Background

The 30th ASEAN Summit held in Manila last April 26 to 29, 2017 was overshadowed by tensions and military buildups in the South China Sea. Rather than focusing on the regional economic integration, the ASEAN member-states were distracted by the growing concern over China’s military expansion and island-building in the hotly disputed maritime territory (Mogato & Dela Cruz, 2017). But one trade agreement that stood out in the aftermath of the Summit was the signing of a new shipping route from the Philippine cities of Davao and General Santos to Bitung, Indonesia. The opening of this new ferry route is crucial to boosting trade, giving access to raw materials, and driving down shipping costs in the BIMP-EAGA sub-region (Tomacruz, 2017). The agreement portends of what ASEAN Integration could truly be for the region.

However, the preoccupation of how to address China’s assertiveness over the South China Sea generally set the mood during the Summit. Stretching out of 3.5 million square kilometers of sea territory and traversing the world’s major shipping lanes, China’s 9-dashed lines claimed almost 86 percent of the entire South China Sea, including coral reefs, marine and aquatic life, gas, minerals, oil deposits, and other resources. The United States has regularly sent navy ships and planes near the disputed island on grounds of freedom of navigation, which is a potential flashpoint for global conflict. The ASEAN 10-member bloc decided to skirt the issue by dropping references to “land reclamation and militarization” in the chairman’s statement (Channel NewsAsia, 2017).

The 30th ASEAN Summit was intended to follow suit the establishment of ASEAN as a single market and production based by removing all restrictions on cross-border trade. The pace of economic growth in ASEAN is phenomenal despite global economic slowdown. Home to 626 million people, its aggregate G.D.P. is forecasted to grow from $2.4 trillion dollars in 2015 to $5.2 trillion dollars in 2025, largely attributed to the implementation of ASEAN Economic Community (Business Wire: A Bershare Hathaway Company, 2017). It is posed to be the fourth-largest market after EU, US, and China by 2030 with increased skilled workers, abundant natural resources, and favorable geographical location for trade and commerce.

One of the pressing issues in the ASEAN Integration has been to liberalize trade services and mobility of professionals to address the contraction in regional employment (See Table 1 below). Greater flow of professional services across borders can be accelerated through easing of domestic policies on working visas, eligibilities, and practice and licensing of profession. Despite the phenomenal growth in per capita incomes across an emerging middle class in the region, poverty levels continue to be stubbornly high. The boon in demand for information technology workers, massive investments in infrastructure, and rise in disposable incomes for travel and tourism ought to countervail the widespread disparities in

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2 Brunei Darussalam-Indonesia-Malaysia-Philippine East ASEAN Growth Area (BIMP-EAGA)

3 The effect of China’s claim-dash edof lines national would result to the territory Philippines losing 80% under of th its Exclusive Economic Zone (EZZ) in South China Sea. Brunei loses about 90% of its EZZ; Malaysia loses about 80%; Vietnam 50%; and Indonesia 30%.

wealth and mass destitution in the countryside. But the rapid economic growth in the region is still stymied by the joblessness and underemployment (Asian Development Bank, 2015).

<table>
<thead>
<tr>
<th>Country</th>
<th>Labor force</th>
<th>Unemployed population</th>
<th>Unemployment rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brunei Darrussalam</td>
<td>204,000</td>
<td>14,000</td>
<td>6.9%</td>
</tr>
<tr>
<td>Cambodia</td>
<td>8,250,000</td>
<td>15,000</td>
<td>0.2%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>121,873,000</td>
<td>7,245,000</td>
<td>5.9%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>13,932,000</td>
<td>400,000</td>
<td>2.9%</td>
</tr>
<tr>
<td>Philippines</td>
<td>41,379,000</td>
<td>2,728,000</td>
<td>6.6%</td>
</tr>
<tr>
<td>Singapore</td>
<td>3,531,000</td>
<td>91,000</td>
<td>2.6%</td>
</tr>
<tr>
<td>Thailand</td>
<td>38,576,000</td>
<td>323,000</td>
<td>0.8%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>53,700,000</td>
<td>1,000,000</td>
<td>1.9%</td>
</tr>
<tr>
<td>China</td>
<td>796,900,000</td>
<td>9,500,000</td>
<td>1.2%</td>
</tr>
<tr>
<td>Japan</td>
<td>65,870,000</td>
<td>2,360,000</td>
<td>3.6%</td>
</tr>
<tr>
<td>South Korea</td>
<td>2,504,000</td>
<td>202,000</td>
<td>8.1%</td>
</tr>
</tbody>
</table>

Source: ADB's Key Indicators for Asia and the Pacific, 2015

Thus, this research paper aims to explore the challenges posed to the ‘business of education’ in the context of ASEAN Integration. When this paper refers to the phrase ‘business of education’, it includes the operational, financial and marketing strategies as well as the learning delivery systems and models of learning institutions across the ASEAN region. Education delivers both social value and economic advantages to households. However, problems in labor supply-demand mismatch, lack of quality learning, low academic-industry linkages, and graduate unemployment can endanger the quest for regional integration.

This paper prescribes a new educational paradigm that intends to overhaul the ‘business of education’ and develop human capital across ASEAN member-states. This entails the integration of 21st century skills; use of learner-centered instruction techniques; leveraging economies of scale through collaboration; disseminating knowledge, researches and technologies through networks; and investing on teacher training. Unfortunately, the realities of ASEAN integration is much more complicated, slower and intricate than member-states expected - creating bottlenecks, opportunity lost and hits-and-misses in the process.

Issues

The ‘business of education’ refers to both the operational dimensions (i.e. management, financial, logistics, marketing, and supply) and academic (knowledge content, pedagogy, and assessment) business models employed in schools to bring value across customers, shareholders, industries, and societies. Despite global integration and disruptive technologies, the ‘business of education’ hardly changed in profound ways.

With the growing interdependence of trade, economies, culture, and governance, the ‘business of education’ is hard-pressed to equip learners with the right skill-sets to be competitive and successful in the new workplace. This is oft-referred to as the 21st century skills which were largely drawn from the 1996 report to UNESCO of the Delors Commission. It defined the four pillars of education as (1) Learning to know; (2) Learning to live together; (3) Learning to do; and (4) Learning to be (Delors, 1996). The ‘business of education’ is
confronted with a future where knowledge-driven jobs shall dislocate millions from employment, and could exacerbate social tensions and conflicts. Thus, it imperative that the business of education is retransformed in the context of the ASEAN Integration. Three salient issues shall be discussed in this paper:

a. What present threats and future challenges faced by the business of education?
b. How can the business of education innovate and reframe lenses?
c. With such strategic foresights, how the business of education respond appropriately?

Discussion

a. Challenges Now and Future

The ASEAN Integration seeks to establish a single market and production base in the region. This shall produce opportunities for business complementation and create the free movement of goods, services and labor like the EU in order to make ASEAN a more dynamic and stronger segment of the global supply chain. Schools across ASEAN are geared up to take advantage of the following: (1) learning exposure to new knowledge, innovation, and technologies; (2) mobility of faculty and students; (3) economies of scope through double badges and twinning programs; (4) research collaboration; (5) financial sourcing and partnerships with foreign investors.

But arguments against regional integration seem to gain traction in the other side of the globe. The election of populist leaders in the US, Russia, Turkey, and Philippines was a hard blow to globalization, technological progress and intra-regional trade. The exit of Britain from the European Union and with France in the horizon heralded the populist movements that pushed for fear and isolationism, instead of strengthening integration. The rise of ‘alternative facts’ with vilence and intolerance has been pervasive throughout social media. It is undermining our duty to uphold scientific objectivity and the quest for truth.

Indeed, the business of education has to grapple with the complex geopolitical, security, economic, and socio-cultural issues that upended societies. These are clear and imminent threats that can undermine both the relevance and sustainability of the ‘business of education’.

Nothing is more intractable than the changing nature of work itself. It is an understatement that the jobs of tomorrow shall dramatically change. A report indicated that 65 percent of children entering primary school today will end up working in jobs that have not existed yet. Artificial intelligence and machine learning, robotics, nanotechnology, 3D printing, and genetics and biotechnology shall redesign the workplace and dislocate millions of workers (World Economic Forum, 2016). The threat leaves no room for doubt. Unless the ‘business of education’ anticipate such skill-labor mismatch, the next generations are handicapped for work in the future.

Many schools in ASEAN countries are seeing obvious threats to their operational and financial viability to sustain their business. Schools are experiencing higher demands for rigorous academic standards and quality from stakeholders. Theses will entail huge operational and capital outlays, such as hiring and training faculty, acquisition of books and new reference materials, conduct of researches and conferences, and investments in libraries, computers, laboratories, buildings and facilities. The demographic dividends brought about by a young population across ASEAN has to be taken advantage through human capital development. However, state-
subsidies are running dry for non-profit schools, while margins grow thinner for profit-schools. Thus, schools in the region are impelled to focus more on their competitive advantages, employ cost-efficiency measures, collaborate for economies of scale, and clarify institutional missions to avoid duplication.

**Schools are confronted with more complicated, wicked problems - terrorism, religious, ethnic, and cultural intolerance, financial instability, hunger, climate change, and global conflict – that require deeper learning from generations to come.** Untangling the web of these issues requires higher order thinking and humanity among teachers and learners. The role of teachers, thus, will be more relevant than ever to cultivate deeper learning, personal values and tolerance, empathy, and social responsibility as global citizens (Schleicher, 2012). Contrary to this, past education systems were designed for standardization and conformity, while the world craves for learners who are imbued with integrity, teamwork, social intelligence, self-control, grit and determination to overcome the crises of our times.

**Finally, digital technologies put pressure on instructors to effectively deliver lessons to a millennial generation.** The use of smartphones, tablets, online tools, and social media for learning has gained widespread acceptance in the classrooms. It is feared that future technologies might even render instructors irrelevant if they fail to find their new niche in learning. Educators must realize the need to innovate in their teaching models and inspire the application of knowledge through higher-order skills, such as creativity, critical thinking, communication, and collaboration (Lai & Viering, 2012). However, digital technologies are prone to abuse and high expectations. The personal touch and engagement of the instructor to the pupils is diluted by the integration of digital technologies in the curriculum.

Furthermore, future challenges are not only disconcerting but rather peculiar to ASEAN’s original intent for regional integration. ASEAN Integration was a formula designed to mitigate regional conflicts, religious intolerance, high unemployment, and trade barriers. It is not surprising that the correlation of three foregoing issues is attributed to the rise of populist movements and China’s hegemony.

**First, the traditional education systems across ASEAN continue to fail our learners in managing the complexities of the 21st century world.** Where skills that matter are creativity, critical thinking, communication, and collaboration, schools in ASEAN were unable to elevate their learners because they were trapped in their old, traditional models. As a result, learners cannot meet the skillsets demanded by the global industry. The future challenge is how to shift paradigms in an anachronistic institution, such as education.

**Second, education in ASEAN is short in clarifying values and character traits that reaffirm a learner’s connection to universal human values.** As traditional education models prevailed, ASEAN societies were unable to abate the rising isolationism, intolerance, fear, and parochialism that engulfed the region and promoted greed and competition for economic resources. Hence, ASEAN countries are encountering the plague of regional terrorism, interracial and religious strife (i.e. Rohingya in Myanmar), serious violations of human rights, and threats to regional peace and stability (i.e. South China Sea issue).

**Third, the business of education has to contend with the regional competition and free trade promoted in the ASEAN Economic Community.** As ASEAN becomes more economically coupled, the unbridled competition shall crowd-out the market and instigate the merger and acquisition of schools. Thus, schools must prepare how they can
effectively balance investments in academic quality while controlling costs for efficiency and profitable returns. The possibilities of mergers and acquisitions are not farfetched between and among schools in ASEAN.

b. Innovate and Reframe Lenses

Traditional education is teacher-centered. It means students are left to the mercy of a teacher who can impose rote learning, memorization, and low-ordered thinking. What education failed to encourage and promote are critical thinking, collaboration, creativity, communication, and a host of other lifelong learning skills. But the business of education is built on the factory model of the 20th century where curricula are internally designed by educators, classes are time-bound, assessing performance are confined into paper-and-pencil exams, knowledge is transmitted through lectures, and students are prepared for the assembly-line. This model churned-out generations of children who were ill-equipped to contend with a rapidly changing world driven by economic integration, information technologies, political crises, and climate change.

The word ‘innovation’ comes from the Latin word ‘novus’ meaning new (Springman, 2011). Innovation is a buzz word in today’s disruptive world. It means to create something new for customers. However, this does not axiomatically mean that ‘value’ is created as well. Value creation arises out of innovation when customers adopt it because of the benefit and satisfaction obtained from the product or service, such as low cost, speed, convenience, accessibility, or experience. However, innovation is something lacking in many schools across ASEAN. Students are trained to follow instructions and memorize lessons, teachers are restricted within the bounds of state-led curricula, instruction is limited to lectures and group reporting, and performance is measured through written formal and summative assessments. The ‘value’ created is missing when unemployment and underemployment rates continue to rise.

Today, there are various innovations that are disrupting education systems. One is Massive Open Online Courses or MOOCs that offer accessibility, availability and cost-effectiveness in learning. Second, the use of technologies to assess student learning has been employed to improve performance. Third, constructivism has been reinforced by real-world learning or workplace simulation. Fourth, outcome-based education has reoriented schools to focus more on what students can show and do at the end of the learning. And finally, emphasis on equipping 21st century teachers through coaching and mentoring is affording them learner-centered instruction styles, such as appreciative inquiry, discovery method, problem-based learning, role-playing, simulation, workshops, and even interactive lectures.

Paradigms, as historian of science T.S. Kuhn explained, referred to as basic frames of mind which generally determine how questions are posed, what kind of evidence is acceptable, and how to respond to a particular problem. A specific paradigm can restrict a generation’s perspective in dealing with a phenomenon. Thus, this mental model of how traditional education ran schools for centuries is now deeply rooted to our human psyche. Reframing our lenses demands new ways of looking at education.

The business of education has to search for new ideas and opportunities for innovation, and subsequently capture the value from them. What has reframed the lenses of many ASEAN schools is the use of Outcome-based Education (OBE) and Learner-Centered teaching techniques in the classroom. OBE is defining the learning outcomes of what the students should be able to do, perform, and even live-out after the learning experience (Spady, 1994). Learner-centered is giving more value on students’
diversity, and giving more emphasis on instruction strategies that can make learning more meaningful, reflective, collaborative, and interactive (Harris & Cullen, 2010).

**Capturing the value from the deployment of innovation comes next with a total overhaul of how we traditionally look at education.** Reframing lenses impels schools to unravel and dismantle existing models. This can dramatically retransform the business of education in terms of skills, resources, and knowledge for competitive advantage. To drive home this point, information cannot be hoarded inside the classroom with the availability and accessibility of students to social media through smart mobile devices. Moreover, the State’s capacity to support education as a ‘public good’ might have reached a threshold with the competition for resource allocation by competing sectors. Thus, the role of private sector participation in education is further reinforced as a new model. Also, the idea of ‘learning-by-doing’ or real-world learning has come to fore with industry linkages and industry-driven curriculum. In many ways, the ASEAN region should face the realities that learning is now multi-channeled, and formalizing credentials and eligibilities can be the next domain of formal education. These are just a few innovations that can facilitate quality learning across schools in the region.

c. **Appropriate Response**

ASEAN member-states are beset by geopolitical and economic concerns with China’s growing assertions over the South China Sea. Member-states need to equip their graduates and workers with the 21st century competencies by innovating their educational systems to compete with China’s hegemony. The following responses must be carried-out: (1) Enforce quality standards and assurance across schools in the ASEAN region through the ASEAN Qualification Framework; (2) design and implement national competency retooling program across workers; (3) collaborate and share knowledge through R&D, faculty exchanges, and academic and consortia; (4) emphasize humanistic values and orientation among the youth such as tolerance, empathy, social skills, respect for religion and culture; and (5) set-up a regional fund for investing in teacher competency training for 21st century education.

1. **Conclusion**

The patterns and trends for the past decades ultimately indicate that education needs to innovate with changes in society. **These observations are supported with the demographical shifts, political and economic dislocations, socio-cultural metamorphosis, and environmental upheavals that left a lasting impact to ASEAN countries.** Among the strategic foresights arising out of ASEAN integration are (1) education shall be driven by the increasing demand for 21st century skills from the industry as low-order thinking jobs are downstreamed to computer machines and artificial intelligence; (2) the entry barriers for new market players in the business of education will be lowered with the use of online/distance education and MOOCs; (3) national ideologies in the state-led curricula shall be further diluted by the economic integration and mobility of workers in the region; (4) domestic competition among schools shall shift to the regional arena with the entry of deep-pocketed foreign players; and (5) there would be a mad scramble for 21st century teachers with the rising demand for higher-order learners in the industry.

The ASEAN Integration was designed to bring about economic prosperity, regional stability, cultural and religious tolerance, and social and environmental respect across member-states. However, the regional summit has been swayed by geopolitical distractions between global superpowers, and thus, regional integration failed to thresh-out issues on
education during the 30th Summit. Education is the bedrock of a well-functioning civilized and humane society. The thrust of ASEAN towards regional peace and stability has to take into consideration the role of education in spearheading investments in human capital, collaboration in learning and participation in alleviating societal problems in future summits.

References


