

# **Key Development in Higher Education Expansion in Taiwan**

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***Abstract:*** *To achieve the principal aim of meeting the demands for highly competent workforce required in the accelerating global market, the higher education system in Taiwan has undergone a large scale expansion. Nevertheless, this expansion has resulted in myriad problems, including funding shortage, diminishing educational quality, fierce competition when recruiting students and increase of graduate unemployment rate. To recruit foreign students, merge, abolish, or transform low-enrollment higher educational institutions, and multi-channeled fund-raising are being implemented to alleviate the aforementioned negative impacts. The expansion experience of higher education in Taiwan may provide other countries with the same problems both prevention alerts and resolution references.*

***Keywords:*** *Higher education system; Expansion ; Problems; Taiwan*

## **1.Introduction**

Recent years have seen a dramatic proliferation of research concerned with the expansion of higher education, in the belief that such expansion will bring about more equal educational opportunities and stimulate economic growth while also meeting the demand for human resources in a knowledge-based economy (Baron and Ortiz, 2011). Nevertheless, the results of this expansion in higher education have been far from all positive. According to Evan Schofer and John W. Meyer (2005), the number of post-secondary education students increased two hundred fold to 100 million people by 2000. This increase clearly indicated the rapid expansion of tertiary education worldwide.

Taiwan is no exception. The total number of higher educational institutions grew from 27 in 1960 to 164 in 2009. By 2012, the higher education gross entrance rate was 84.43%, one of the highest in Asia (Chang, Nyeu, and Chang, 2015). As a consequence, higher educational institutions in Taiwan are producing a greater number of graduates—far more than the number of vacancies in the workplace.

However, this over-expansion of higher education has threatened educational quality due to an insufficient allocation of funding and resources, which in turn has diminished the capacities of higher education graduates to meet the requirements of the career market.

## **2.Historical Review**

Higher education institutions initially emerged in Medieval Europe to create a large body of educated politicians for governing the countries. However, this pattern began to change after several hundred years passed (Nelson, 2001). From the early 19th century onward, an increasing number of universities have become more academic-oriented.

This transition in the role of higher education institutions in society has helped achieve academic development. Greater social progress and economic development have also promoted the popularization of universities. Opportunities to receive higher education no longer belong to just a few people, which in turn have contributed to a transition from education just for the elite to a mass movement in higher education (Trow, 1973). This dramatic expansion has brought about a wide range of positive influences and raised awareness among different sectors.

As for the educational sector, the expansion of higher education institutions has provided people from different sectors with more opportunities to pursue higher education in their own right (Al-Harhi, 2011).

With the impact of globalization, Taiwan has followed the general trend of higher education expansion. Similar to many other countries, higher educational institutions in Taiwan shifted after 1987 from highly centralized administration to market-driven management (the end of the authoritarian regime which lasted for four decades). Since 1994, Taiwan has witnessed unprecedented progress in the number of higher education institutions.

Indeed that number has increased from 27 in 1960 to 164 in 2009, while student numbers increased from 348,290 to 1,345,000 between 1984 and 2013 (Chang, Nyeu, and Change, 2015). In 2008, the total number of higher education degree holders was nearly 6.68 million, which increased by almost 5 percent from the previous academic year (Government Information Office, 2010).

Moreover, it reported that in 2012 Taiwan had almost the highest higher education admission rate in Asia at 84.43% (Chang, Nyeu, and Change, 2015). This rate indicates that the situation of restricting access to higher education to just the elite has changed to

a more universal pattern as defined by Trow (1973).

To explain this transformation, it is necessary to focus on the government's intention to expand higher education. Since the early 1960s, policy makers in Taiwan have endeavored to advocate for the significance of human resources.

As Wang (2003) claims, the government has held the belief that highly qualified human capital contributes positively to economic progress. Further still, the government has extended the scope of education provision, in the belief that doing so equalizes the educational gap between different groups. In addition, since the philosophy of Confucianism rooted in Taiwan, education has long been at a premium (Li, 2016). This trend explains the reason for the extraordinary high demand today for higher education from both students and their parents.

With the expectation of society that there should be more opportunities to obtain higher education and to help alleviate the burden for students' entering universities, the government in Taiwan thus decided to expand its universities and colleges on a large scale.

### 3.Recent Development

To achieve the principal aim of meeting new demands for a highly competent workforce, the higher education system in Taiwan has undergone a large scale of expansion. Nevertheless, this expansion has produced myriad new problems, including funding shortages, diminishing educational quality, fierce competition when recruiting students and educated unemployment. These urgent issues facing Taiwan's present higher education sector are discussed below:

#### **3.1 Meager Progress in Equity enhancement and Learning Burden Alleviation**

The fundamental purpose for expanding the higher educational system is to enhance educational equity, but the result has been far from its expectations. Although there are more university vacancies than applicants, and all students who are willing to study in the higher educational system are provided with abundant opportunities, educational equity has still not improved.

Almost all premium universities in Taiwan are public institutions, and since they are well funded by the government, students enrolled in these universities are enjoying high quality educational services while paying less than those students who enroll in many "not as good" private universities.

Further, since the premium universities enroll many more students from richer families than from poorer families, inequity of educational opportunity remains. Moreover, almost all students are willing to enter premium universities. As there are only a few premium universities, major competition continues, and most high school students are still forced to spend a great deal of money and time to participate in off-campus supplementary education.

#### **3.2 Diminishing Educational Quality**

The rapid expansion of higher education has resulted in increasing expense. Since almost all public institutions are largely funded by the government, the financial burden on the government has increased significantly (Wang, 2003, p.278).

The dramatic expansion of the higher educational system without a commensurate increase of governmental grants has thus constricted the fund that supplies higher education sector, which is generally considered to be one of the main factors that has led to a worsening of teaching quality in universities and colleges.

In addition, the increasing demands of funding to higher education sector has elbowing out the funding and resources for other education sectors (Chou and Wang, 2012). This situation not only indicates the inefficiency of funding utilization, but revealed that the quality of senior high school is also impacted. As a result, students from that sector may not possess enough knowledge and skills to cope with the tasks and courses in higher education after they graduate from senior high school. Hence, a vicious circle has appeared for the entire education system.

### **3.3 Fierce Competition When Recruiting Students**

Due to the dramatic increase of higher educational institutions and the unexpected decrease of low birth rates in Taiwan, many higher education institutions are now having difficulty in recruiting enough students. Since 2008, the university admission rate has hit a record high of 101%, indicating that every candidate who applied was given an offer if they wish to enter university. Since more vacancies were available than the actual number of applicants, every student was expected to be admitted. Moreover, 23 universities and 203 departments were reported to still have 2953 vacancies and 6 of these schools even witnessed a half vacancy rate, considered to be unprecedentedly high.

As a consequence, with the aim of surviving a fiercely competitive market, certain inadequate strategies designed to increase enrollment have been adopted by some higher educational institutions, which has further harmed the educational system in Taiwan as a whole (Wu and Chung, 2016).

### **3.4 Mismatch between Job Requirements and Graduates' Skills**

The excessive number of higher education graduates has contributed to an imbalance between supply and demand in the labor markets. Since job vacancies are fewer than the number of graduates, a condition termed “educated unemployment” has appeared. According to the Executive Yuan of Taiwan, the unemployment rate among higher education graduates is greater than that among senior high school graduates.

This situation has produced growing concern over the rate of unemployment among the highly competent workforce, one that widely considered to be a consequence of over-expansion of the higher educational system.

Educated unemployment not only leads to social problems, but it wastes the resources that cultivate these highly qualified labor forces. Wang(2003) even suggests that over-education is an inefficient and extravagant way of educational resources utilization. Moreover, the rapid growth of these advanced human resources cannot be absorbed by the labor market in the short term (Lin and Yang, 2009).

Accordingly, those highly educated people are pressed to accept a job or take a position that does not match their educational background. This mismatch between job requirements and workforce skills is typically referred to as “bumping down”. The process of bumping down will likely cause job dissatisfaction, which will contribute to high employee turnover rates (Holwerda and Hausknecht, 2013). As a consequence, productive capacity constrained and economic development is threatened.

## **4. Future Directions**

Most higher education-related policies are devised to make universities and colleges more available to the greatest number of students. Nevertheless, these policies have resulted in an oversupply of higher education graduates. Thus, it is imperative for

policymakers to address the problem instead of focusing only on making higher education still more easily accessible.

Certain measure can be taken to alleviate the problems of over-increase of higher educational institutions: recruiting foreign students, merging or abolishing low-enrollment higher education schools, and raising more funds. These solutions will be elaborated on the subsequent paragraphs.

#### **4.1. Recruiting Foreign Students**

Globalization, coupled with an accelerating knowledge economy has driven countries around the world to foster an internationalization of education, especially at the higher educational level.

Hence, to cope with the predicament of declining college and university enrollment, recruiting students from other nationalities will be more likely to mitigate this worsening situation. Huang (2016) suggests that enrolling students from Southeast Asia, Mainland China, or other areas in the world is the ultimate means to take to alleviate the current crises.

#### **4.2. University Abolishment and Transformation**

A previous report by the Ministry of Education of Taiwan has predicted that a further decrease in enrollment is started in 2016. After experiencing years of low fertility rates, the Ministry forecasts that university enrollment in Taiwan will go on to decrease by approximately one-third before 2023 (Gerber, 2015).

Considering that low birth rates are an inevitable trend, merging or abolishing universities and colleges that have difficulty recruiting freshmen will be the primary and the most practical solution. Internal and external evaluation systems can be established to decide whether a school should be abolished or merged with another one.

Moreover, since Taiwanese society is moving from an aging to an aged society, and many more institutions for senior care and learning are required urgently, there are opportunities for universities with lower recruitment to transform themselves into senior care institutions or even senior learning centers.

#### **4.3. Multi-channel Fundraising and School Development Plans**

As mentioned earlier, almost all public institutions are mainly funded by the government. Therefore, policymakers have managed to constrict the fund supply for the higher education sector so as to address the increasing financial burden. Nevertheless, the limited budgets being provided for universities and colleges have contributed to a diminishing educational quality.

For this predicament to be resolved, higher education schools should increase their funding by forming school-business partnerships with enterprises and operating profit-oriented educational corporations.

### **5. Conclusions and Discussion**

The purpose of this current project is to raise awareness of the emergent issue by shedding light on the potential problem occurring from over-expansion of the higher education sector in Taiwan.

The goals of expanding higher education institutions were to nurture a highly competent workforce for positive economic development and achieve equal educational

opportunity for all Taiwanese students. Nevertheless, certain negative impacts have produced unanticipated consequences that deviate from the initial goals.

These impacts consist of a serious shortage in funding, diminishing educational quality, mismatch between job requirements and workforce skills and fierce competition when recruiting students. To mitigate the problem of funding, the government should consider merging, abolishing, or transforming low-enrollment universities or colleges.

To improve the quality of higher education, policy makers will need to establish internal and external evaluation systems. In addition, due to a decreasing enrollment pool, competition between schools when recruiting students has become more intense. Accordingly, recruiting students from Southeast Asia, Mainland China, or other areas of the world will be practical measurements.

In order to prevent the earlier well-intentioned policies from failing in their implementation, the government needs to take all possible impacts into consideration when enacting corresponding policies. For those countries that have not been confronted with the problem of over expansion in higher education, the case in Taiwan can serve as an important example. The aforementioned future directions can further provide these other countries who may have the same problems valuable research to reference for new policies.

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