Uni rankings, wages need a bigger boost

ABROAD AT HOME
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The Quacquarelli Symonds (QS) World University rankings for 2018 are out, and the news is again not good for Thailand. Compared to the rest of the world, Thailand’s top universities don’t stand in good stead. Nor do they rank well compared to their peers in the region. No wonder Thailand’s structural economic challenges persist with little prospect. Apart from higher education, another indicator that speaks to Thailand’s inability to boost economic development through labour productivity and political reconciliation through growing income inequality is depressed wages. There are many avenues to promote Thailand’s economic upswing, but these are not sufficient.

First, the QS rankings do not bode well for Thailand. Thailand’s top three universities, namely Chulalongkorn, Mahidol and Thammasat, continue to languish, with small trends. When they were entered into the QS rankings, Chulalongkorn came in at 261. Since then, it has climbed steadily to 237. Over the same period, Mahidol began at 285 but stood at 300. Thammasat started in 2012 at 351 but has consistently been in the 300s since.

Instead of treating those rankings as urgent matters to be addressed, university officials are slow to respond, as if they see complacency, and resort to excuses and quotes about ranking criteria and the like. That is not helpful. Instead of focusing on the task of tackling internal problems and challenges, Chulalongkorn faces back each year’s poor performance from the past and advances itself as the top university in Thailand, which is a shame.

Second, Thailand has become a bubble to many. Instead of turning outward to improve Thailand, both from within and in comparison to its peers in the outside world, many in the country turned inward, comfort and reassure themselves on past laurels, and put off accumulated challenges for future resolution. As a microcosm of Thailand, Chulalongkorn has shown this compared to its past, and has still dramatically when compared to universities elsewhere.

It is sad, Thailand’s top universities are in the big league with all the big names in the US and the UK. For the QS global ranking, the National University of Singapore (NUS) ranks at 11 and Nanyang Technological University at 13, having placed in the 20s and 30s in recent years. These two also top the QS Asian university league table, which is determined by Northeast Asian variables from China, Japan, Korea, Hong Kong and Taiwan. For the Asian rankings, it takes some scrupulous work to get Chulalongkorn, at 51.

University rankings such as QS are a rough and imperfect measurement that tamps diverse criteria that may not be comprehensive or balanced. But they are indicative. These rankings need to be disaggregated and dissected to tease out particular challenges and problems in certain sectors and segments of higher education systems.

For Thailand, the main problem is that a military government, unless it is enlightened and benevolent, is not accountable to its people as the people desire by definition. To maintain a semblance of legitimacy, it is more important and necessary to present good news rather than tackle real problems. The people have no recourse to demand more from government. For the university system, this means administrators and managers are not accountable and therefore have no pressing incentive to do better.

While Thai universities have been dismal at the expense of the competitiveness of the labour force, local wages have remained depressed. Thailand’s military government has increased the minimum wage during the first three years of its rule. This year, the minimum wage will finally climb to 8.22 baht, depending on work location, to 300 to 500 baht per day, a 2.7% rise.

Let previous governments also did not focus on longer-term productivity-driven growth with higher wages in mind. Although the government of Yingluck Shinawatra campaigned on higher wages, including a minimum wage of 300 baht per day and 15,000 baht a month for degree holders (along with the 15,000 baht for rice pledging), these were more short-term, short-sighted pandering instruments for winning an election, not based on sound and systematic calculation or preparation for a higher wage economic upgrade.

Part of the challenge for labour and wages in Thailand’s geopolitical standing and geographical location as the hub of mainland Southeast Asia and the broader Asian region. The Thai market has critical mass, with a $450 billion economy and 70 million population. Its demography is a mixed blessing in its aging population is set by a steady influx of young migrant workers from Cambodia and Myanmar.

These migrant workers add up to several million people, in excess of 15% of the Thai workforce. As they offer relatively cheap labour, wages remain depressed. In turn, producers and employees, along with certain industrialists, have no incentive to raise wages and hire better workers.

Thus, Thailand has been stuck in middle-income status for far too long, with poor prospects of getting out and moving up global value chains. Higher wages and incomes can spread the consumption wealth to bridge the rich poor gap and boost consumer spending to upgrade consumption-led growth going forward. This would have to be done in tandem with structural education reforms as they are mutually reinforced. The first step to getting there is to have leaders who can visualize and own up to Thailand’s medium-term risks from its middle-income trap. Until such leaders emerge, Thailand’s university rankings will stay down.