participants, there were three between 20-30 years, one between 31-40, one between 50-60, and one between 61-70. Four participants have teaching experience between two
and half years in average while other two participants have teaching experience for more than thirty years. The number of participants was small so each participant was asked several open-ended questions in order to represent their experience and point of view regarding the Thai higher education reform and the impact of the new funding framework on their academic work. Special emphasis was placed on external income generation of institutions. The result from the analysis of interview data is dividend and presented in four major sections.

The chapter first will begin with reaction of participants to higher education reform and the new funding framework. Second, the chapter will present the effects of a new funding framework on academic work of university faculty, with regard to institutional external income generation. Third, the chapter will offer participants’ reflections on the sources of public university income. Forth, the chapter will present participants’ concerns about the higher education reform and the new funding framework and remaining issues for further development of higher education. Fifth, the chapter will briefly summarize the findings acquired from the interview data.

The Finding From the Interviews

Reaction of participants toward higher education reform and the new funding framework. This first section presents the overall feeling or reaction of university faculty toward an ongoing higher education reform and the new funding framework for public higher education institutions. This section consisted of two sub-interview questions. These questions were:

1. How do you view the current Thai higher education reform called autonomous universities?
2. How do you view the change in university funding under this autonomous university system?

Most of participants had similar opinions and thoughts about the higher education reform and the change of university funding. Five of six participants agreed and supported the current higher education reform and only one participant disagreed with the recent reform. The five proponents provided reasons for their advocacy as follows:

1. Higher education reform called the autonomous university system will increasingly enhance the overall quality of faculty, particularly their research performance. All new requirements regarding university employees and increased job evaluations will pressure faculty to be more active and enthusiastic and to work harder.

2. This higher education reform gives more flexibility to universities by granting self-management and decision making. As a result, universities can make faster decisions and do not need to report every little thing to the central government as they did when they were under the bureaucratic system.

The participant who disagreed with Thai higher education reform gave interesting reasons for his difference. He said “universities made radical transition without readiness. They were not ready to make a change but they did. I think universities have to make a transition to become the autonomous university someday but it’s not now. The institutors that already made transition lacked efficient preparedness before they decided to convert to the new system”.

Notably, as one participant was hired as a university employee from the beginning but wasn’t asked to take part in any of meetings and brainstorming sessions of higher education stakeholders, roundtable discussions, or even public polls. On the other hand, all interviewees thought this reform have several drawbacks as follows:

1. The autonomous university system has increasingly shifted the financial burden for higher education cost to students and parents by charging higher tuition and fees.

2. The university leaders including university president and deans turned out to be the groups that hold most power, not the faculty. Whether universities will be better off or not significantly depends on this group of university leaders.
3. Universities will gradually recruit more students in order to create income from tuition and fees since the university has to financially rely on its own funding activities. As a result, class size and/or class section will be expanded while the numbers of faculty remain the same.

Among these three drawbacks, all participants mostly discussed about the last drawback, which relates to the quality of education in relation to external income generation of institutions. The institutions increased student enrollment, particularly student enrollment in special programs, to earn additional income. The interviewees reasoned teaching and learning can’t effectively take place in big classes with a limited number of faculty or instructors. In addition, since there are too many students, faculty might not be able to help every student in her or his class, particularly students who have special academic needs. The quality of students will grow worse if universities keep recruiting more and more students who don’t have enough academic background, although they have money to pay expensive tuition and fees. Evening study programs and weekend programs are examples of ways most universities have been recruiting students who have poor academic background. That’s because universities have been using the evening and weekend programs to create additional income by charging tuition and fees about three or four times higher than that of regular programs. Students with weak academic background but want to obtain degrees can enter these programs as long as they can manage to pay for expensive tuition and fees.

Five of six participants thought the overall quality of students would even decrease while faculty’s individual performance, such as research performance, would be more productive. That’s because faculty have less time to devote to teaching while devoting more of their time on research, reducing time available for teaching. So, an important issue is whether this concentration on research will have a detrimental effect on university teaching. There seems to be a discrepancy here. One might think that the quality of students should be improved if the
quality of faculty is improved, yet all six interviewees felt certain new conditions would decrease quality of education, while measures to increase class size and admissions in order to secure university income would lead to poor quality teaching.

The Effects of a new funding framework on academic work, with respect to institutional external income generation. The second section deals with the effects of the new funding framework on university faculty’s academic work i.e. teaching, research, and academic service. This section is composed of five interview questions as follows:

1. How would you define your roles of professional activity at your current institution i.e. teaching, research, external services etc.?
2. Does the change of university funding have an effect on your academic workload and academic tasks?
3. Will you or other faculty members be expected to write more research proposals to draw funds from block grants into your university?
4. Will you be expected to seek more research funding from other government sources and non-government sources such as private companies or enterprises?
5. Under the current higher education reform, as you are a faculty member, do you view a faculty member as one actor that helps university generate additional income or fund?

Regarding participants’ academic tasks, as mentioned earlier, all participants mostly did teaching, conducted some few research projects, and provided some academic services. They all believed that the new funding framework for higher education institutions will have significant impact on their academic tasks. That is their workload is increased and three academic tasks including teaching, research, and academic service are expanded. Traditionally, the teaching task dominated the large percentage of their academic tasks. Within the current change, the workload of teaching will be shifted and devote to research tasks. Even though the teaching workload and tasks is decreased, most participants thought that they still need to intensify teaching because of
the increasing student enrollment of their institutions due to the need to create additional income of the institution.16

Similarly, the workload of research is explicitly enlarged. Faculty were required to devote more of their time and attention on research, even while they continued to teach more students. The requirement for faculty to increasingly concentrate on research is one government’s effort to increase the research capacity of Thai higher education system and of the nation. However, before the current reform of higher education, it was acknowledged that a faculty was encouraged to conduct research or to have outstanding performance in research, but it was not a requirement or obligation. Instead, it was individual preference of faculty whether he/she wanted to concentrate on this task or not. There was no specific requirement about research and publication as well. If faculty wanted to be promoted, she/he would carry out some research or produce some publications. If he or she did not want to get promoted, they were not forced to do so. He or she could stay in the same position until retirement.

Related to research performance of faculty is their education qualification and experience in research. This has to deal with the university policy on recruitment and qualifications of university faculty. Under the government bureaucratic system, faculty who had master degrees were qualified for being instructor and there was no further requirement for faculty to pursue specialization and a PhD degree. One senior participant who has thirty years of teaching experience illustrated herself as an example. She said “the university under the government

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16 The teaching task and workload is expanded not only because of the increasing student enrollment in the regular program but also due to the increasing enrollment of special programs. Some Thai universities already offer several special programs such as evening and weekend study programs as well as international programs to generate extra income. Once universities become autonomous, it seems they will progressively use special programs as a device to create income. That means the university will offer more kinds of special programs or expand to other academic fields. However, faculty who teaches such programs will be paid for overtime work. For the international programs, faculties have to be fluent in English in order to instruct the class.
bureaucratic system did not require us to pursue PhD degrees. I am example of that. After I obtained my master degree, I did not go back for PhD degree”.

Returning to the expansion of research tasks associated with the new funding framework, university faculty are required to conduct research in specific numbers within specific years. On the one hand, research activity from either research grant or research contract is viewed as a means to add income to the university. On the other hand, the performance from research activities will have direct benefits or impact on professional promotion of university faculty. Within research tasks, firstly, the participants thought that they were encouraged to seek and compete for research grants provided either by the central government or other government agencies as well as NGOs. And there is a tendency that the government funding to universities increasingly has been targeted as research rather than for teaching. Secondly, they thought they were encouraged to seek research contracts from private business and corporations. At present, a research contact from private sector is not widely available, but the support from private companies could be developed through government’s willingness to encourage the research cooperation between higher education institutions and private business.

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17 Some participants pointed out that the increasing portions of all their academic task is also the result of the change in rules regarding university employee under the autonomous university system. This system forces them to focus more on research, teach more students, and work more on academic services. Nevertheless, all participants, without the researcher proposing the question, discussed the change in their salary and social welfare for being university employee under the new system and also compared it with the ones under the government civil service system. All said the university employee salary was higher than that of civil service. It’s about 1.5 times higher than that of civil service. However, it turned out the social welfare of university employees such as medical fees and support in their child education was cut back which most of participant weren’t happy with. From their view, the university should continue certain benefits instead of cutting back on social welfare.

18 According to the participants, the new rules not only set certain kinds of academic tasks and amount of academic workload that faculty had to be responsible for but also require faculty to get higher academic titles within a specific number of years. One participant illustrated that, for example, faculty has to become assistant professor after two years of teaching, and then has to become associate professor in the next four years, and had to become professor in the next six years. So, under the new system, the performances of research and publication have a direct influence on our academic promotion.
In terms of academic services, most participants viewed the workload and task of research would be increased and the academic service activity would be diversified as well. As mentioned, all participants had experience in academic services including academic services that created as well as did not create income. From their perspectives, the responsibility for academic services will inevitably be expanded as their universities would increasingly use it as one important means to produce extra income.

The expansion of their three academic main tasks consequently leads all participants to view themselves as important actors playing roles to help the university generate supplementary income either through teaching, research, or academic services. One participant states that “faculty is a selling point… Their reputation will help attract students and draw more funding for research from either government agencies or private organizations”.

**Participants’ reflections on the sources of public university income.** The third section was composed of three sub-interview questions. These questions are:

1. Do you think the government remains as the main income source for university under the autonomous university system?
2. In your opinion, in addition to government, what are other income sources of the university?
3. What do you think if university hires business professionals to be university administrators/leaders or to be part of administration?

Regarding university funding, it’s publicly acknowledged that the government is the entity that supplies and supports most funds to all public higher education institutions. Correspondingly, all participants agreed that the government is the main source for the all public (autonomous) universities and it will remain as the major fund provider, even though the amount of budget provided by the government to their institutions would be perceived to be smaller. Most interviewees also know that under the autonomous university system their universities and
other public universities are provided with block grants instead of itemized budget allocation as was the case under the government bureaucratic system. And the power of financial management comes to depend on their universities. While their universities are allocated funding through the form of block grant, their institutions are also legally given and greatly encouraged to seek or generate supplementary revenue through various sources and channels.

In terms of other sources of university income, from the views of university faculties, a tuition fee is the second main income source of universities. All Participants were in agreement that most universities increased tuition fees after they made the transition to the autonomous university system. Charging higher tuition fees was used as a mean to secure income at the beginning of the reform before universities actually discovered other devices or channels.

The third income source was special programs which included evening study programs, weekend programs, and international programs. This third source was expected to be expanded because the university can earn income from these programs by charging tuition fees about 2 to 3 times higher than that of regular programs in which most students are either employed students or from economically-advantaged families.

Research was viewed as the fourth source of university income and it was viewed as an important alternative means for universities to create extra revenue after becoming autonomous university. Under the system of autonomous university, the government encourages all public universities to compete additional funding for research provided by the government and other

19 However, it is acknowledged that most of the international programs, conducted in English, at Thai public universities are dominated by Thai students. Foreign students who attend the international programs at Thai public universities are mainly from developing countries in the region. This is the opposite of the international programs in developed countries which consisted of students from all around the world, not just international students from their own region.
government agencies. The interviewees pointed out that research grants were obtained largely from the government agencies for instance the Thailand Research Fund (TRF) and the National Science and Technology Development Agency (NSTDA). However, most research grants will be increasingly designed to support group research or research collaboration between departments or between institutions. At the same time, research is being shifted to applied research, while basic research was seen as inadequately funded and difficult to support.

The fourth main source of income to universities is academic services. Academic services can be divided into two categories. The first group is academic services that do not create income. It mainly provides services to public, community, schools, and NGOs. The second group is academic service that generates income and mainly relates to the fields of sciences such as food science and technology. Hence, academic service was viewed as the social contribution as well as an income source of universities. The need for higher education institutions to financially rely on themselves makes the academic services incrementally as one important means for several public universities to create supplementary income. All participants’ universities have engaged the activities of academic services to some extent such as establishing food testing centers and the center of agricultural product quality control.

Nevertheless, most sources of university income brought up by academic participants are the existing income sources used by most Thai public universities. Other income sources such as alumni donations, private organizations, private corporations, or the sale of intellectual property were not named by the participants.

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20 Universities are the most important institution of a country to conduct research; apart from the fact that research is one the important functions of Thai universities. However, research in Thai universities is viewed to be weak. To rectify this for the benefit of Thailand, the government has put efforts to build research capacity of universities through the use of the incentive of research funding.
In addition to the discussion of the source of university income, the interviewer also questioned participants’ view on the subject of recruiting outsiders to operate or become part of the university. All participants thought it’s acceptable to have someone from outside the university, such as business professionals, to be a member of university administrators or dean of departments, as long as they don’t over employ business management practices and they are capable, merited, and transparent. It was the participants’ view that business professionals might be able to help the university in term of financial management since they have a strong management background. One of participants stated that “…outsiders or business professionals might view university from the outsider perspective and make a better change for university. I don’t mind whether he or she is an outsider or not as long as he or she is industrious and brilliant…”

Participants’ concerns about the higher education reform and the new funding framework and remaining issues for further development of higher education. The fourth section of the result of interview data analysis is comprised of four interview questions as follows:

1. What are your main concerns with respect to higher education reform?
2. What are your main concerns with regard to the change of university funding under the current higher education reform?
3. In your opinion, when or how long will it take your institution to become a full autonomous university and to be autonomous in securing full funding for its operation?
4. Does this higher education reform policy reinforce stratification among institutions?

On the questions of participants’ concern about the reform of higher education and the new funding framework, most participants worried about university leaders. All of them thought that university leaders including university presidents, deans, heads of department, and their
bosses were very important. That’s because it was accepted that leadership is very central to institutions. The participants were particularly apprehensive about prejudice of their leaders since the power from the central government was largely transferred into the hands of university leaders. They also agreed that the future of the university and the successful reform of university greatly depend on their university leaders. According to participants’ suggestions, the university leaders or executives should be excellent, merited, transparent, and unbiased. They also should have leadership characteristics. This indicates that there is a need for higher education to continuously accelerate the leadership development system and the development of the recruitment process in order to obtain the professional leaders who have leadership attributes, merits, and capability both in academics and management.

Regarding the question of how long universities will take in order to complete the process of becoming autonomous university, participants’ responses to this question were very similar. They all thought it would take universities at least five years to entirely become autonomous universities. A dual system of university personnel consisting of faculty who are civil service and faculty who are university employees was viewed as an important obstacle that made the changing process of universities progress slowly.\(^2\) Most administrators are senior faculty who still maintained the status of government civil service employees. One participant commented that universities might have to wait for a few more years for senior faculties to retire. Once all faculty who are under the civil service system retire and all new faculty are employed as academic employees, the change to autonomous university might move faster. He, in addition, states “this change relates to culture and personnel. So, it takes time to make things change.

\(^2\) A dual system of university personnel is the system that is consisted of faculty who are civil servant and university employee. University faculty who has the status of public servant, their life-time employment is guaranteed by the government. In the autonomous university system, the person becomes an employee for the institutions through a normal contract of employment with the institutions.
Before the university can transform other university’s businesses, the university should first change the thought and vision of university leaders”.

Regarding the question of whether the Thai higher education reform policy reinforces stratification among institutions, most of participants express the view that this reform actually has an impact on the disparity or stratification between the renowned universities and less prestigious universities. The likelihood of securing research grants is an example most participants used to illustrate this point. The higher status universities have a better chance to be given grants since they have better reputations in terms of research, better researchers, better research laboratory and equipment, and better potential. However, one participant responded differently saying that we can think about this issue in the opposite way. There is a probability that grant providers might want to give or support ordinary universities that are in need, instead of giving to most privileged universities. The disparity among institutions already exists in the Thai higher education system and was viewed by participants to be exacerbated even though all public universities changed their status to become autonomous universities. The rich and distinguished universities will be much better off while the poor and less well-known universities will have to increasingly struggle for the resources to be autonomous. The government provides block grant money to each university in varied amounts and equally authorizes them to create additional income through various channels and resources. However, the correspondents agreed that the rich universities have better resources including reputation, investment money, funds, and personnel than that of economically-disadvantaged universities. So, those rich universities can take advantage of competition and can develop and progress faster than ordinary universities.
Conclusion

This chapter presented findings from the interviews with six Thai university faculty from three different universities. This qualitative approach seeks to study how the new funding framework for higher education has affected university faculty work, with regard to institutional external income generation. The result of the finding was present into the following four topics.

The first topic is the reaction of participants to higher education reform and the new funding framework. The results from the interview data analysis reveal that university faculty supports an ongoing Thai higher education reform. Gaining flexibility and autonomy for institutional administration and enhancing performances of university faculty are reasons for their advocacy. However, they saw in this new funding framework, along with the reform of Thai higher education, some drawbacks. From their perspectives, the quality of students will decline due to the expanded number of student enrollment either or both regular programs or special programs to generate income from charging tuition and fees.

The second topic is the effect of a new funding framework on academic work, with respect to institutional external income generation. The finding reveals that the new funding framework together with the new regulation of university personal increased academic tasks and workloads. University faculty have to concentrate and devote more of their time to research, while they have to teach more students and more class sections and have to focus on activities of academic services. The obligation to concentrate more on research tasks compel faculty to devote more of their time on research while available time to focus on teaching is lessened.

The topic group is participants’ reflections on the sources of public university income. From their perspective, the government remains as the main funding provider for universities and other public higher education institutions. The most popular sources of income for universities
pointed out by the participants are special programs which include evening and weekend programs and international programs. These programs have been used by many public universities to supplement income. Other sources of income cited by the participants are research grants, research contract, and academic services.

The last topic is participants’ concerns about the higher education reform and the new funding framework and remaining issues for further development of higher education. The leadership issue is what most concerned university faculty. The government transfers powers to institutional level, and these powers consequently are passed on to hands of university leaders including university presidents, deans, and heads of department. From the participants’ perspective, the future of their universities greatly depends on those leaders. According to the participants, university leaders should be competent, merited, unbiased, and should be able to manage changes. When the participants were asked their view about whether the Thai higher education reform policy reinforces stratification among institutions, most of participants express the view that the Thai higher education reform along with change in funding has an impact on the disparity or stratification between the renowned universities and less prestigious universities. The rich and distinguished universities will be much better off while the poor and less well-known universities will have to increasingly struggle for the resources to be autonomous.

The interview data from university faculty also disclose that a dual system of university personnel consisting of faculty who are civil service and faculty who are university employees was viewed as an important obstacle that made the changing process of universities progress slowly. In short, an ongoing change in funding not only has impacted on faculty work but it also requires faculty to be active in obtaining external funding through various means, such as, research grants, research contracts, tuition, and academic services.
Chapter 6
Conclusion, Implications, and Recommendations for Future Research

Introduction

This study aims to explore the new funding framework for higher education and its implication for university faculty, particularly with respect to institutional income generation. The study was guided by three major research questions as follows:

1. What is the new government funding framework for higher education under the current Thai higher education reform called autonomous university?
2. How has the new funding framework effected university faculty in term of their teaching, research, and academic service especially with respect to institutional external income generation?
3. What are some responses of public universities toward this new funding framework to the extent it has been implemented?

The findings from the secondary data were presented in Chapter 4, while finding from the interviews with Thai university faculty were presented in Chapter 5. This final chapter will provide a concise summary of the main findings from both secondary and primary data. Then, the implications of the study along with some recommendations will be presented. The recommendations for future research will be presented as the final section.

A Brief Summary From the Findings

The findings from secondary data. The first part of the study explores the new funding framework for higher education, especially for 13 public (autonomous) universities and another 11 perspective public (autonomous) universities. The secondary data including policy documents, legislations, reports, recommendation documents, and other relevant data were collected and studied to present the framework of this new funding. The analysis reveals that the
new funding framework for Thai higher education is an ongoing process and consists of four major elements.

The first element is the introduction of the new funding mechanism called performance-based funding. Within this mechanism, public universities are allocated funds for education based on performance indicators. If institutions perform well, they will enlarge their future budgets. If they are less successful, they will receive a lower level of funding. Along with performance-based funding, higher education institutions are allocated funding in the form of block grants or a lump sum in which block grants are calculated on the basis of output measures such as number of graduates.

The administrative functions or power in finance is decentralized to each university. Universities have to establish their own financial management and financial accounting system. The government will play roles as supervisor and supporter instead of controller or regulator as in the past bureaucratic system.

The second element is resource mobilization for higher education. Universities are now legally permitted to seek income from other sources than the government. At the same time, other parts of the society such parents, private business and corporations, NGOs, social organizations, or religion organizations are encouraged by the 1999 NEA and the government to support higher education either as providers or partners in educational provision. Tax incentive and tax relief provision have been employed to attract contributions from other parts of the society. However, it found that these two types of tax were not attractive enough to draw contribution from other parts. Moreover, the benefits gaining from supporting education were not sufficiently given to contributors such as communities, private businesses and corporations, local administrative agencies, or social organizations.
The institutional external income generation is the third element of the new funding framework for higher education. Within this concept, universities are given power to generate income through various means and diversified sources in contrast to in the past when they were civil service agencies and were not allowed to engage activities for external income generation.

The fourth element of the new funding framework involves the shift from supply-side funding to demand-side funding through income contingency loans (ICL). The government has attempted to increase greater funding on demand side (students) by transferring funds which are instructional costs and other funds relevant to students, to student loan programs. The income contingency loan adopted from Australia was introduced and implemented as another type of student loan in 2006, while a traditional type of student loan which was implemented in 1998 is continued. The first type of student loan is reserved for students from low income families whereas the ICL is available for students who are not qualified for the first type of loan and gives priority to students in science programs rather than social science programs.

The new framework for higher education funding is advocated by the previous and present Thai government, policymakers, and other relevant government agencies with the hope that this new framework will address and/or enhance three main issues as follow:

1. the issue of the quality of higher education;
2. the issue of access in higher education; and
3. the issue of equity with regard to educational cost sharing.

Funding is playing significant role in Thai higher education. Thailand, like many other countries, is using funding/financing as an important mechanism to address the issue of education quality, equity, and higher education access, instead of only administrative mechanisms.
The analysis reveals that the four elements of the new funding framework are intermingled to address the three issues. Each element does not only have an effect on one issue but it has an effect on all three issues, and each element reinforces each other. The shift from supply-side funding to demanding-side funding is an example. Within this approach, the government has attempted to allocate funding for instructional cost to students through the form of ICL instead allocating funds directly to institutions as in the past. This shifting contributes to the three issues as follows. In terms of the issue of the quality of education, students with their purchase power given by the ICL can become one pressure for universities to engage in the development of their educational quality, even though this might not apply to elite universities where most students want to attain admission and graduation. In terms of the issue of equity, this shifting makes students at public universities responsible for their higher education cost to some extent by paying tuition and fees either obtaining money from their parents, or student loans provided by the government. In terms of the issue of education access, the ICL enable students from poor and low income families to pursue their higher education which would be difficult or impossible without some kind of student financial aid.

Resource mobilization is another example of how one element of the new funding framework is used as a mechanism to support or address all three issues. Resource mobilization, first, would address the issue of equity on cost sharing between the government and students when students are responsible for their higher education cost in appropriate portion. Second, if the institutions offering higher education can secure contributions and support from other parts of the society, the institutions then may have available enough resources to innovate and develop teaching and research. The development of teaching and research, which are two main tasks among others of academic institutions, could bring about the enrichment of quality of education.
Third, if higher education institutions have sufficient resources from resource mobilization, they can provide means-test grants or scholarships for academically outstanding but economically disadvantaged students. With this approach, academic institutions do not only promote access for higher education but they also can recruit students into academic fields that the nation needs, such as medical or sciences.

In addition, as the data were analyzed, it also reveals that current Thai higher education reform and the new funding framework have been influenced by reform concepts and aspects of other countries. The block grant is an example which is influenced by British higher education. Income contingency loan is another example which is influenced by Australian higher education. Thai higher education reform is also similar to reform movements in other countries, for example, UK, Australia, Spain, Mexico, Japan, US, Malaysia, South Africa, and etc. The movements or ideas was borrowed and lent or even shared are among these countries; for example, decentralization of educational governance; devolution of internal administrations (academic, personnel, and finance affair); introduction of cost recovery with various types of student loans; engagement of entrepreneurial activities to supplement a shortage of income or for additional income; resource diversification; and the introduction of quality assurance.

The finding from primary data. In addition to the focus on the new funding framework for higher education, this research also concentrates on the implications of the new funding framework for institutional actors, this study, university faculty. This involved six open-ended interviews with six Thai university faculty on how this new funding framework has effected on them with regard to external income generation and sought to elicit perspectives on the current Thai higher education reform. The results from the interview data analysis disclose that university faculty is positive about an ongoing Thai higher education reform. Gaining flexibility
and autonomy for institutional administration and enhancing performances of university faculty are reasons for their advocacy. However, they saw in this new funding framework, along with the reform of Thai higher education, some drawbacks. From their perspectives, the quality of students will decline due to the expanded number of student enrollment in either or both regular programs or special programs, to generate income from charging tuition and fees. The quality of students becomes a critical issue because the number of students is increased while the number of faculty remains the same and faculty is required to concentrate more time and effort on research at the same time. The requirement to focus more on research tasks brings faculty to devote more of their time on research while available time to focus on teaching is lessened. The discrepancy here is that they saw the performance of university faculty is enhanced through research but the quality of students is decreased. Moreover, there was a sense in which academic perceptions of their world have undergone a fundamental change: their academic task and workload has been expanded while academic institutions engage in activities of income generation.

The analysis of the interview data found that the new funding framework under Thai higher education reform raises issues of asymmetry. As the contents of the interviews were analyzed, it became clear that the Thai higher education system is not only diversified but highly stratified. The few universities at the top of the system have achieved strong academic standards and have succeeded in developing sources of income. The higher education reform tends to reinforce already existing vertical stratification of standing and prestige among institutions. The elite institutions are even better able than before to gain the best students and the most research funds over the claims of other newer universities or less well-know universities. Non-elite
universities have to work much harder and seek for the survival in an increasing competitive environment.

The findings from secondary data and primary data disclose how different actors have different views and angles on the same issues. On the one hand, the new funding framework generated by policymakers at macro level is viewed as desirable incentive mechanisms to enhance the quality of higher education, to address the issue of equity on cost sharing, and to maintain and increase access to higher education particularly for economically-disadvantaged students. On the other hand, institutional actors such as university faculty, who actually implemented the policy, reveals that this new framework with its demands of expansion of their academic task and workload, will result in decline of the quality of pupils which is a particular consequence of external income generation by institutions. The expressed views from university faculty reflect serious doubts about the implication of the policy as well as the effectiveness and efficiency of the policy.

**Implications and Recommendations**

**The four implications.** From the data collected and information gathered both from primary and secondary data, there are key issues pertaining to the new funding framework for higher education in Thailand.

The fist issue is equity assurance. One major element of the few funding reform is the shift of supply-side funding to demand-side funding. Within this shift, the government introduced and implemented income contingency loans (ICL) as a means of cost recovery for higher education. The introduction of ICL together with the existing student loans is expected not only to make students more responsible for their programs of study and to pressure academic
institutions to enhance their educational quality, but also to contribute to equity deliberations. The argument here is that this shift, from the governments to students and their families, has important implications for the distributional equity of higher education participation. Pushing the cost to student and parents can be unfair without assurance of equity. To illustrate, in the 2008 academic year, there were 910,090 new students in higher education institutions: 713,118 students entering to higher education institutions and 741,688 students entering to the grade 11th of high school and the first year of vocational school. In that academic year, there were 355,604 students applied for student loans, but only 206,941 students received student loan: 197,972 students with the first type of student loan and 8,969 students with income contingency loan. There were more than 100 thousands students who need loans but were not given loans. So far, there is no a principal, law, or organization reassuring that all financial aid-needy students will be provided with either loans or free grants by the government. Even though the government has begun to allow private financial institutions to provide educational loans as an alternative source for students, credit qualification can be the obstacle for students who are from remote areas where credits is absent. Without some other types of financial assistance, higher education tuition which is not only expensive but also is increasing is not possible for a group of students from poor families and low income families. The government’s claim to increase educational opportunity through student loan programs cannot be entirely realized without any larger loans allocation or other means of supports.

The second issue is transformation of culture of contribution to higher education by other sectors the general Thai population and other sectors of the society. One key element of the new funding framework is for higher education institutions to promote and to seek support from other sources than the government source, while those other sectors of the society are encouraged to
contribute to higher education thorough incentives of tax deductions. Donation or giving is rooted in Thai culture, but supporting higher education either as providers or partners in educational provisions is not what is commonly practiced in Thailand. Instead, giving or donations or contribution is largely to religious institutions, temples, e.g. In order to activate resource mobilization for higher education as anticipated by of the 1999 NEA, the educational taxes need to be further developed. Work on changing the culture of the public giving, or donations, to higher education institutions or scholarship students are needed.

The third issue is the pressure over available time for teaching. As presented in the chapter 4 the government provides block grants or a lump sum to public universities. At the same time, research funding is established to allow and encourage universities to compete for research grants by submitting research proposals. The research grants could be counted as university income or at least it could add additional income to universities. As the result, research becomes the focused activity of universities either to create additional income or to develop their research capacity. At the same time, there is a requirement for university faculty to concentrate more on research while their teaching duties remained the same. Research performance will have significant influence on the promotion of their academic title, since a new university personnel regulation under the autonomous university system requires university faculty to obtain academic titles within limited time. Therefore, the pressures for the need to compete for research grants and from the constraint to focus more on research tasks forces faculty to devote more of their time to research, while their available time for teaching with more students is diminished. Most participants of this study thought this will lead to the quality of students declining even though the research and overall academic performance of university faculty is enhanced. The new approach of resources allocation was viewed by policy makers to increase the quality of
education, while institutional actors who implement the policy think the quality of student performance and background will decrease.

The fourth issue is leadership. When all participants were asked their concerns about either current higher education reform or the new funding framework for higher education, they all stated that leadership was what concerned them greatly. Under the autonomous university system and the new funding framework, powers in personal matters, academic matters, and financial matters are relocated to the local institutional level in which these powers are passed on to university leaders, for instance, university presidents and deans. According to the participants, the future of university counts on these leaders who hold new powers and, hence, the leaders should are excellent, merited, and unprejudiced. For that reason, there is a need either to focus on leadership development or to establish particular organizations dealing with the leadership issues.

**Recommendations.** From the issues I have raised, I would like to provide the following recommendations.

The first recommendation is to develop and establish either regulations or particular organizations to assure that economically-disadvantaged students who are able to enter higher education institutions are provided with some types of student financial assistance either loans or means-tested grants. It is essential that both the government, and even public higher education institutions, maintain a commitment to meeting the needs of those who are most dependent on public funds in order to pursue higher education. Besides, the resources available for higher education must be effectively targeted.

The second recommendation is to develop and create a culture of giving to education. This movement is a big challenge for both the government and academic institutions. The most
important tasks of this challenge are to make better public understanding and appreciation of the national benefits resulting from higher quality of higher education and to communicate go the public about the benefits of higher education to the society at large, instead of limiting views of benefits only to individual. Nevertheless, the cultural transformation of public giving to higher education would be difficult, would take time, and would need a lot of effort to make the change since it has to deal with culture, religious benefits, public attitudes, public understandings, and public perception about the benefits of higher education. Even so, if this change can be either successfully or partially made, it would significantly increase resources available for higher education development.

The third recommendation is to explore and develop the exploitation of graduate assistance including teaching assistance (TA) and research assistance (RA) to ease university faculty work. The utilization of graduate assistance by providing them with tuition fee waivers and some salaries is a common practice at higher education institutions in US, UK, Canada, other OECD nations, etc. This utilization, however, is not commonly practiced in most Thai higher education institutions. Budget is one important factor making the use of graduate assistance program in academic institutions impossible. Educational budget the institutions annually received from the central government covers only university operation cost and sometimes it is insufficient. Hence, there are no funds left for establishing this program or even other academic activities. Indeed, the use of graduate assistance was barely explored or discussed among policy makers undertaking the reform of higher education funding and reform of higher education. Nevertheless, the movement to utilize the assistance from graduate students could be possible since most institutions have begun to generate income on their own and the source of income has been diversified. The income secured from the government can be used for regular operation of
institutions while supplementary income generated by institutions can be used to develop the exploitation of graduate assistance programs. If this kind of program can developed and established, it does not only relieve the work of faculty in research and teaching and not only addresses the issue of effective teaching which contributes to the quality of students, but also prepares graduates students who will become professorates in the future with great experience and discipline either in research or teaching.

The fourth recommendation is to explore and establish the university leadership development program. Under the autonomous university system, in general, it is viewed that public autonomous universities can enjoy autonomy in their governance, while some funding from the government would be smaller and universities have to depend on their own funding, evening running universities by themselves. With this perception, university leaders, particularly university presidents, are expected to be excellent, to be able to mange the new changes, and to be able to know how to raise fund for their institutions as well as how to manage them efficiently. In order to meet qualifications expected by university faculty, university employees, students and parents, and public, some types of leadership development programs need to be provided for them. At present, there is no particular organization dealing with the development program for university leaders. However, since this program has significant influences on university leaders, the government or other government agencies relating to this issue should consider developing and establishing such a program. Chaichanapanich, in Learning Leadership in Thai Higher Education (1998), reveals that university presidents believed there is no single best way to train and develop future university presidents. Indeed, leadership development program for university presidents should be a mix of different learning experiences, in which the training program should include:
1) learning opportunities by observing real presidents at work;
2) learning opportunities through at-the-top experience; and
3) a variety of leadership theories as a seminar or through continuing education classes.

In addition to the need to develop leadership programs, there is a need to develop some kind of organization that deals with provisions between university leaders and university faculty or other university personnel. The powers from the central government were transferred to institutional level which consequently passed onto university leaders, instead of to university faculty. Therefore, to ensure fairness from a group holding powers over a group who hold less power, there is also a need to establish an organization undertaking this issue.

**Recommendation for Future Research**

Thailand is at the forefront of higher education reform in many respects even though all of the reforms of those elements have not yet yielded full results in terms of quality, relevance, access, and equity that would be desirable. This study places focus on one part of higher education reform—higher education funding. While the intended purposes and the research questions of this study were achieved and addressed, more remains be explored and learned. Thus, I propose the following topics for further research.

First, since the current funding framework for Thai higher education is a reform-in-process, this reform implementation and effect on other academic stakeholders, including students, parent, and university leaders, and tax payers will need to be continuously studied.

Second, the research on the impact of income contingency loan (ICL) on the issue of equity will be another interesting area of inquiry, especially after, if, the first type of student loan or traditional student loan is terminated.
Third, the impact of the new funding framework under the current Thai higher education reform on students from low-income families and other disadvantaged groups will need to be explored. By illustrating the effects of this new funding policy on particular groups, researchers can help educationalists to challenge policies contributing to inequity in education.

Fourth, this study concentrates on the effect of the new funding framework for higher education on Thai university faculty only. So, the international comparative studies on the effect of the change in higher education funding on university faculty’ academic work is another interesting topic to be explored.

Fifth, this study involved only six research participants. In order to obtain a better picture about the implications or effects of the change in higher education funding on intuitional actors, the number of participants and number of institutions need to be increased and the other institutional actors such as other types of university employees and university leaders should be included to acquire holistic picture.

Conclusion

This summary of findings from secondary data and interview data revealed that there were four main elements of the ongoing funding framework for higher education in Thailand. First, performance-based funding was developed and established as the funding mechanisms for allocating funds to higher education institutions. Second, resources mobilization from various sectors has been introduced so that the higher education institutions under the current higher education reform can have available enough resource for teaching, research, and institutional operations. This cultivation of the new stakeholders for higher education has been made through the tax incentives. Third, along with resource mobilization, higher education institutions are permitted and encouraged to engage various activities to create income on their own from a
range of means. Forth, income contingency loan was introduced as the mechanism to shift supply-side funding (direct to institutions) to demand-side funding (student) in which student loans are available for students of public and private institutions. Besides, the finding from the interviews discloses that the introduction of the new funding framework for higher education has affected university faculty, who are directly responsible for carrying out teaching and research duties as well as academic services. They have to both teach more students and concentrated on research as well as be involved with more activities of academic services. They regard that the obligation to focus more on research entails the lower quality of students even though the research performance of faculty is increased. The issue of university executive power and leadership is what the participants are most concerned.

The chapter presented four implications drawn from the findings. These implications are: equity assurance when education cost is pushed onto students and parents; cultural change of public’s giving to higher education; the pressure over available time for teaching; and university leadership issues. Corresponding to the implications, four recommendations were made. First is to develop and establish either regulations or organizations to assure loan allocation for students from poor and low income families. Second is to create a culture of giving to education. Third is to explore the exploitation of graduate assistance including teaching assistance and research assistance. And fourth is to establish the leadership development program for university executives and also to search out university organizations dealing with the tensions between university leaders and other groups of university personnel. The chapter ended with making five recommendations for future research.
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Appendix A

Interview Protocol
Central Research Question: How has the new funding framework affected university faculty in term of their teaching, research, and academic service with respect to institutional external income generation?

1. About professional background
   a. What is your academic status and rank?
   b. What types of courses do you teach?
   c. What type of appointment do you have?
   d. Do you have any other type of appointment in your department/ university?

2. About the implementation of higher education reform and the change in university funding.
   a. How do you view the current Thai higher education reform called “the autonomous university system”?
   b. How do you view the change in university funding under this autonomous university system?

3. About the change in emphasis on teaching, research, and external service associated with the change in sources of funding.
   a. How would you define your roles of professional activity at your current institution i.e. teaching, research, external services etc.?
   b. Does the change of university funding have an effect on your academic workload and academic tasks?
   c. What initial changes have you noticed in terms of teaching, research, and external service that relates to sources of funding?
   d. Will you or other faculty members be expected to write more research proposals to obtain funds from block grants into your university?
   e. Will you be expected to seek more research funding from other government sources and non-government sources such as private companies or enterprises?
   f. Under the current higher education reform, as you are a faculty member, do you view a faculty member as one actor that helps the university generate additional income or funding?
4. About participants’ reflections on the sources of public university income.
   a. Do you think the government remains as the main income source for the university under the autonomous university system?
   b. In your opinion, in addition to government, what are other income sources of university?
   c. What do you think of the university hiring business professionals to be university administers/leaders or to be part of the administration?

5. About their concern regarding Thai higher education reform and the new funding framework
   a. What are your main concerns with regard to the change in university funding under the current higher education reform?
   b. What are your main concerns with respect to higher education reform?
   c. In your opinion, when or how long will it take your institution to become a full autonomous university and to be autonomous in securing full funding for its operation?
   d. Does this higher education reform policy reinforce stratification among institutions?
   e. If you could choose a word to describe how you feel about the new university funding, what it would be? Please provide a brief explanation
Autonomous universities are regarded as the government’s agencies, receiving block grants from the government, but are given autonomy for more flexible administration. One important aspect of a system of autonomous universities is that the central government changes its role from controller to the role of supervisor and policy maker by devolving powers in university administration to each autonomous university. In other words, autonomous universities are allowed to have a self-governing system in which everything will be approved by University Council, instead of by the central government as in the past. The University Council is regarded as another key factor in effecting and sustaining developments in a higher education institution. The University Council of Thai higher education is equivalent to a Board of Trustees or a Board of Directors. Each autonomous public university has its own act authorizing the University Council to function as its governing body.

In general, a University Council consists of twenty five to thirty members from five different groups as follows:

1. The chairperson of the University Council will be appointed by the members of the University Council.

2. The vice chairman of the University Council is also a university president.

3. Seven- elected members including: a university vice president, a dean, a director of a center, a director of an institute, a director of a college, chief of an independent division, and chief of a special organization.

4. The chairman of the faculty and academic staff, the head of faculty senate, and six elected faculty members.

5. About fourteen members appointed from outside the university such as, representatives of alumni, representatives of business organizations, representatives of local organizations, representatives of local communities, etc.

Nevertheless, it needs to be noted that no representatives of the student senate or other student organizations are included. The University Council serves at minimum one term of
office, or at a maximum, of two terms of office, each term equaling to two years. The election and appointment of a new University Council will take place after two years.

A University Council under a system of autonomous university has increasingly and significantly played a role in management and governance of a university compared within preceding bureaucratic system. Within a new context of autonomous university system, the University Council is supreme in: setting the vision and direction of a university; formulating policy on education, research, and academic services to the society; overseeing the personnel system; budgeting and finance; supervising academic curriculum; and carrying out performance evaluation of faculty, functional units, and senior administrators. The university president operates the university according to the policy set down by the University Council.
Appendix C

Central University Admission System
Thailand among other countries has a long tradition of recruiting or admitting students into public universities through a national entrance examination system. As higher education of the nation has been reformed, an admission system accordingly was reformed in order to respond to the change of higher education. The change of the admission system took place in 2006 when the cabinet approved the proposal of the new admission system designed by the Special Task Force for Review of the Admission System. The new admission system which is called the “Central University Admissions System (CUAS)”, undertaken by the Commission on Higher Education, was formally implemented in 2006.

The old admission system was discarded because it was viewed as one of the major causes for ineffective learning and low achievement of students in thinking ability and performance. Students mainly focused on memorization, and concentrated their efforts on particular groups of subjects to pass entrance examinations rather than learning knowledge for problem solving. Therefore, the new admission system was introduced not only to eliminate rote learning but also aimed at increasing the more importance to critical thinking, creativity, and authentic academic ability.

While the old admission system recruited students based on two indicators of achievement--grade point average (GPA) of higher school and the level of national test results, the new admission system, on the other hand, selects students based on four indicators of achievement including the following components.

The first components determining university admission is called GPAX. The GPAX is a student’s cumulative grade point average from grade 10 to 12. GPAX principally demonstrates academic development of student and indicates the effects of teaching and learning of upper secondary education. The GPAX score accounts for 10 percent of the total admission score.
Table C1

Components Determining University Admission

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<th>Components</th>
<th>Weight</th>
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<tr>
<td>1. GPAX of upper secondary education</td>
<td>10%</td>
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<tr>
<td>2. GPA of 3-5 groups of core curriculum at upper secondary education</td>
<td>20%</td>
</tr>
<tr>
<td>3. Result of O-Net test</td>
<td>35-70%</td>
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<tr>
<td>4. Result of A-Net test of not more than 3 groups of subjects</td>
<td>0-35%</td>
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Source: Thai Higher Education Review, 2005

The second element is grade point average (GPA). GPA demonstrates talent and aptitude of student in grades of three to five out of eight subject groups in the required core curriculum of school education. While GPAX is the accumulation of average grades, GPA is accumulated score of each subject, of the GPA of three subjects, and not more than five subjects will be considered. The GPA score makes up 20 percent of the total admission score.

The third component for university admission assessment is Ordinary National Educational Test (O-NET). The O-NET which is administered by the National Institute of Educational Testing Services an assessment of students in the grade 12th in five subjects: Thai Language; mathematics; sciences; social studies; and English language. The O-NET will mainly test basic knowledge and skill students have learned in high school education and every student must take O-NET in order to qualify for admission. The score of O-NET will comprise between 35-70 percent of the total admission score.

The forth component of admission is the Advanced National Educational Test (A-NET). A-NET is comprised of two sub-elements: General Aptitude Test (GAT) and Professional Aptitude Test (PAT). A-NET is nationally administered to examine knowledge, analytical skill, and aptitudes of students, in relation to particular academic and professional disciplines such as
engineering and teacher education. A-NET will test five groups of subjects including Thai language, mathematics, sciences, social studies, and English language. Students can choose three subjects, such as mathematics, sciences, and English language or the three subjects Thai language, social studies, and English language. Nonetheless, selecting tests in groups of subject depends on students’ preference in disciplines. A-NET is held twice per year and students can use the better score to apply for university admission.

The central university admission will be held in April of each year. Students have to submit their application forms along with results of the four components and they can select up to four choices for programs study and universities. It is important to point out those students select programs of study and universities based on the statistical score of the previous year and on their prophecy of the current year’s score. In other words, students have to guess the highest and lowest score of the current year of the programs and institutions they want to attend and then compare them with the score their receive to make decision about the choices. The choices of programs of study and universities are very limited. If students fail to enter to twenty-four public universities through the system of the central university admission, they have to attend at Rajabhat universities (former teaching colleges) or Rajamangala universities (former colleges of technology) or private universities.

From the analysis, it is found that GPAX under the CUAS is equivalent to high school grade point average (GPA) under the old system. At the same time, O-NET under the CUAS is equal to the national test result of the old system. While, the third and the fourth components of CUAS-- GPA and A-NET-- are two new components added into the new admission system.

While the new admission system was experimented with for a period of time and scrutinized by multi-level committees, several issues have continuously arisen since it has been
implemented. For example, in 2006, there was an error in declaration of exam results. Experts in test examination were gathered to attest answer sheets, which was about 2.5 million answer sheets. Therefore, the announcement of test results was postponed for three times. In 2009, according to news report by Komchadluek Newspaper, about 1,274 students received full scores in General Aptitude Test (GAT) for the first round in January, but about 8,000 out of 295,141 students received zero score in GAT for the second round in October and about 10-20 percent of the total students decided not to take GAT for the second round. At the same time, National Parent Network Association submitted a proposal to Deputy Minister of Education to cancel O-NET and GPAX test while remains only General Aptitude Test (GAT) and Professional Aptitude Test (PAT). The cost of taking admission examination becomes another important issue in the implementation of the CUAS. For example, in October 2009, there was a call from students and parents to reduce the expensive cost of taking the GAT and PAT, in which each subject in GAT and PAT costs about 200 baht. For example, if students take three subjects in GAT, they have to pay about 600 baht. Specially, there was a call to provide admission examination without charging for students from poor and low income families.
Appendix D

Educational Expenditure of Twenty-Four Public Universities: Fiscal Year 1998-2008
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<td>4,603.1</td>
<td>4,227.3</td>
<td>3,957.3</td>
<td>4,027.2</td>
<td>3,700.5</td>
<td>3,722.1</td>
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<td>3,913.3</td>
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<tr>
<td>2 Kasetsart University</td>
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<td>2,848.3</td>
<td>2,714.0</td>
<td>2,351.8</td>
<td>2,147.6</td>
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(continued)
Table D1 (continued)

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| As percentage of the total National            | 11.9    | 11.7    | 11.7    | 12.0    | 11.1    | 11.9    | 12.6    | 12.8    | 9.6     | 10.9    \

Source: Office of National Council, 2009