



SERVICES FOR INTERNATIONAL EDUCATION MARKETING

Burmese Days

Managing risk and preparing for opportunity in the last education frontier

SIEM Conference

10 December, 2014

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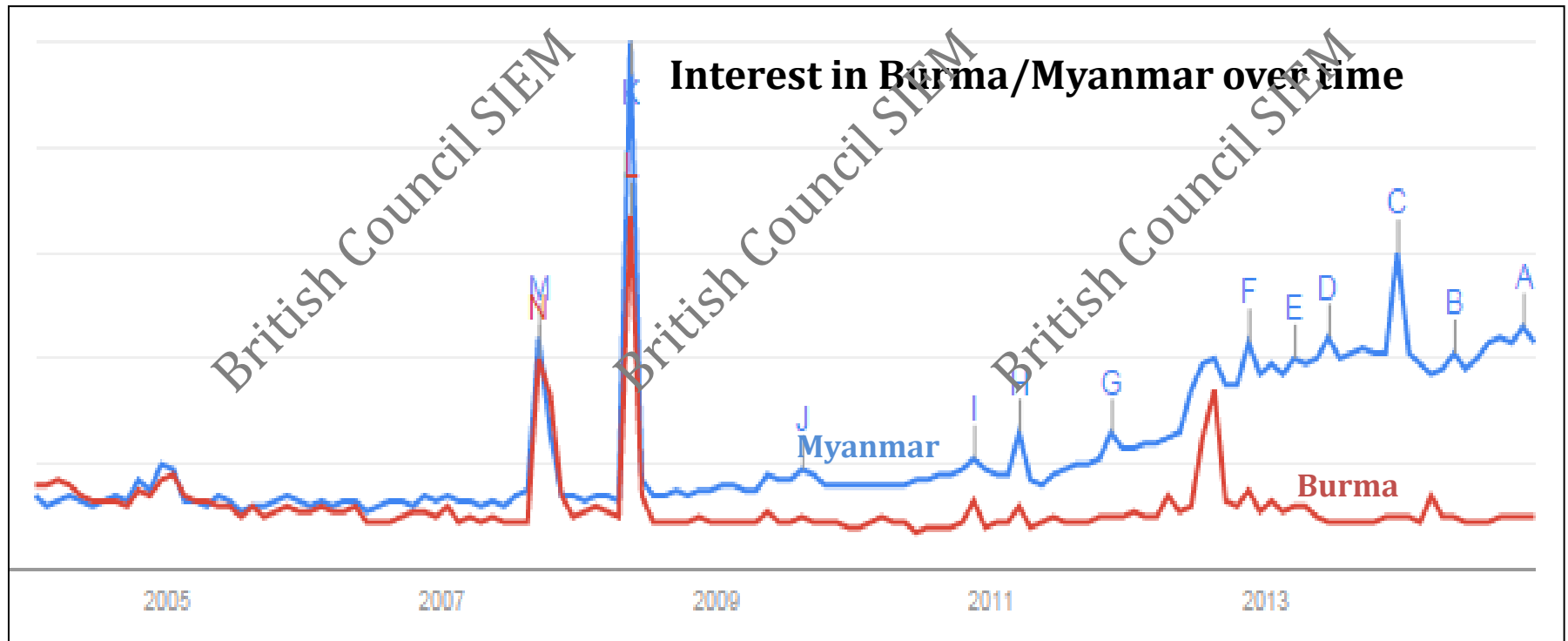
- I. Benchmarking Myanmar
- II. Regulatory environment
- III. Current education market
- IV. Assessing opportunities for the UK

- I. Benchmarking Myanmar**
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- III. Myanmar's education market
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I. Benchmarking Myanmar: Introduction

- ❖ “It is one of the tragedies of the half-educated that they develop late, when they are already committed to some wrong way of life.”

-George Orwell, *Burmese Days*



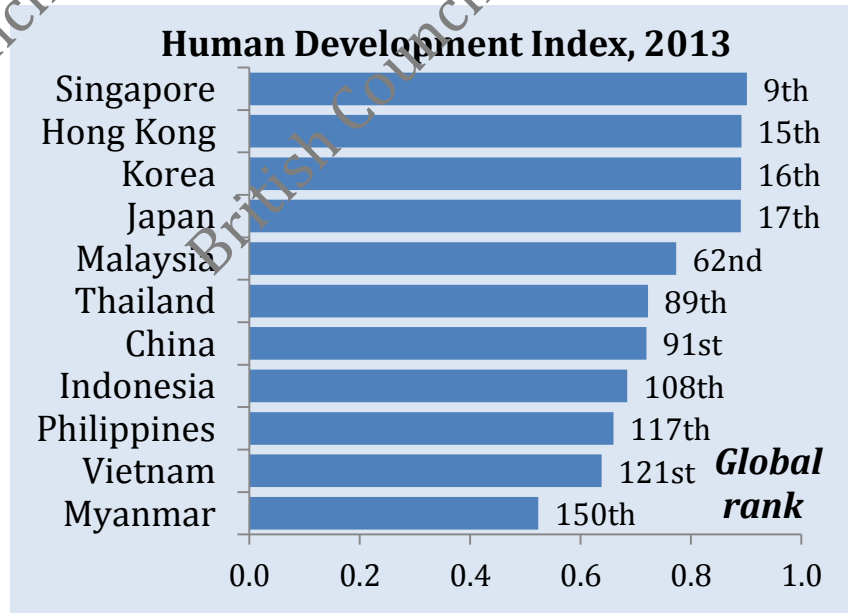
Source: Google Trends

I. Benchmarking Myanmar: Introduction

- ❖ Strategically important and rich in natural resources, Myanmar has suffered from decades of neglect, but it may have turned the corner since its political thaw in 2011.
- ❖ A former British colony, Burma was identified after independence as one of the growth poles for East Asia*, but a military coup in 1962 saw the country turn inward for the next five decades.
- ❖ Fifty years later, the 'Burmese Road to Socialism' has been a bumpy one, with living standards now lagging well behind the rest of the East Asia region.



*Source: "The East Asia Miracle," NBER, 1994



Source: UNDESA

I. Benchmarking Myanmar: Politics

- ❖ All eyes are on the general election scheduled for autumn 2015, but clarity is lacking.
- ❖ Policy making will become more conservative until the results of the election are known.

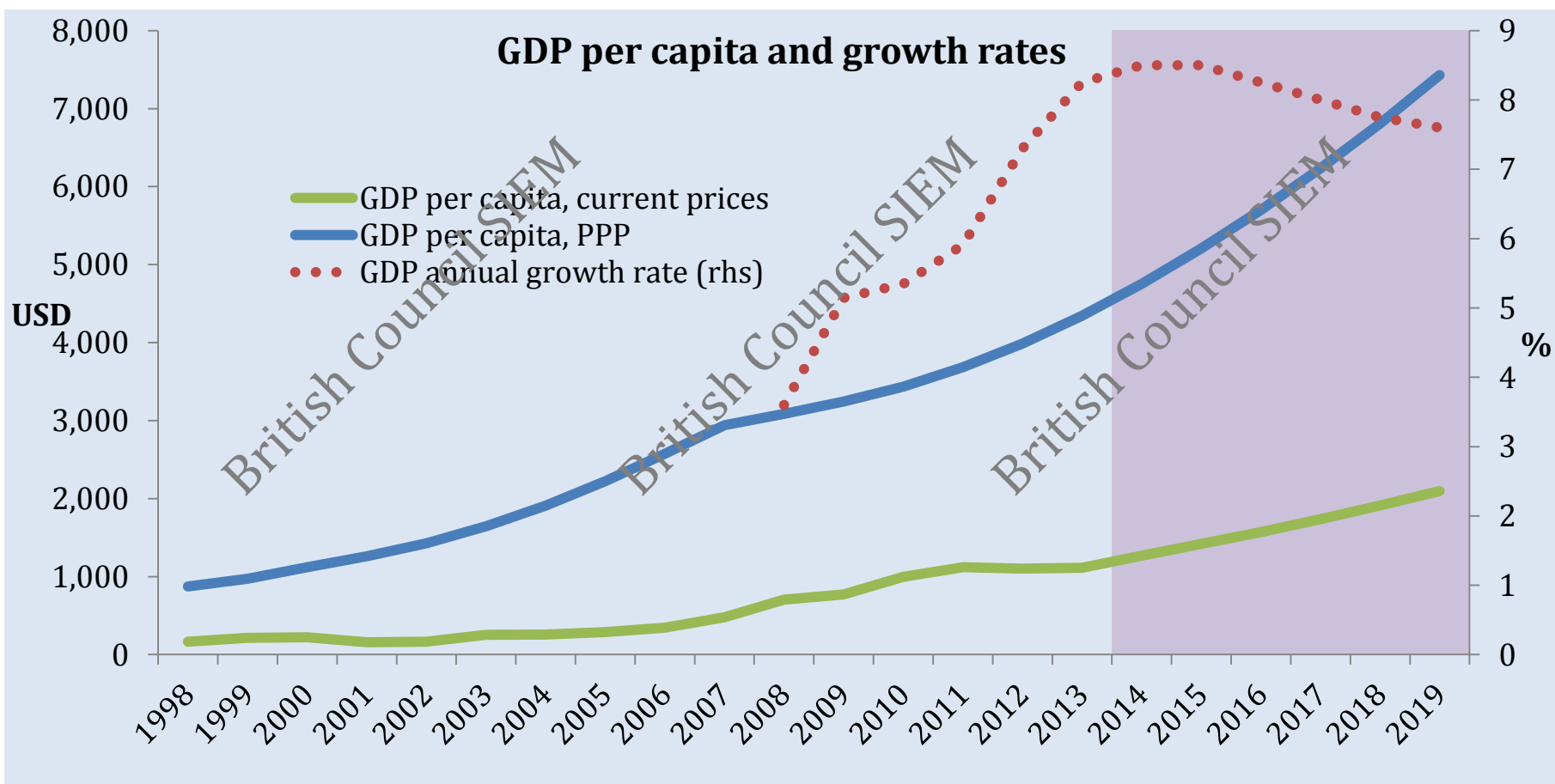
Political control

- ❖ Myanmar will need to accommodate the former military rulers while allowing for greater participation of other voices, most notably Aung San Sou Kyi, but also the next generation of political leaders.
- ❖ Political paradox: it is hard to see how Myanmar can go back now, but it's unclear exactly how it can go forward.
- ❖ Some MNCs are making 5- and 10-year plans for their investments in Myanmar, indicating that they view next year's elections as only a milestone on a longer journey – but many more remain on the sidelines.



I. Benchmarking Myanmar: Economics

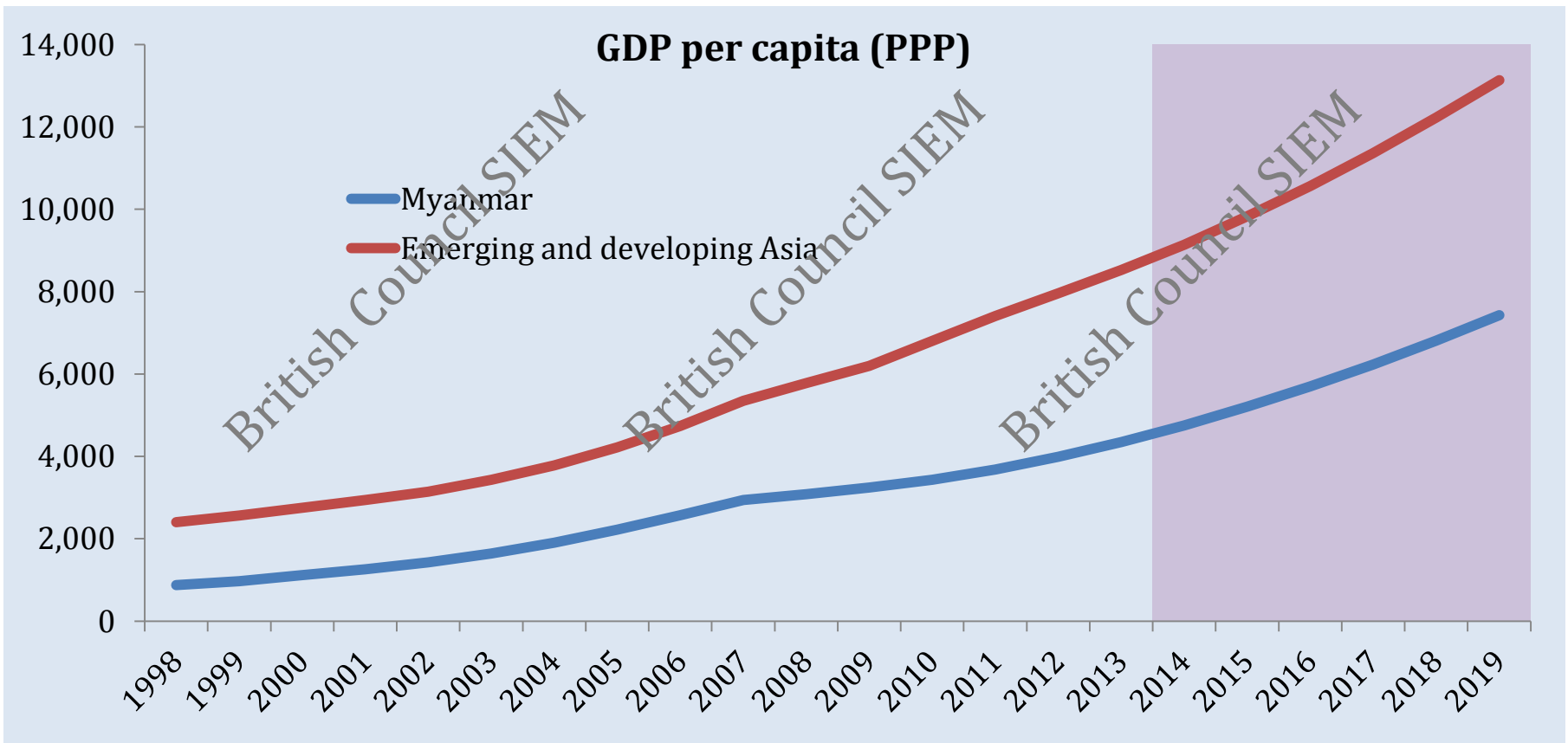
- ❖ Incomes are rising and growth is projected to exceed seven per cent annually every year until 2020.



Source: IMF, staff estimates after 2013

I. Benchmarking Myanmar: Economics

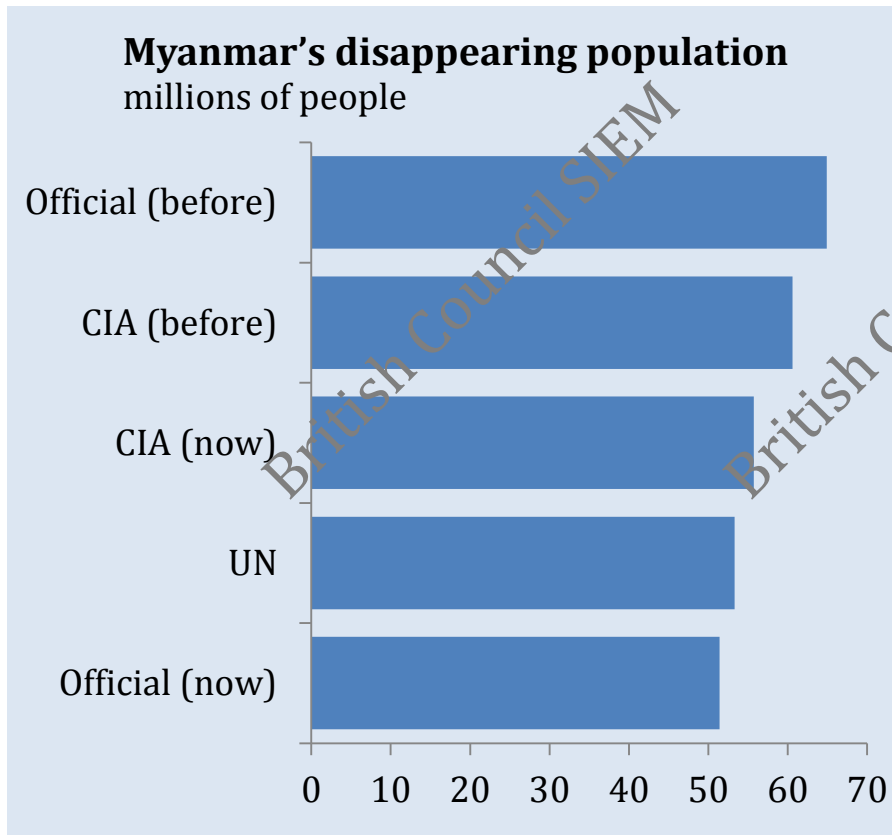
- ❖ But income levels in Myanmar still trail the average in other parts of developing Asia by quite a large margin, and the gap may be growing over time.
- ❖ Increasing living standards and education attainment are the priority development areas.



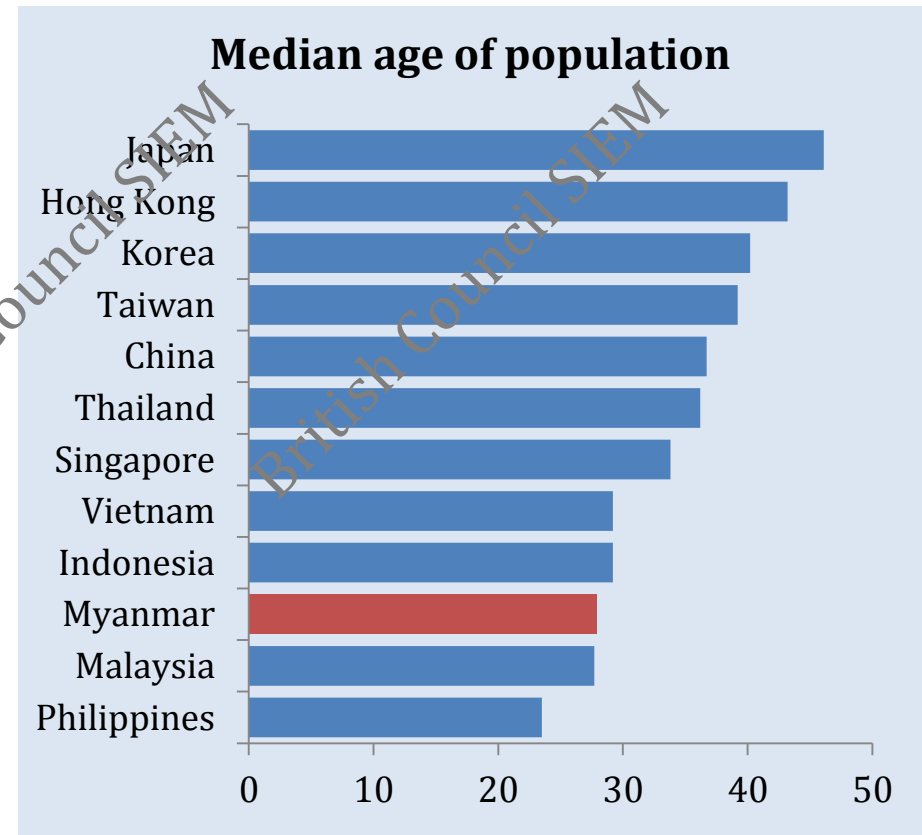
Source: IMF, staff estimates after 2013

I. Benchmarking Myanmar: Demographics

- ❖ Estimates of Myanmar's population have decreased in size since a 2014 revision, from more than 60m before to some 51m today – even the government is not sure.
- ❖ At the same time, Myanmar is home to one of the youngest populations in East Asia.



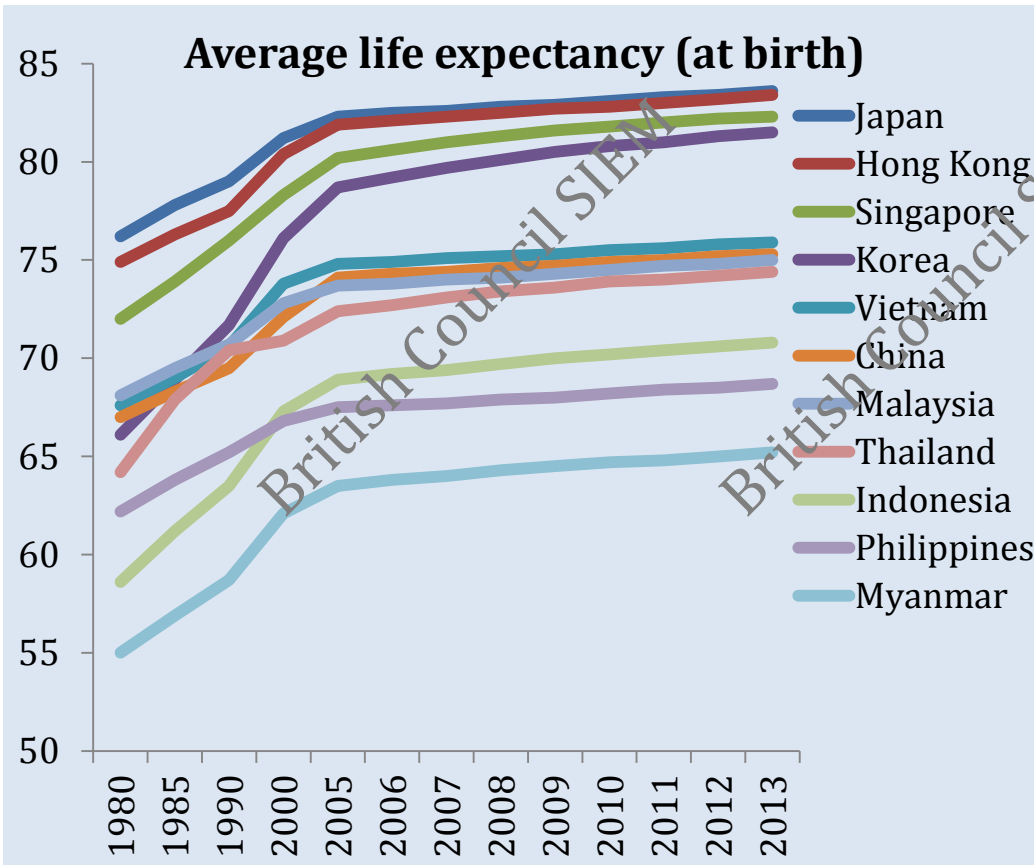
Source: CIA World Factbook, UNDESA, IMF



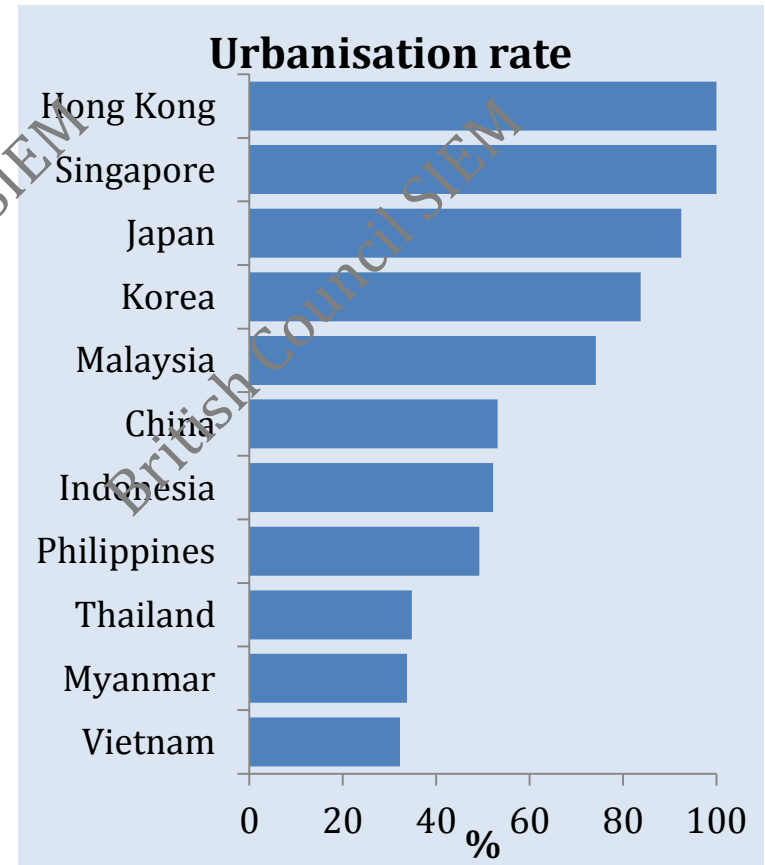
Source: CIA World Factbook,

I. Benchmarking Myanmar: Demographics

- ❖ Myanmar still trails its neighbours in average life expectancy, and is one of the least urbanised societies in East Asia, suggesting massive productivity gains are possible, but major improvements will be needed first in infrastructure and basic health care.



Source: UNDESA



Source: UNDESA

I. Benchmarking Myanmar: Society

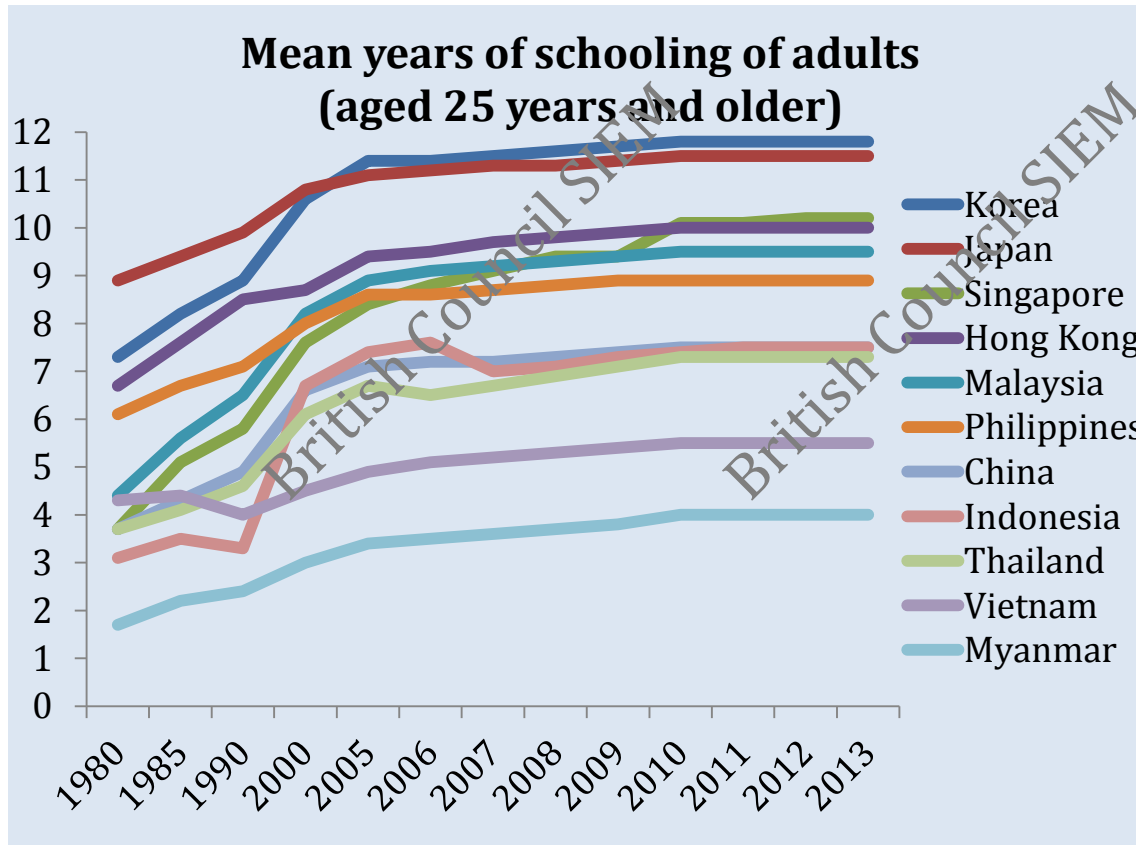
- ❖ Myanmar ranks below 100 in 10 of the 12 pillar indexes of the global competitiveness index (WEF), although it has improved in 11 of the 12 in the last year.

Development indicator	Global rank, 2013	Global rank, 2014	Net change
Institutions	141 (out of 148)	136 (out of 144)	5
Infrastructure	141	137	4
Macroeconomic environment	125	116	9
Health and primary education	111	117	(6)
Higher education and training	139	135	4
Goods market efficiency	135	130	5
Labour market efficiency	98	72	26
Financial market development	144	139	5
Technological readiness	148	144	4
Market size	79	70	9
Business sophistication	146	140	6
Innovation	143	138	5

Source: Global Competitiveness Index, WEF

I. Benchmarking Myanmar: Education

- ❖ Myanmar trails far behind its neighbours in terms of educational attainment at all levels.
- ❖ Low enrolment rates suggest that Myanmar still lacks sufficient levels of development to be a major source of outbound students to major host destination countries.



Source: Barro-Lee, UNESCO, UNDP

Education level	Enrolment rate	Global rank (out of 144)
Primary	86.4% (net)	111
Secondary	50.2% (gross)	122
Tertiary	13.8% (gross)	103

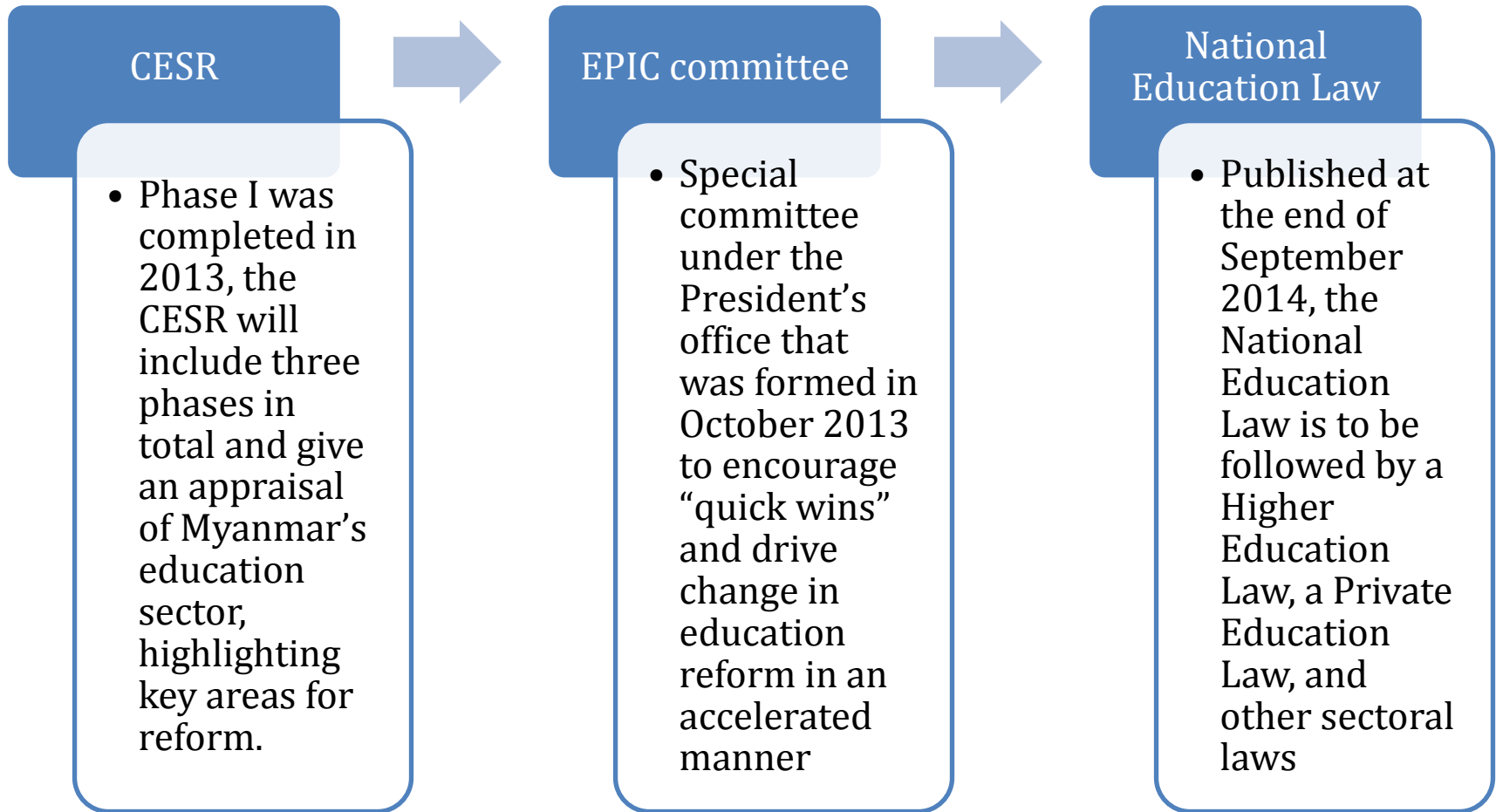
Source: World Economic Forum

I. Benchmarking Myanmar: Summary

- ❖ Myanmar remains at the very early stages of its reform and opening up process, with considerable challenges ahead. First among these is the country's political future.
- ❖ Myanmar remains (at least) a generation behind its peers in developing East Asia in living standards and educational attainment. It's important to laud Myanmar's progress, but also to remember just how far the country has to go – it doesn't even know how many people it has yet.
- ❖ Thus, despite the optimism and interest surrounding Myanmar, the country's international education market remain in its infancy. The UK has the chance to be present at the creation of the next big thing in international education, so long as it is willing to play the long game.

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- II. Regulatory environment**
- III. Myanmar's education market
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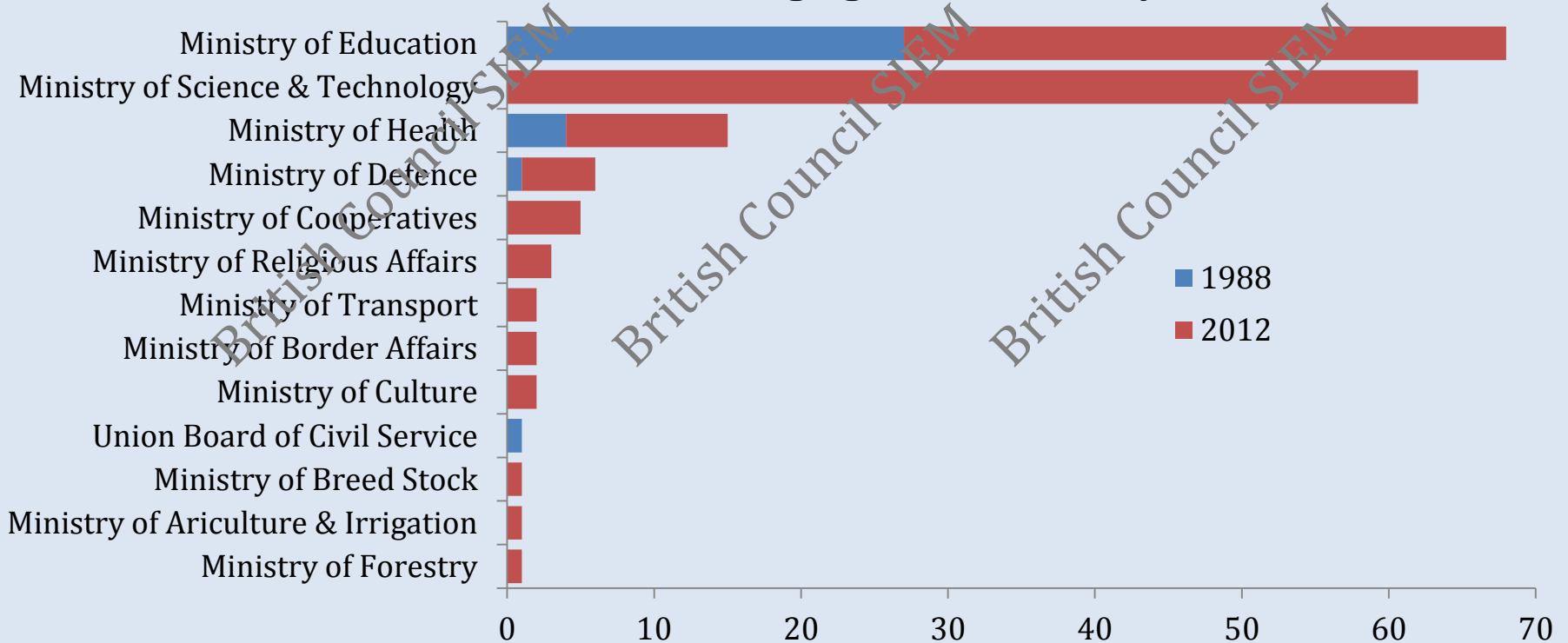
II. Regulatory environment: Overview



III. Education market: Local HEIs

- ❖ In 1988, 27 of 32 higher education institutions (84 per cent) were under the control of the Ministry of Education. By 2012, only 68 of 169 (40 per cent) fell under MoE jurisdiction, with the remaining 101 HEIs split among a dozen other ministries.

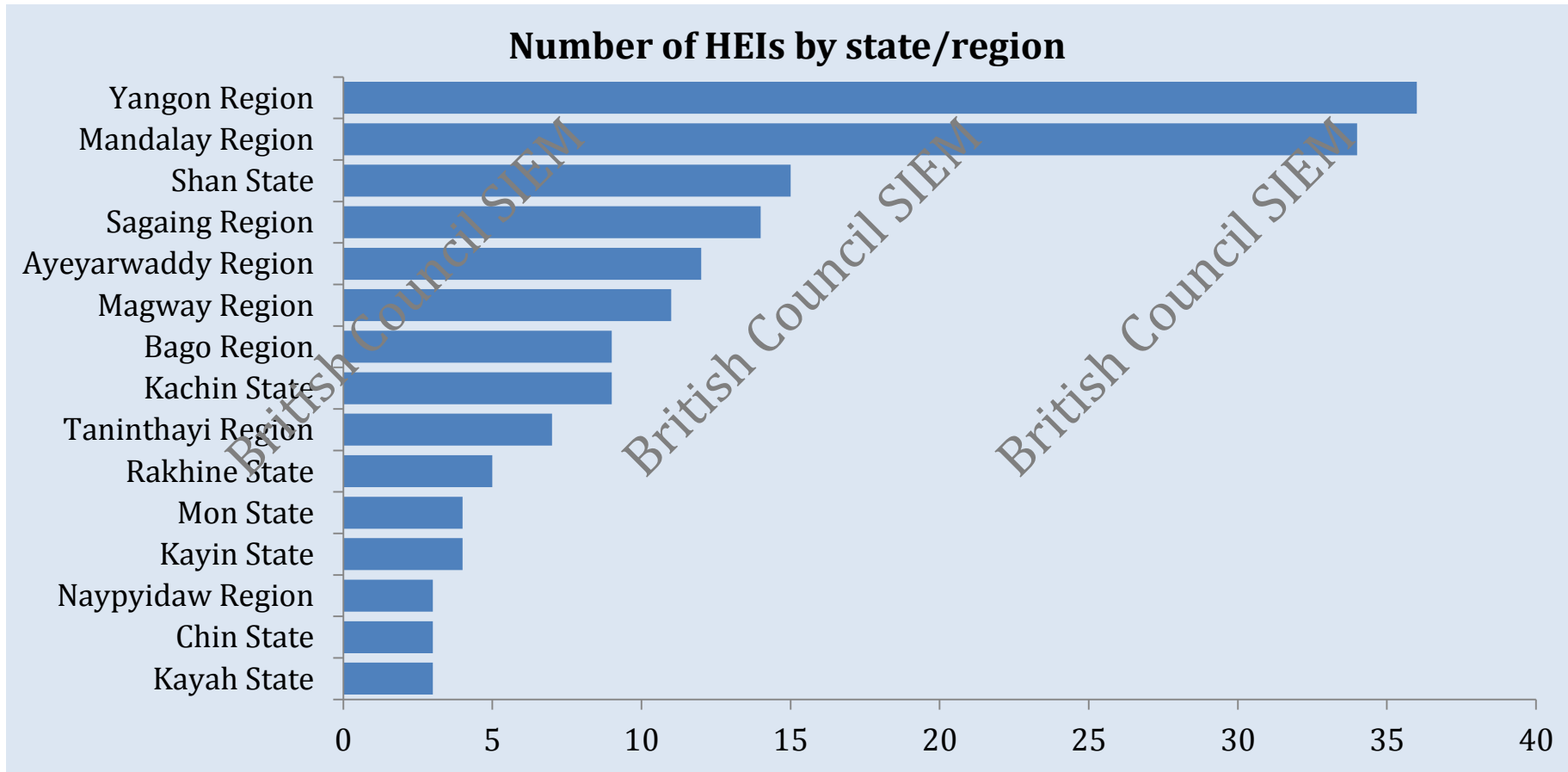
Number of HEIs belonging to each ministry



Source: CESR, total includes both universities and colleges

III. Education market: Local HEIs

- ❖ Yangon and Mandalay are home to far more HEIs than any other region/state.
- ❖ Income levels are also significantly higher in these two cities.



Source: CESR, total includes both universities and colleges

II. Regulations: National Education Law

Law	Key reforms	Future reforms
National Education Law	<ul style="list-style-type: none"> ❖ The National Education Law indicates the intention to give universities greater autonomy. ❖ It acknowledges and potentially encourages involvement of the private sector in education. ❖ It promises to increase access to education, particularly at early ages. ❖ The National Education Law calls for the formation of a Tertiary Education Coordination Committee (TECC), which will be responsible for coordinating the activities of most, if not quite all, of Myanmar's tertiary institutions. ❖ The National Education Law sets baseline qualifications for teachers and calls for the formation of both internal and external quality assurance processes. ❖ The long anticipated National Education Law serves as an umbrella law for Myanmar's entire education sector, but policy affecting UK institutions which are interested in Myanmar will depend more on the soon-to-be-released Higher Education Law and Private Education Law. ❖ Greater clarity over education policy may not come until the general election in November 2015. 	<ul style="list-style-type: none"> ❖ Myanmar's higher education sector is badly in need of consolidation, with 169 universities currently reporting to 13 different ministries. ❖ The TECC will aid this process, but some ministries remain reluctant to cede oversight of universities to the Ministry of Education. ❖ True consolidation could take many more years, leaving Myanmar's HEIs in regulatory limbo.

II. Regulations: Higher Education Law

Law	Likely reforms	Future reforms
Higher Education Law	<ul style="list-style-type: none"> ❖ Will likely create an accrediting body for both public and private higher education institutions, allowing private HEIs to register as educational organisations with the government for the first time. ❖ Myanmar’s government doesn’t currently recognise overseas qualifications, but the forthcoming NQF could change this. ❖ Myanmar lacks quality control of its higher education sector at the moment and it could take upwards of five more years to see the introduction of more effective oversight. ❖ Given regulatory uncertainty, finding a local partner/provider will be crucial to navigating the evolving policy environment. ❖ The Higher Education Law will likely allow public HEIs to partner with foreign institutions, but it remains unclear what form these partnerships will take. 	<ul style="list-style-type: none"> ❖ Implementation of the Higher Education Law will not necessarily follow the letter of the law: the responsibilities of government bodies and HEIs overlap and the capacity of each to deliver remains unclear. ❖ Granting universities greater autonomy could be particularly difficult as fewer than half of all HEIs currently fall under the jurisdiction of the MoE. ❖ Currently there are no pathways between public and private education in Myanmar, and it is unclear if the Higher Education Law will provide policy clarity on this topic.

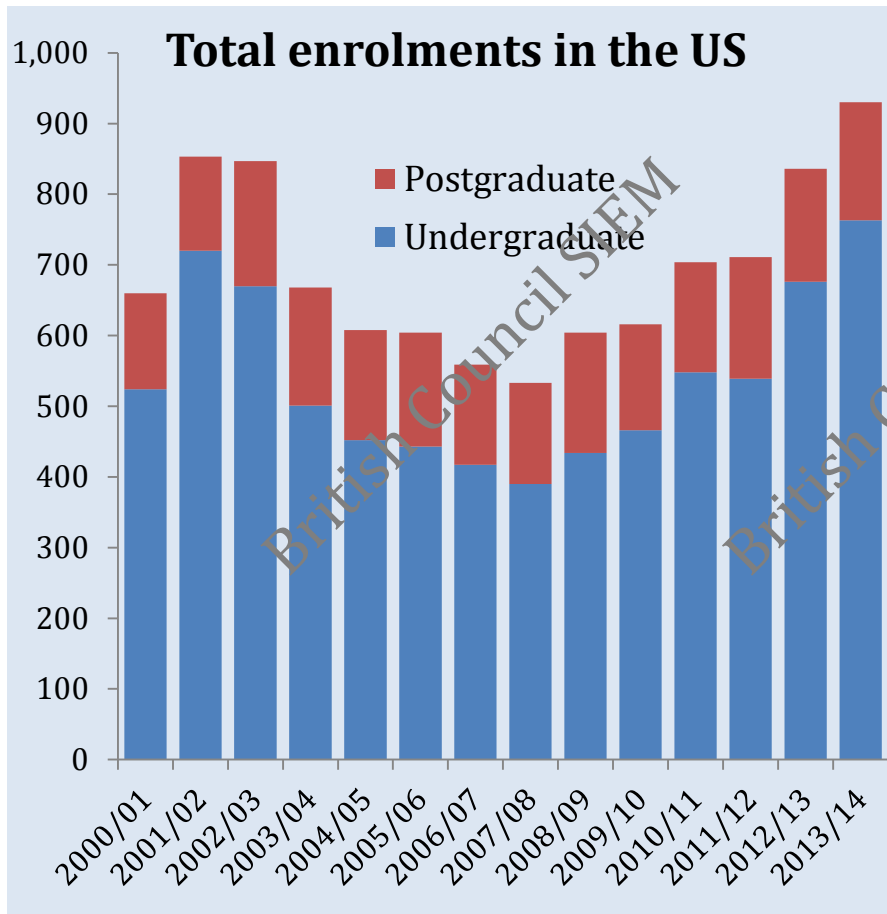
II. Regulations: Private Education Law

Law	Likely reforms	Future reforms
Private Education Law	<ul style="list-style-type: none"> ❖ The Private Education Law is potentially more problematic for Myanmar's government than the Higher Education Law as leaders are more fearful of the effects of privatisation and therefore remain cautious. ❖ At the same time, the government recognises that it is necessary to allow private higher education to help fill gaps in capacity and quality in Myanmar's tertiary sector. ❖ Even without the law in place, private education provision is growing in Myanmar, although these programmes are not currently recognised by the government. <ul style="list-style-type: none"> ➤ All international schools and private institutions operating in Myanmar are technically illegal, as they are registered as commercial entities, not as education institutions. ➤ Examples of public-private partnerships involving UK TNE providers include the University of Greenwich-KMD and University of Northampton-Myanmar Imperial College top-up programmes. 	<ul style="list-style-type: none"> ❖ The Private Education Law is likely to allow various forms of foreign involvement in Myanmar's higher education sector, including dual degrees and even full branch campuses ❖ However, these types of programmes will also fall under the jurisdiction of the foreign investment law and will therefore require local partners to hold a majority stake in such ventures. ❖ No regulatory framework for foreign-local education partnerships currently exists, and the Private Education Law is unlikely to include one.

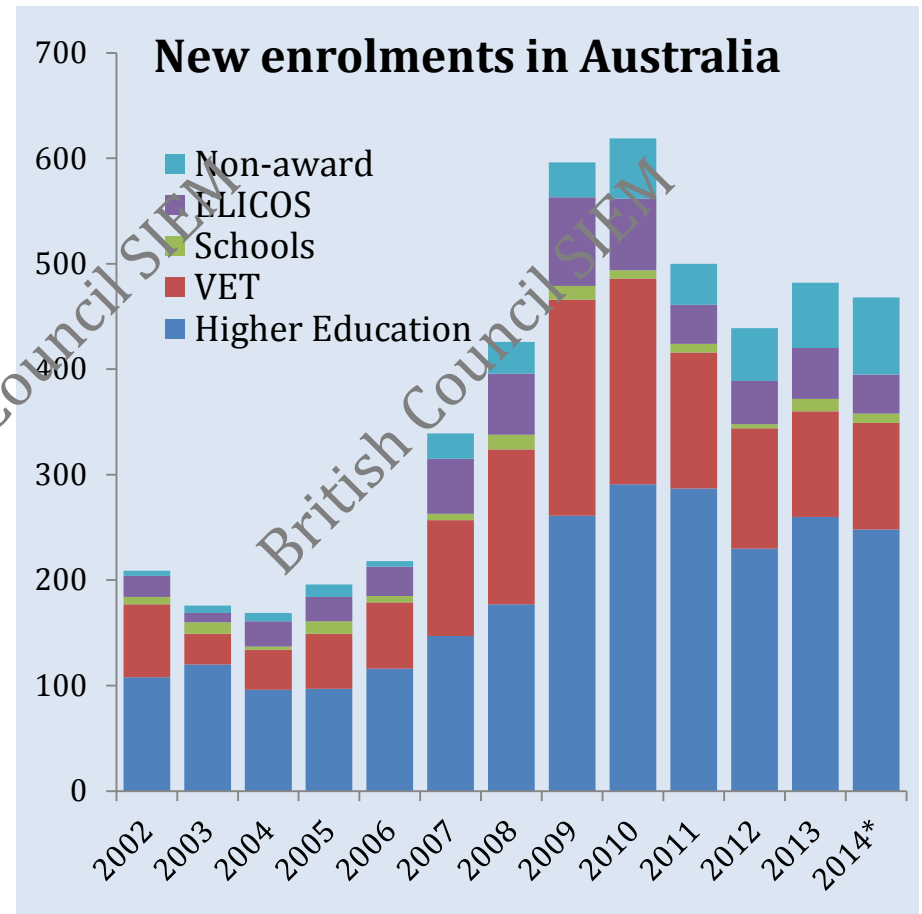
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III. Education market: Student mobility

❖ In the U.S. and Australia, growth in higher education enrolments is relatively lackluster.



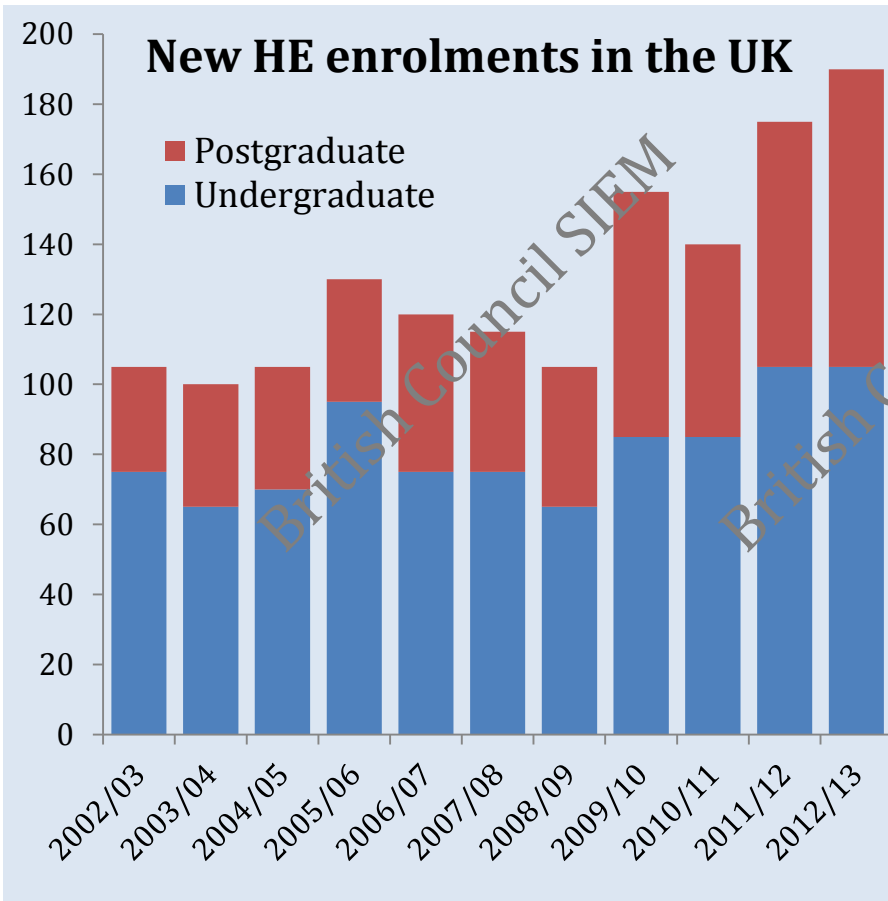
Source: IIE, data represents total enrolments



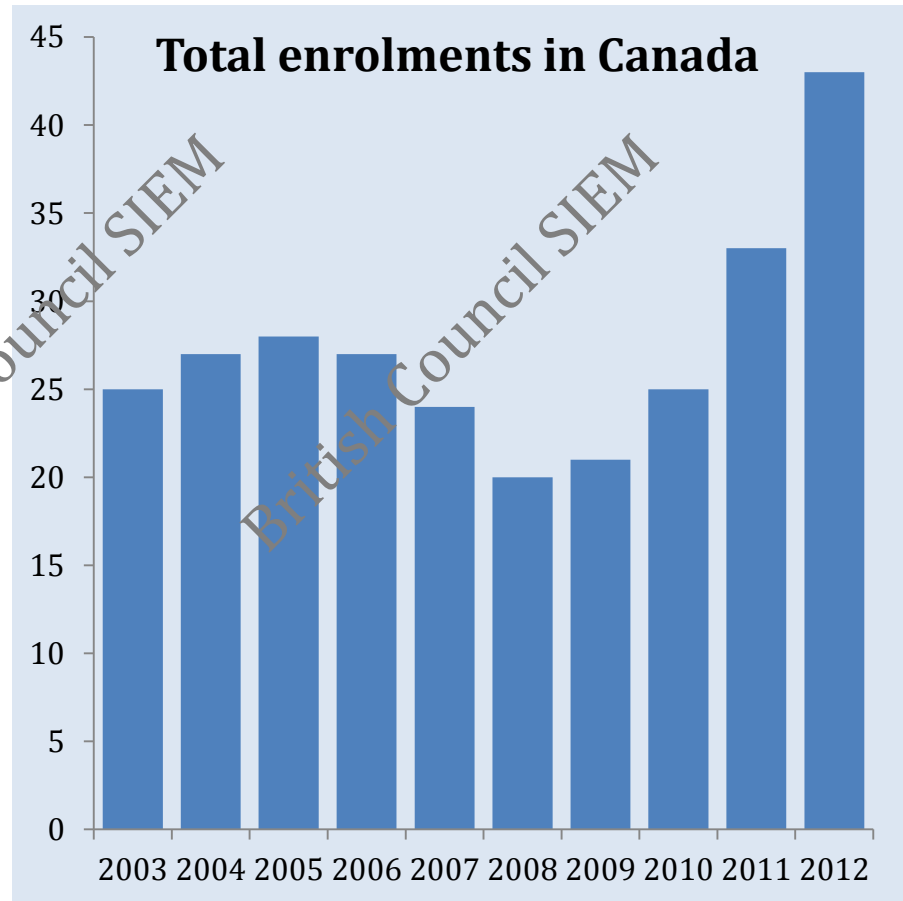
Source: AEI, data represents new enrolments

III. Education market: Student mobility

- ❖ Enrolments in UK HEIs are small but have been growing since 2010/11.
- ❖ Enrolment in Canada is the smallest of the major markets but growing quite rapidly.



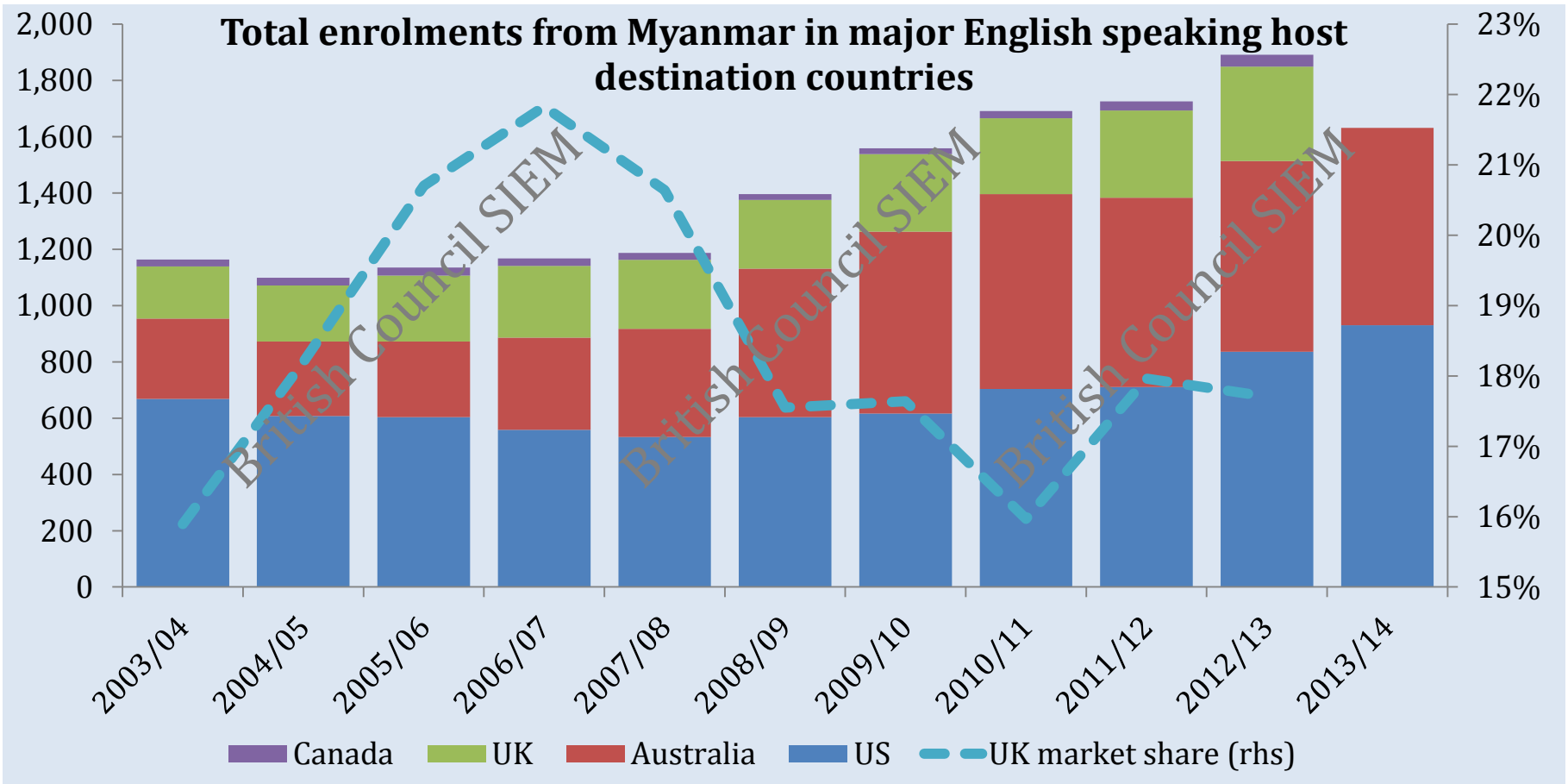
Source: HESA, data represents new enrolments



Source: CIC, data represents all international enrolments

III. Education market: Student mobility

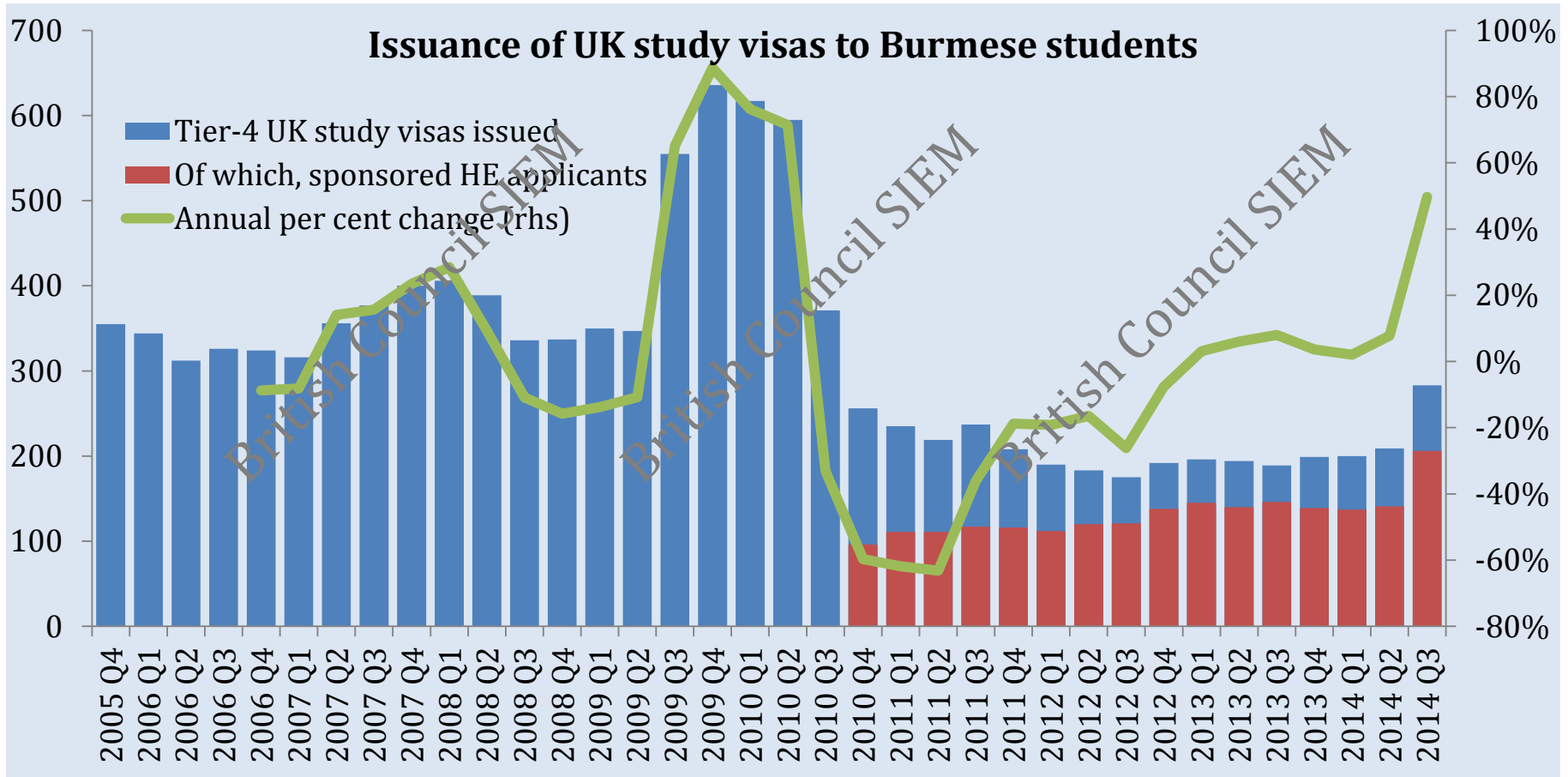
- ❖ In total, Myanmar enrols only 2,000 students in higher education in the four major English speaking host destination markets – a very small base to grow in the future.



Source: IIE, AEI, HESA, CIC, *note: 2013/14 enrolment data unavailable for Canada and the UK.

III. Education market: Student mobility

- ❖ The number of UK student visas issued to Myanmar student is on the uptick.
- ❖ Applicants for study at UK HEIs have grown particularly rapidly in 2014.



Source: UK National Statistics, British Council SIEM; data represents 4-quarter moving sum; sponsored HE applicant data available only from 2010.

III. Education market: Student mobility

Myanmar's student mobility market

- ❖ Growth in the HND market is happening earlier than growth in outbound mobility, as mobility pathways remain onerous and poorly understood by parents and students.
 - EdExcel HND qualifications are most popular for now, and could expand to 5,000 students by next year.
 - Overall awareness of students/parents of differences among overseas institutions remains low.
 - The outbound mobility market is expected to take another 5-10 years to develop.
 - Myanmar could become the first post-modern education market (i.e. TNE precedes mobility)
- ❖ Only a small number of HND graduates currently go onto study abroad, according to local HND providers.
 - Various agents suggest that the mobility market is growing but not booming, and could even decline in the next few years as local provision of undergraduate education increases.
 - The outbound market is largely limited to Yangon and Mandalay for now, but the Presidential Scholarship could change this.
 - Currently only wealthy families can afford to send their children overseas (students must have USD 25,000-40,000 in a family bank account), meaning most students are children of either government officials or families with their own businesses.
- ❖ Singapore remains the preferred destination for mobile students due to its proximity, safety, easier visa policies, family/immigrant networks, and polytechnics offering direct routes to graduate employment.
 - Students and their parents are very practically minded, seeking qualifications rather than quality.

III. Education market: International schools

- ❖ International schools in Myanmar are based in Yangon and Mandalay, generally catering to the children of upper class families and the increasing expatriate population.
- ❖ Enrolment is growing in international schools, but parents largely view them as a means to an end – up to 70-80 per cent of students leave school after O-levels for foundation programmes.
- ❖ Many local international schools are facing capacity constraints, and some top UK independent schools are moving in to fill this growth in demand.

International school	Tuition minimum	Tuition maximum	Enrolment
Myanmar Independent School	USD 5,000-6,000	USD 10,000+	550 student, 80% local
Horizon (IB branch)	USD 8,000-10,000	USD 15,000	210 students, 95% local
Dulwich	USD 22,000	USD 25,000	200-250, max capacity 860 (phase 1), max 40% local

III. Education market: Presidential Scholarships

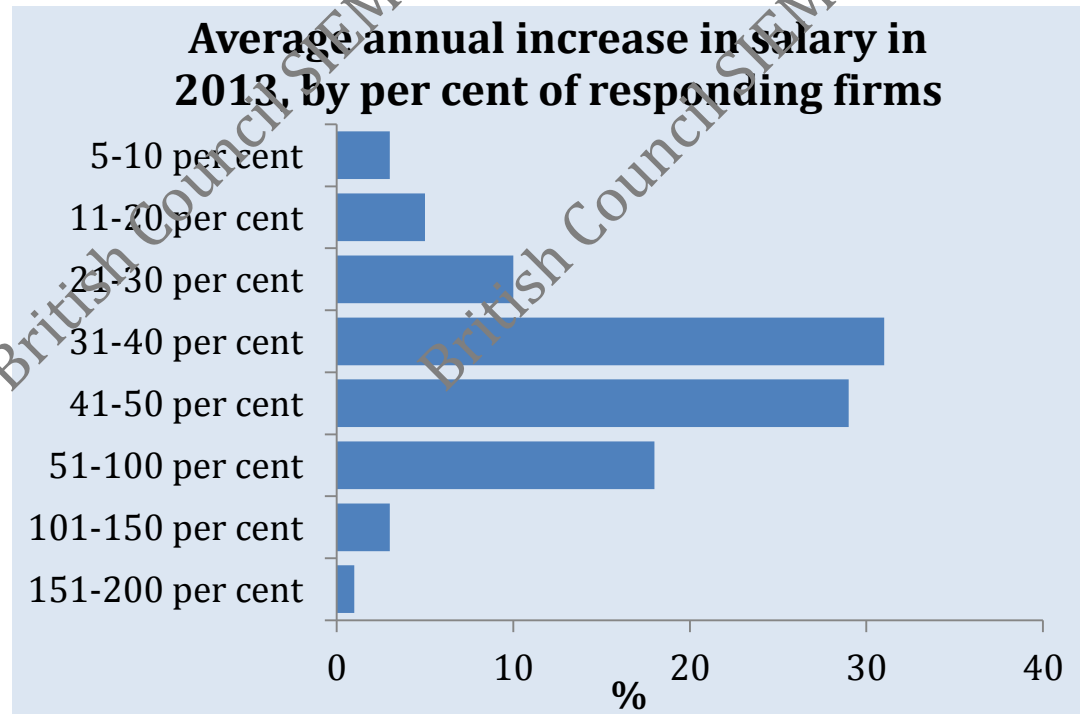
- ❖ Myanmar’s president announced the Presidential Scholarships in 2014, which will fund local students to enrol in overseas higher education institutions.
- ❖ Details surrounding the scholarship remain scant, but the scholarships could potentially give a whole new segment of Myanmar’s student market access to education overseas.

Presidential Scholarship details	Opportunities for the UK	Presidential Scholarship applicants																								
<ul style="list-style-type: none"> • 4,880 applications were received in the first round, indicating great demand for overseas study • A second round will take place this month and require students to pass the APTIS English proficiency test. • A final round decision will be based on candidate interviews. • Graduates will be required to return to Myanmar to work in the public sector for twice as many years as they studied overseas under the scholarship. 	<ul style="list-style-type: none"> • The MoE has announced that only top- and middle-ranked universities will be eligible to host scholarship recipients, but some UK HEIs may also have to offer preferential policies such as reduced tuition fees, subsidised accommodation or guaranteed student placements. • Interested UK HEIs should submit a proposal to Myat Lay Tint at British Council Burma by 15 January 2015. 	<table border="1"> <thead> <tr> <th></th> <th>Male</th> <th>Female</th> <th>Total</th> </tr> </thead> </table>		Male	Female	Total	<table border="1"> <tbody> <tr> <td>UG</td> <td>236</td> <td>421</td> <td>657</td> </tr> </tbody> </table>	UG	236	421	657	<table border="1"> <tbody> <tr> <td>Masters</td> <td>319</td> <td>1,528</td> <td>1,847</td> </tr> </tbody> </table>	Masters	319	1,528	1,847	<table border="1"> <tbody> <tr> <td>PhD</td> <td>310</td> <td>2,066</td> <td>2,376</td> </tr> </tbody> </table>	PhD	310	2,066	2,376	<table border="1"> <tbody> <tr> <td>Total</td> <td>866</td> <td>4,018</td> <td>4,880</td> </tr> </tbody> </table>	Total	866	4,018	4,880
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III. Education market: Returning students

- ❖ The number of students returning to Myanmar after studying overseas has reportedly increased along with Myanmar’s economic fortunes, as overseas graduates enjoy a large wage premium over local graduates.
- ❖ For now, most returnees are students who studied in Singapore, while graduates from Australia, the US and the UK have yet to return in large numbers.

Starting salaries of recent graduates	
Local graduates	USD80-100 per month
Singapore graduates	USD500-1,000 per month
UK graduates	USD1,000-1,500 per month



Source: CDC Salary Market Report, 2014

III. Education market: Graduate employability

- ❖ 94 per cent of survey respondents report difficulty in finding the right people for job vacancies, particularly at management and senior management levels.
- ❖ Employees lack both hard and soft skills, as well as international exposure, which is forcing employers to look overseas.

Skills that employees most lack	Case study: Foreign telecommunications firm
Global skills	Salaries start at USD450 per month but quickly rise from there; growth opportunities are also more plentiful.
Computing skills	This firm has been operating in Myanmar for only one year, but already employed 400 people in October with plans to expand to 600 people by the end of 2014
Initiative	Some 15-20 per cent of staff are overseas returnees, but returnees do not necessarily make better hires
Action planning	Employees lack soft skills above all else
Critical thinking	Applicants generally possess a number of certificates or qualifications, but they lack practical skills
Professionalism	
Enthusiasm	
Management	
Stress tolerance	

Source: CDC Salary Market Report, 2014

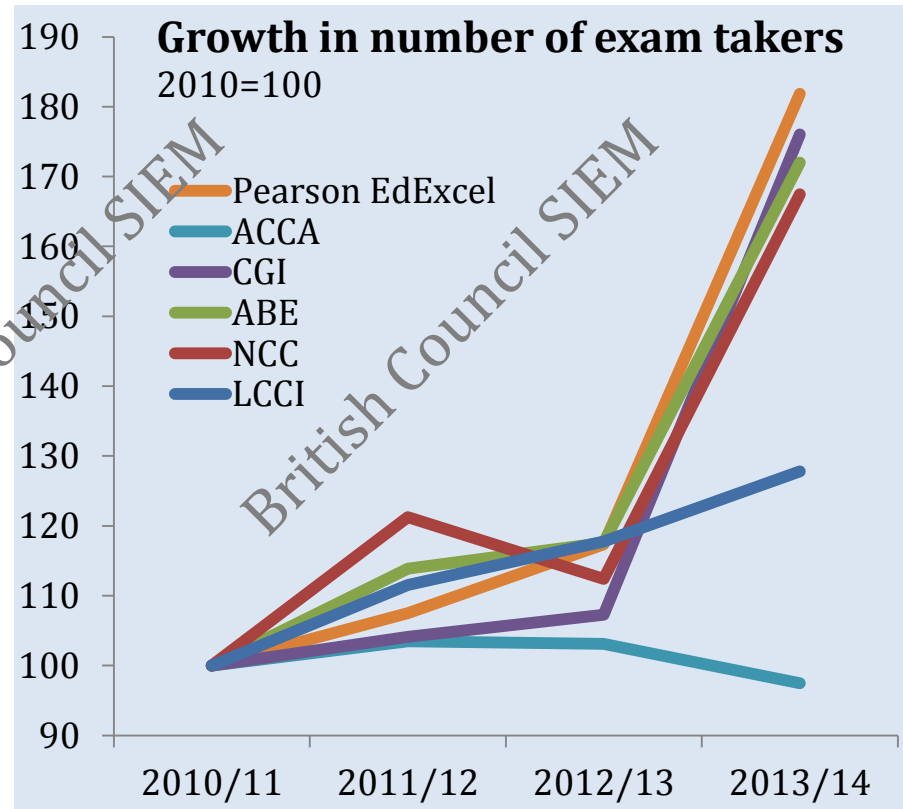
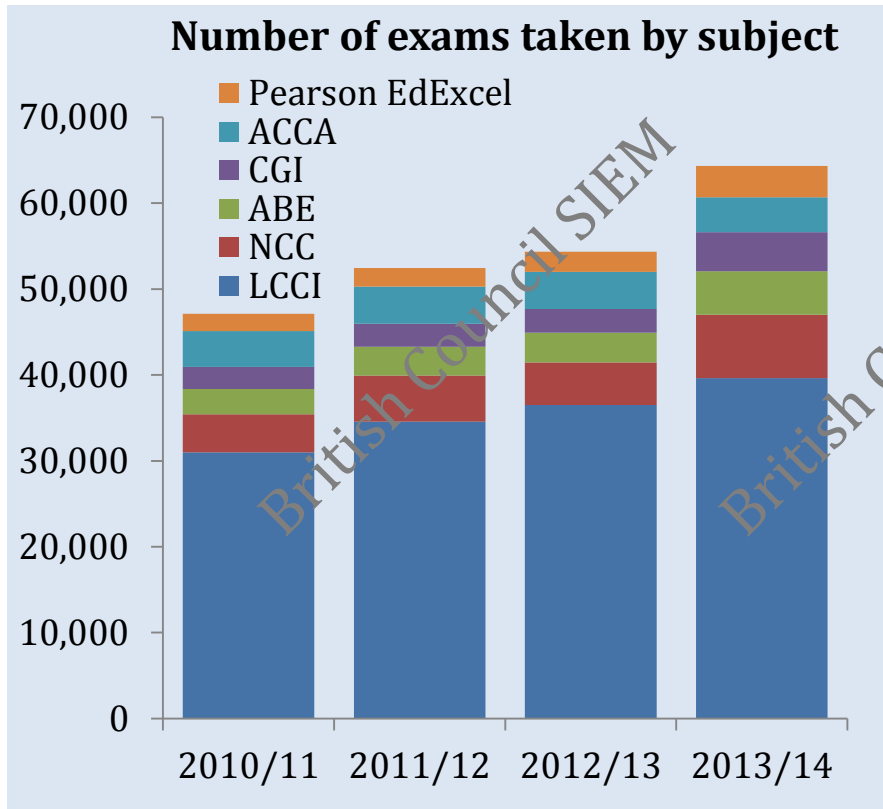
III. Education market: HND

- ❖ HND programmes are increasing in popularity and local providers are actively seeking foreign institutions to offer top-up degrees to students in Myanmar.
- ❖ Concerns surround the medium of instruction and teaching capacity of local partners.

Explaining the appeal of HND	Local provider	HND tuition	Top-up tuition	Number of students	Per cent of students going overseas
HND offers the fastest and least expensive route to a foreign qualification	Chindwin College	USD 4,000	N/A	500	50%
HND is more suitable for students who cannot afford to study overseas and/or are unable to meet local academic requirements	Myanmar Imperial College (MIC)	USD 3,000	USD 10,000	1,000	10%
Growing number of job opportunities in Myanmar has increased the appeal of achieving a degree without leaving home	Gusto	USD 2,500	USD 6,000	180	0%
HND programmes allow students to study part time while working or studying in a public institution					

III. Education market: Qualifications

- ❖ Demand remains largest for business and accounting qualifications, which are widely recognised by employers. But other subjects are growing – the numbers of HND, CGI, ABE and NCC exams have all increased by at least 67 per cent since 2010.



Source: British Council Burma; LCCI subjects include accounting and business, ACCA is an accounting qualification, CGI stands for various City & Guilds engineering subjects, ABE is an Associate of Business Executives, qualification, NCC delivers two different subjects in Burma: business and computing at two different diploma levels: an International Diploma in Computer Studies & an International Advanced Diploma in Computer Studies.

III. Education market: Summary

- ❖ Outbound student mobility market remains limited in size, but strong recent growth in applications for UK study visas suggest that demand for UK education is rising. The new Presidential Scholarship could boost the number of students enrolling in UK HEIs, particularly from more remote areas.
- ❖ For the time being, enrolments in HND programmes are growing most rapidly in Myanmar, as students are attracted by shorter, easier, and less expensive pathways to overseas qualifications.
- ❖ The appeal of returning to work in Myanmar has also increased for overseas graduates – particularly those in Singapore – who are attracted by rapidly rising wages and better opportunities closer to home.
- ❖ Demand for UK qualifications has grown since 2010, but employers report large skills gaps that these qualifications are not meeting.

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IV. Assessing opportunities for the UK (1/2)

Opportunity	Timeframe	Risk factors	Market size
Partnering with local HND providers to offer top-up degrees (Business Management, Electrical & Civil Engineering,)	Short- to medium-term	<ul style="list-style-type: none"> • While rapidly growing, demand for HNDs will decline as the local market matures 	Approximately 5,000 students per year and rising. Offering top-up degrees today does not preclude other forms of TNE later.
Partnering with NCC providers for final year top-up programmes (Computing , Business Management or ICT in Business subjects)	Short- to medium term	<ul style="list-style-type: none"> • No quality assurance mechanism is in place and private education provision is not recognised • Shortage of qualified faculty • Stricter entry requirements and imposing English as a medium of instruction could lower enrolment 	Currently Business and Computing subjects are the only areas that NCC is offering, so UK institutions should be looking into promoting these two subjects for the time being
Partnering with ABE provider for top-up in country	Short- to medium term	<ul style="list-style-type: none"> • No quality assurance • Shortage of faculty • Potentially low enrolment 	Based on growing demand for ABE qualifications, local providers are looking for UK institutions to offer top-up programmes.

IV. Assessing opportunities for the UK (2/2)

Opportunity	Timeframe	Risk factors	Market size
Providing CPD/skills training for employees (private sector)	Medium term	<ul style="list-style-type: none"> • Private education law could impose restrictions on training activities 	High demand for training but accessing this market could be difficult without a local partner
Partnering with public universities to offer TNE programmes	Medium- to long-term	<ul style="list-style-type: none"> • Policy remains unclear regarding tuition fees and enrolment caps, as well as quality assurance • Public HEIs currently lack capacity and resources • Excessive bureaucracy and lack of transparency 	Interested UK HEIs should form local relationships now by training local academic staff, sending visiting professors to work with local PhD students, etc.
Branch campus	Long term	<ul style="list-style-type: none"> • Lacking clarity over foreign investment environment and government attitudes • Political instability 	Very limited for now: most students lack funds, those with resources prefer to go overseas. But long term, Myanmar has many of the necessary ingredients to become a regional hub.

Questions?

*British Council's **Services for International Education Marketing (SIEM)** team helps UK institutions refine their internationalisation strategies to succeed in East Asia and around the globe. Please get in touch if you would like to learn more.*

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