Chapter 2: Literature Review

2.1 Introduction

This chapter provides a review of the literature under six main sections: (a) Conceptual Framework; (b) Association of Southeast Asian Nations (ASEAN); (c) ASEAN Economic Community (AEC); (d) Higher Education; (e) International Programs (IPs) in Thailand; and (f) Bachelor of Business Administration (BBA) International Program (IP). The availability of literature for this study was limited as the topic is still very new in its development. Heavy reliance of this literature review was on websites of ASEAN related agencies while books were also used to a certain extent in supporting the literature, and most of the articles were retrieved from the EBSCO Information Services.

2.2 Conceptual Framework

The Kotler and Fox (1995) Strategic Planning Process Model (Figure 1) was used to provide the theoretical framework for the study by guiding the development of appropriate procedures. The model examined the identification and analysis of environment trends that resulted from environmental changes (internal, market, competitive, public, and macro environments) leading to the establishment of institutional goals (mission, goals, and objectives). A resource analysis on the availability of its personnel, budget and funds, facilities, process and systems, are also considered when formulating organizational goals. Based on these goals, an organization advances into strategy formulation that involves academic portfolio, product/market opportunity, competitive, positioning, and target market strategies. With formed strategies, an organization is designed (structure, people, and culture), and a system design is established (information, planning, and control) (Kotler and Fox. 1995).

2.3 Association of Southeast Asian Nations (ASEAN)

The five nations of Southeast Asia joined together to form the Association of Southeast Asian Nations (ASEAN) in response to the fear of communism that was finding its way into its

neighboring countries (Kotler, Kartajaya, and Hooi. 2007; Romprasert. 2013; Wright. 2011). Other factors that had contributed to this formation were geopolitical reasons, and competitive threats in the form of two economic integrations: the North American Free Trade Agreement (NAFTA) and the European Single Market (Chia. 2011). ASEAN was established in 1967 in Bangkok, Thailand, and can be described as an organization and a community of countries with a long history of relationships and geographical proximity (Chia. 2011; "Know Your ASEAN". 2010; Kotler et al. 2007; Romprasert. 2013). ASEAN started off with just five founding member countries: (a) Indonesia; (b) Malaysia; (c) The Philippines; (d) Singapore; and (e) Thailand (Chia. 2011; "Know Your ASEAN". 2010; Kotler et al. 2007; Romprasert. 2013) with the signing of the Bangkok Declaration that outlined the seven aims and purposes:

> Economic growth, social progress and cultural development; regional peace and stability; economic, social, cultural, technical, scientific and administrative collaboration; mutual assistance in training and research; collaboration in agriculture and industry, trade, transportation and communications, and the improvement of living standards; promotion of Southeast Asian Studies; and cooperation with regional and international organizations. ("Know Your ASEAN". 2010: 4)

ASEAN has been defined as representing "the collective will of the nations to bind themselves together in friendship and cooperation and, through joint efforts and sacrifices, secure for their peoples and for posterity the blessings of peace, freedom, and prosperity" (Kotler et al. 2007: 47). The annual ASEAN Summit meeting is ASEAN's highest decision-making body with ASEAN heads of states and government in attendance (Kotler et al. 2007) and its ASEAN Secretariat is based in Jakarta, Indonesia (Romprasert. 2013).

After the Vietnam War in the mid-1980s, ASEAN followed a new agenda of economic cooperation. Initiated by Thailand's proposal in the 1990s for a regional free trade area, the ASEAN Free Trade Area (AFTA) was formed to "increase the region's competitive advantage as a single production unit by eliminating tariff and non-tariff trade barriers among the member countries to promote greater efficiency and productivity" (Kotler et al. 2007: 45). Under the AFTA, a Common

Effective Preferential Tariff (CEPT) Scheme was established to progressively lower the intra-regional tariffs. More Southeast Asian Countries (SEA) joined ASEAN with: (a) Brunei in 1984; (b) Vietnam in 1995; (c) Laos in 1997; (d) Myanmar in 1997; and (e) Cambodia in 1999 (Chia. 2011; "Know Your ASEAN". 2010; Kotler et al. 2007).

AFTA was established by ASEAN with the purpose of supporting its local production and in meeting its tariff reduction obligations. Two of its main goals include: (a) gaining a competitive edge in production through the elimination of tariff and non-tariff trade barriers in ASEAN; and (b) increasing foreign direct investment into ASEAN ("ASEAN Free Trade Area". 2014; Chia. 2011).

ASEAN can be described colorfully as being "multiracial, multilanguage, and multireligion" abundant with a "rich diversity of talents, traditions, resources, and opportunities" (Kotler et al. 2007: 5). Looking back approximately 39 years ago, there had minimal conflicts politically and socially, while the goals for peace and harmony amongst member states have been successful (Chia. 2011; "Know Your ASEAN". 2010; Kotler et al. 2007). The formation of AFTA had led to a surge in economic development and a growing significance of economic cooperation in ASEAN among its inter-governmental bodies in: (a) agricultural; (b) education; (c) food; (d) environment; (e) life sciences; and (f) tourism (Kotler et al. 2007).

ASEAN was not without its share of issues. It had failed to meet its commitments, particularly political ones and since they had not been publicized, no penalties had been invoked (Chia. 2011). Moreover, international human rights communities had criticized ASEAN for its failure in handling the Indonesia and East Timor conflict. The West also strongly condemned ASEAN after Myanmar gained its ASEAN membership and this had continued to be a sensitive issue for years. There are "ongoing sagas between Singapore and Malaysia over various issues; between Malaysia and Thailand over the restive southern Thai border; and among the Philippines, Malaysia, and Vietnam (and China) over the Spratley Islands" (Kotler et al. 2007:16).

2.4 ASEAN Economic Community (AEC)

The ASEAN Economic Community (Figure 2) commonly referred to as AEC was preceded by the Association of Southeast Asian Nations (ASEAN) as the next level of economic cooperation among ASEAN member countries (Podok and Thoumrungroje. 2013; Romprasert. 2013). According to Petri, Plummer and Zhai (2012), this regional economic integration is said to be the largest in the

developing world and ranked as the third largest economic integration after the European Union and the North American Free Trade Agreement respectively (Saw. 2007). The benefits of economic integration include "an enlarged market with economies of scale and scope, improved resource allocation with free movement of factors of production, improved resource pools with inflows of capital and labor, and competition leading to improved efficiency and innovation" (Chia. 2011: 50). The AEC does not function like the EU Single Market as some understand, because the AEC does not have a customs union and full common market. Its objective is to "transform ASEAN into a single market and production base, a highly competitive economic region, a region of equitable economic development, and a region fully integrated into the global economy ("ASEAN Secretariat". 2008, as cited in Chia. 2011: 55). By establishing a single market and production base, ASEAN stands to reap benefits from economies of scale and efficiency in its production network processes. Other advantages include increased competitiveness, stronger ASEAN institutions, and an improvement in the region's socioeconomic environment (Chia. 2011). An agreement to form the AEC by ASEAN member countries came into effect in 2003 with 2020 as the year in which the economic integration would be realized (Chia. 2011; Das. 2013; Hew and Soesatro. 2003; Kotler et al. 2007; Podok and Thoumrungroje. 2013). It adopted the 1997 ASEAN Vision of 2020 that "envisaged a stable, prosperous and highly competitive ASEAN economic region in which there is a free flow of goods, services, investment and freer flow of capital, equitable economic development and reduced poverty and socioeconomic disparities by the year 2020" (Das. 2013: 1; Chia. 2011; Kotler et al. 2007).

The deadline of 2020 was brought forward to 2015 in 2007 when ASEAN Leaders agreed to accelerate the economic integration by 2015 instead ("ASEAN Economic Community Advances Ambitious 2015 Agenda". 2013; Charumanee. 2013; Chia. 2011; Das. 2013; Green. 2008; Kotler et al. 2007; Pardede. 2011; Podok and Thoumrungroje. 2013; Romprasert. 2013; Walker. 2012). This milestone had been largely driven by external forces rather than internal ones (Chia. 2011). The acceleration of the AEC by 2015 was partially attributed to the rise of China and India as fierce competitors. By being a larger and stronger economic community by 2015, ASEAN would be better equipped in competing with China and India (Chia. 2005; Chia. 2011; Kotler et al. 2007; Romprasert. 2013).

The ASEAN Community stands on three significant pillars: (a) ASEAN Economic Community; (b) ASEAN Socio-Cultural Community, and (c) ASEAN Political-Security Community (Kotler et al. 2007; Podok and Thoumrungroje. 2013). The realization of the AEC through these three pillars would result in ASEAN being "transformed into a region with free flow of goods, services, investment, skilled labor and free flow of capital ("ASEAN Economic Community Advances Ambitious 2015 Agenda". 2013; Podok and Thoumrungroje. 2013). Regional cooperation among citizens of ASEAN member countries is compulsory for its success and cultivating a safe and secure environment are just as significant in contributing to the region's sustained growth (Kotler et al. 2007).

This economic integration would enhance the attractiveness of ASEAN to foreign investors, particularly multinational corporations. The greatest asset of this integration would be the strengthened regional and national long term economic growth for ASEAN. The response from ASEAN's trading partners had positive, as further measures have been made to promote further trade with the region. As an economic integration, the future AEC comprises an approximate population of 600 million people (Pardede. 2011; Petri et al. 2012; Romprasert., 2013; Wright. 2011) with a US$1,507 Billion GDP. Not only will ASEAN be Asia's driving growth force, it also serves as a building block for world trade, thus earning itself a reputation of being a region of significant political and trade influence (Pardede. 2011). This is clearly distinct in the increasing shift in global marketing efforts directed towards the new large Asian regional market (Kotler et al. 2007).

Technology has played an integral role in globalizing economies and ASEAN's economic integration would no doubt be greatly facilitated by this. However, it must be noted that there exists a digital divide among ASEAN due to gaps in information infrastructure. Many ASEAN members are less developed countries and this gap exists within the countries themselves in the form of electricity, PCs, or the Internet availability. ASEAN's ability to narrow this gap and take advantage of the advancement in ICT would speed up its global positioning as a single competitive trading bloc (Kotler et al. 2007).

Although the ASEAN region would be world ranked as the sixth-largest economy, Wright (2011) stated that the unified vision of the AEC was far from occurring. This was attributed to the heterogeneous financial systems, lack of an integrated capital market, and vast differences in

languages, religion, political systems, society, wealth, and culture. Member nations also differ in other areas such as economic development, resource endowments, size, language, trade and investment regimes, competitiveness, economic openness, the ease of doing business, and other practices (Chia. 2011). In fact, Taimur Baig, the chief economist at Deutsche Bank, stated that ASEAN is quite a distance away from being an economic bloc (as cited in Wright. 2011) due to the lack of coordination efforts amongst ASEAN. ASEAN member countries are preparing themselves for this integration but at varying levels. All parties will be affected, whether they are normal citizens or organizations; large, medium, or small, public or private, profit, or non-profit. Competitive advantage can be gained by those who take the initiative to gain a head start in its preparation for the upcoming integration. AEC's more liberalized business environment would bring about intense regional competition aside from existing domestic and international competition. Local businesses would also face survival problems in this new arena if they fail to gain competitive advantage in the region. That is to say, its circle of business has widened tremendously from one country to that of ten; if applicable in the type of business it is engaged in (Kotler et al. 2007). Member citizens of the future AEC would also witness great transformations in multiple ways such as lifestyle, work, business, culture, language, and education, just to name a few (Podok and Thoumrungroje. 2013).

2.4.1 AEC Blueprint. As part of the AEC's acceleration to 2015, the AEC blueprint was adopted in November 2007 (Chia. 2011; Das. 2013) as a "binding declaration and stipulates that each ASEAN member country shall abide by and implement the AEC by 2015" (Das. 2013: 1). It is a road map that outlines the "necessary economic measures and actions and a timeline for implementation" (Chia. 2013: 59) and biannual meetings with ASEAN ministers are held to identify implementation plans (Chia. 2013). A "scorecard" had been adopted in response to its weak implementation practices to ensure that ASEAN would be on track in its goal achievement ("ASEAN Economic Community Advances Ambitious 2015 Agenda". 2013; Chia. 2013). Details of this blueprint are contained in a 59 paged-document that focuses on the four primary objectives (pillars) of the AEC: "(a) a single market and production base; (b) a highly competitive economic region; (c) a region of equitable economic development; and (d) a region fully integrated into the global economy" (Chia. 2011; Das., 2013: 1-2; Plummer and Chia, 2009).

The first objective or pillar of the AEC aimed to achieve a *single market and production base*, which includes the free flow of: (a) goods; (b) services; (c) investments; and (d) skilled labor (Chia. 2011; Das. 2013; Plummer and Chia. 2009) within the AEAN member nations. The implementation results were published in the AEC Scorecard of 2012 by the ASEAN Secretariat with the achievement of 65.9 percent out in its total of 173 target measures during the period of 2008 to 2011 (Das. 2013).

The second pillar involved achieving a *competitive economic region* (Chia. 2011; Das. 2013; Plummer and Chia. 2009), that can only be achieved by installing an "effective standardized competition policy in the region" (Das. 2013: 11). Although this would be difficult to accomplish, it is hoped that member states would be able to achieve "some form of coordination and cooperation" in the long run (Das. 2013: 11). The development of infrastructure was also mentioned as a necessity in promoting the region's competitive positioning as it would increase intra-regional investment and trade. The AEC Scorecard indicated that up to 67.9 percent had been reached out of a total of 78 targets (Das. 2013).

Pillar three encompasses *equitable economic development* (Chia. 2011; Das. 2013) amongst ASEAN member states. Achieving this pillar had been cited as a serious challenge for ASEAN countries because of the large economic development differences in ASEAN. Recommendations made for closing these economic gaps among countries were through the development of SMEs and the Initiative of ASEAN Integration (IAI). According to the AEC Scorecard, results showed that it had achieved up to 66.7 percent of its targets (Das. 2013).

The last pillar, *Integration into the Global Economy* (Chia. 2011; Das. 2013) had been referred to as "one of the most successful pillars of the AEC Blueprint with 85.7 percent of the total targets met" (Das. 2013: 15). ASEAN's efforts in its integration into the global arena were well commended as they had entered into the following FTAs: (a) ASEAN-China FTA; (b) ASEAN-Korea FTA; (c) ASEAN-CER FTA; (d) ASEAN-India; (e) ASEAN+3, East Asia Summit (Das. 2013).

2.4.2 Impacts of the AEC Formation on Thailand's Trade. Thailand stands to benefit like other ASEAN nations as the resulting AEC would result in stronger and more competitive ASEAN nations. Although the pros of the establishment of the Asean Economic Community would

mean lower trade barriers amongst ASEAN countries and increased trade and investment opportunities within the region, Thailand would have to contend with the ongoing rise in competition from the rest of the region. Thailand stands to profit greatly from its geographical proximity as the successful economic integration would mean even higher exports to its surrounding neighboring countries of Cambodia, Laos, Myanmar, and Vietnam (CLMV). Current trade figures indicated that its exports to the CLMV countries had exceeded that of France, Germany, Italy, and the UK (the four largest European countries) combined. In fact, Thailand's past exports to these CLMV had sheltered Thailand from the past global financial crisis. Singapore and Malaysia may be more economically developed, but Thailand's strategic location and comparably better infrastructure than the CMLV's may combine to position Thailand as a leader within the region; making it a possible gateway to CMLV countries (Saigal. 2013).

Thailand's exports had improved tremendously after the formation of the AEC and that in turn, had a positive impact on the GDP and employment (Romprasert. 2013). The activation of the AEC had increased the trade of Thailand with other ASEAN countries. This is especially so in the case of Thai exports as AEC's formation had promoted the ASEAN market as a single and production base with the five elements of the free flow of: (a) goods; (b) capital; (c) investment; (d) service; and (e) skilled labor (King, Ismail, and Hook. 2010). This is in line with the fact that an export-oriented strategy is a powerful engine of economic growth (Trung and Hashimoto. 2005). According to the prediction of the neoclassical theory, increased economic integration and the elimination of trade barriers result in a convergence in factor returns (Romprasert. 2013).

Strong growth had been experienced by the ten diverse ASEAN countries and this is particularly so in the life and health market. In fact, it was predicted that the closer AEC integration would benefit Singapore, Thailand, Indonesia, and Malaysia in the insurance business (Lai. 2014). Increased foreign competition in the banking industry would also have a significant impact on the Thai Banking industry. In dealing with this foreign banking competitiveness, Thai commercial banks would need to partner themselves strategically with foreign banks and branch out into regional countries ("Foreign Partnerships to Boost Thai Banks". 2011). Another industry worth noting is that of the automotive industry. Thailand is the "home to many of the world's largest car makers and tier suppliers, and it should receive a boost from upcoming changes involving the ASEAN Economic

Community (AEC), which will eventually harmonize customs and remove duties among the ten-nation bloc" (Coia. 2014: 66). Moreover, its strategic location renders it competitive advantage in terms of logistics, and is currently home to three automotive clusters. Potential ASEAN Highway projects resulting from the AEC would also provide future free flow of traffic within the region. Aside from its advantageous vehicle logistics, Thailand is also well-reputed for its ocean shipping logistics, and its major ports are equipped with advanced services (Coia. 2014).

2.4.3 Free Flow of Free Labor. The free flow of labor is categorized under the AEC's first pillar of a single market and production base. Member countries are encouraged to facilitate the free flow of this skilled labor through labor mobility. In order to accomplish this, ASEAN is in process of facilitating the "issuance of visas and employment passes for ASEAN professionals and skilled labor that are engaged in cross-border trade and investment related activities" (Das. 2013: 115). The ASEAN Mutual Recognition Arrangements (MRAs) was mandated by the ASEAN head of states during the 7th ASEAN summit in November 2001. This marked the beginning of negotiations in the facilitation of the flow of professional services under the ASEAN Framework Agreements on Services (AFAS). In 2003, there was a call for the "completion of MRAs for qualifications in major professional services by 2008 to facilitate free movement of professionals/skilled labor/talents in ASEAN" (Das. 2013: 116) during the Bali Concord II. Moreover, the AFAS Article V stated that "a member state may recognize the education or experience obtained, requirements met, or license or certifications granted in another member, for the purpose of licensing or certification of service providers"(Das. 2013: 116).

Cross-border labor flows in ASEAN include: (a) a large flow of semi-skilled and skilled workers on a short term contracts; and (b) a smaller flow of skilled manpower and professionals. Cross-border skilled labor mobility had resulted from: (a) the large differences in wages and employment opportunities; (b) the close geographic proximity of ASEAN countries, (c) the social-cultural-linguistic environment; (d) different ASEAN policies and regulations on the mobility of outward skills; and (e) the disparities in the development in education. The effective implementation of service liberalization as well as that of foreign direct investment can be accomplished through skilled labor mobility for deeper ASEAN economic integration (Das. 2013).

A subcategory of the free flow of labor is the Free Flow of Services by 2015 that is currently in the work-in-progress stage. ASEAN is also said to be "working towards recognition of professional qualifications" (Das. 2013: 114). This is further facilitated by ASEAN's redoubling efforts to "achieve cooperation and integration in education" with aims to "harmonize educational and technical standards" in order to "facilitate the exchange of students and teachers and, later, the mobility of skilled workers" (Das. 2013; Plummer and Chia. 2009: 53). ASEAN had taken initial steps in accomplishing this through the ASEAN University Network (AUN) as member universities cooperate to increase student and staff mobility within the region ("ASEAN Economic Community Blueprint". 2014; Das. 2013).

2.4.4 ASEAN 5-year Work Plan on Education (WPE) (2011-2015). ASEAN drew up educational plans for a 5-year period, known as the ASEAN-5 year Work Plan on Education (WPE) that encompasses education from primary, secondary, and all the way up to tertiary education. The objective of this plan was to provide a clarification of the role of ASEAN:

> As a regional partner in the education sector and supports ASEAN programmes that raise awareness of regional identity; promote access to and improve the quality of primary, secondary and tertiary education; support regional mobility programmes for students, teachers, and faculty and strategies for internationalization of education; and support for other ASEAN sectorial bodies with an interest in education. ("ASEAN 5- Year Education Work Plan". 2012, para. 1)

With globalization, competition is more dynamic than ever in the international university arena. By cooperating regionally in ASEAN, universities can rise to a more competitive level through their joint efforts. WPE's two main partners are the ASEAN University Network (AUN), and the Southeast Asian Ministers of Education Organization (SEAMEO).

2.4.5 ASEAN University Network (AUN). ASEAN universities collaboration efforts had started since 1995 with the establishment of the ASEAN University Network or commonly known as the AUN ("History and Background". 2014). AUN was the result of the fourth ASEAN Summit in 1992 where ASEAN Member Countries would "hasten the solidarity and development of a regional

identity through the promotion of human resource development so as to further strengthen the existing network of leading universities and institutions of higher learning in the region" ("History and Background". 2014, para. 1). In fact, the AUN was included in the AEC Blueprint as one of the actions that would lead to the free flow of skilled labor with the following objectives:

> Promote cooperation and solidarity among professionals, academicians, scientists, and scholars in the region; develop academic and professional human resources in the region; and promote information dissemination including electronic networking of libraries, exchanges and sharing of appropriate information among members of the academic community, policy makers, students, and other relevant users. (Das. 2013: 115-116)

A Secretariat for the AUN was established in 1999 at Chulalongkorn University, Thailand (Das. 2013; Santipitaks. 2011). To be an AUN member, ASEAN academic institutions would have to submit an application to AUN's Board of Trustees (Das. 2013). AUN members seek to cooperate to "increase the mobility of students and staff" (Plummer and Chia. 2009: 53), implement activities and programs outlined by the AUN. As of to date, there are a total of 30 member universities from ASEAN ("Organization Structure". 2014) as listed in Table 1. Thailand is represented by five local universities: (a) Burapha University; (b) Chiangmai University; (c) Chulalongkorn University; (d) Mahidol University; and (e) Prince of Songkla University ("Organization Structure". 2014).

2.4.6 ASEAN Credit Transfer System (ACTS). The ASEAN Credit Transfer System (ACTS) was established under the AUN in order to facilitate the transfer of credits amongst universities in ASEAN (Das. 2013). Students belonging to member AUN universities are entitled to student exchange undergraduate programs whereby they are eligible to credit transfers amongst the AUN member universities. AUN's objective was to "create common mechanisms in facilitating the recognition of qualification and increasing student and academic mobility in ASEAN." ("About AUN-ACTS". 2014, para. 1). Applications are done electronically and AUN-ACT's website provides all the necessary information. The progress of the ASEAN Credit Transfer System was discussed during the Second AUN Rectors meeting in March 2010. It was reported that the successfulness of ACTS would be highly dependent on the quality of courses offered by AUN member universities.

2.4.7 Southeast Asian Ministers of Education Organization (SEAMEO). Established in 1965, governments of Southeast Asia formed an international organization known as the Southeast Asian Ministers of Education Organization (SEAMEO). Its aim was to promote the region's cooperation in Southeast Asia's culture, education, and science. Its Secretariat office is located in Bangkok, Thailand and its member states include all ten ASEAN countries and Timor-Leste. The SEAMEO Council is made up of 11 Southeast Asian education ministers and is the organization's highest policy-making policy ("Home". 2014).

Two major SEAMEO meetings were held in Thailand earlier in 2014; in February and June. The first meeting, known as the "36th SEAMEO High Officials Meeting", was represented by Vice ministers, permanent secretaries, and high-level education officials from SEA. It discussed the:

> Ongoing development of education agenda in Southeast Asia after 2015 which marks the conclusion of the Education for all movement which has been the flagship education agenda globally for the past three decades. The SEAMEO High Officials Meeting also endorsed three projects which focus on Southeast Asia on the themes of pre-primary teacher development, intercultural dialogues, and learning metrics which were proposed by UNESCO and UNICEF to be implemented collaboratively with SEAMEO. ("SEAMEO News". 2014, para. 1)

SEAMEO Center Directors Meeting met in June 2014 to "discuss proposals, plans and activities under the 2011-2020 SEAMEO Strategic Plan, share updates on the respective development plans of the SEAMEO Centers, and their collaborative activities with partners including the SEAMEO Associate and Affiliate Members" ("SEAMEO News". 2014, para. 3).

2.5 The Bologna Process

As Europe transforms into a knowledge-based economy, there was a need to efficiently manage its higher education sector to strengthen its core competency (knowledge) for the future growth of its economy (Štech. 2011; Voegtle, Knill, and Dobbins. 2010). In a move made to globalize European's higher education into a European Higher Education Area (Agasisti and Bolli. 2013), the Bologna Process (BP) was established in 1999 through the documentation of the Bologna

Declaration (Agasisti and Bolli. 2013; Pechar. 2007; Shchelkunov. 2014; Voegtle et al. 2010) with the hopes of achieving this in ten years' time. The "Bologna Declaration played a special role as catalyst for other reforms in the higher education sector" (Cheps et al. 2007; Crosier, Purser, and Smidht. 2007; Reichert. 2010; Štech. 2011: 275) and its focus was on the "three main pillars of the Bologna Agenda: the study structure, credits and quality assurance" (Štech. 2011: 272). As of to date, its current membership is 47 European countries (Gaston. 2013; Kehm. 2010) and the eight objectives of the Bologna Declaration of 1999 are as follows:

> (1) To establish a European Higher Education Area; (2) To increase the international competitive strength of this area; (3) To create comprehensible system of qualifications; (4) To implement a two-cycle degree structure; (5) To significantly increase the mobility of students, teachers, researchers, and administrative employees; (6) To implement a common credit system (ECTS) as a source for improving student mobility; (7) To improve the quality of the education provided by European universities and to ensure their verification with the assistance of international (European) common criteria and methods using international external indicators and procedures (quality assurance); and (8) To strengthen the European dimension in all areas. (Štech. 2011: 267)

The teaching reform of the BP focused on: (a) offering similar study courses across all institutions; (b) changing degree names; and (c) Diploma Supplement (Aittola et al. 2009). In a research study that was conducted by Crosier et al. (2007), it was reported that 83 percent of around one thousand Higher Education European institutions had already structured their programs accordingly and that the majority of the students would been enrolled in these programs by 2010.

A decade after the establishment of the BP, European ministers met in 2009 to report on the reforms that had been accomplished:

> The creation of a consistent degree structure, the routine delivery of the diploma supplement, the expanded functionality of the European Credit Transfer and Accumulation System, and the broad, if multifarious, attention given to lifetime learning. The number of nations with

> national quality assurance agencies has increased significantly, and thirteen countries now list agencies that have qualified for recognition by the European Quality Assurance Register for higher Education. (Gaston. 2013: 32)

Gaston's (2013) research on the success of the BP stated that "many elements of this vision have been realized" (page 30). Higher education policies had also been gradually converging similarly across institutions for all periods and dimensions (Voegtle et al. 2010). Other successes included increased in mobility (Aittola et al. 2009; Gaston. 2013; Štech. 2011), and the internationalization of learning, research, and teaching (Aittola et al. 2009; Kehm. 2007). There were also increased pressures aimed at establishing higher educational programs to be shorter and more practical (Štech. 2011). Student and teacher mobility was one of the most significant goals of the BP and the number of student exchanges had increased favorably (Aittola et al. 2009). Aside from the special international dimension to the classroom and to teaching (Garam. 2007), students had cultivated a greater degree of "understanding and tolerance toward different cultures, which is desirable for responsible future citizens" as it prepares "students for the global labor market" (Aittola et al. 2009: 308). Statistics have also indicated that the greatest student mobility was at the doctoral level. With regards to staff mobility, this was limited because of financial constraints but there had been a strong trend in hiring foreign visiting professors. The drawbacks of academic mobility include brain drain if academics decide to reside in the country in which they are studying at, and the risk that their position would be filled by someone else upon their return (Aittola et al. 2009). Also evident, were increased competitive levels among institutions, and the successfulness in creating an appeal in increased student enrolment numbers (Agasisti and Bolli. 2013).

Today's European converged higher education show greater resemblance amongst European institutions compared to a decade ago (Eurydice. 2012; Witte, Huisman, and Purser. 2009). The BP had brought about equalization in the differences that had existed in Western European higher education institutions through the unification of degrees and the mutual recognition of qualifications (Shchelkunov. 2014). Aside from the similarities in their curriculum and teaching, there were also similarities in funding research methodology (Hicks. 2012); a coherence with the European

Commission's policy to promote the coordination of European higher education and research (Crosier et al. 2007).

Despite the successes that had been mentioned, there were unfulfilled aspirations as a result of the flaws in the implementation of the Bologna Process. The European Association for Qualitative Assurance in Higher Education (ENQA) that was established with main purpose of evaluating the quality of institutions of higher education had proven to be successful in fulfilling its purpose (Reichert. 2010). Evaluations indicated that progress was slow and lagging behind set expectations, while the results were disappointing (Gaston. 2013; Reichert. 2010). An example was the failure in meeting the deadlines that had been established for national outcomes frameworks (Gaston. 2013). Reichert (2010) went on to state that:

> It was not possible to institute a shift towards student-centered education and the desirable curricular reforms were not implemented. In other words, quality assurance is still being slowed down as a result of the absence of curricular changes. The primary fault lies in the unwillingness of the nation states to invest any resources in these changes as well as in the resistance that exists on the part of the academic sector – although there are indications of a slight change in the attitude of the academicians. The universities in north-western Europe have been most obliging, but the situation is changing in Europe's other regions as well. (page 107-109)

The European Students' Union (ESU) stated that there was unsatisfactory progress in many areas, and the Process was described as having slided backwards on some its key action lines (European Students' Union. 2012; Gaston. 2013). Gaston (2013) also stated that there was much that "remains to be accomplished, that some of the accomplishments have not led to the desired results, and that documentation of recent performance has been far from encouraging" (page 32). Published reports of the progress of the implementation of the Bologna Declaration objectives by the EUA (Trends) revealed the existence of the vast differences in the implementation of each of the eight objectives as outlined in the Bologna Declaration. These differences were found at both levels: (a) at each individual country; and (b) at each country's institutions of higher learning (Štech. 2011). The

evaluations indicated the gaps in the form of unrealized objectives and unplanned effects of the process (Reichert. 2010). For instance, some countries were reported to be leading, others falling behind, while others were facing difficulties in meeting set initiatives. Newer Bologna signatory countries were still at the initial stages of implementation thus causing different implementation speeds. Moreover, there was also concern that nations were selective in their interests; initiatives to pursue and to ignore. The commitment of nations towards the BP is therefore, questionable (Gaston. 2013; Kehm. 2010).

The initial 10-year timeline that had been established for the successful implementation of the BP was unrealistic as there were early signs that few nations would be able to meet the set deadlines and there were numerous problems along the way. It was therefore agreed upon by the ministers that the BP would not be completed by 2009 and an extension of another ten-year term would be necessary (Gaston. 2013). Although much had been achieved in the ambitious reforms of the BP, there is still much work and future adjustments that need to be made (Kehm. 2010). A closer internal examination revealed that the BP was more of a top-down mandate without the involvement and participation of university leaders and students, thus resulting in resistance and little cooperation in making it a success. The realization of the importance of involving these university leaders and students led to a change in increased participation from those two parties in order to cultivate acceptance from both teachers and students. The different interpretations of the Bologna reform by different countries and stakeholder groups have also created distortions (Gaston. 2013; Kehm. 2010). Professors, particularly the more traditional ones have had a more difficult time in the BP as it involved a lot of transition for them. Teaching and publishing in English, particularly so if they are not fluent in the English language, had made it extremely problematic for these academics. Aside from the language complications, they also needed to adapt to the new degree system. However, there is a positive ring for "academics who, in their hopes for the future steps of the Bologna Process, are looking forward to working together with colleagues with different educational experiences" (Aittola et al. 2009: 309).

Another important obstacle in enforcing necessary reforms was the lack of a legal entity, thus resulting in a slowing down of successfulness of the reforms. In an attempt to minimize costs, no central administrative office was established and the member states took turns in managing the

process. The drawbacks were obvious as there was no continuity, consistency, and strategic thinking. Aside from the lack of good leadership, the recessional economy in Europe as well as the widespread global recession did not make things any better, resulting in reduced funding for higher education, and funding the BP was even a greater challenge. European discord, nationalism, and diversity contributed to greater complications in the process (Gaston. 2013).

Educational outcomes of the Bologna reform resulted in higher graduation and lower dropout rates (Boero, Laureti, and Naylor. 2005; Bratti, Broccolini and Staffolani. 2006; Horstschraer and Sprietsma. 2010), unaffected student satisfaction (Muehlenweg. 2010), and mixed results for the labor market outcomes of those who had graduated (post-Bologna graduates) (De Paoli. 2012; Sciulli and Signorelli. 2011). Despite the implementation costs that came with reforms, they were more than compensated by the gains from the reform: higher educational quality due to increased competition, higher research productivity, and achieving economies of scale as a result of higher student enrolment (Agasisti and Bolli. 2013).

There was unanimous agreement during the European's ministers' meeting in 2007, to the strategy of *European Higher Education in a Global setting*. Its influence now exceeds the European boundaries to North Africa, and all the way to Latin America. It was also further stated that higher education in the US could be significantly strengthened if the BP elements were suitably adapted to its educational system. Furthermore, the BP was described as "the most significant and transformative higher education reform process in history" in Crosier and Parveva's UNESCO study (Gaston. 2013: 32). According to Kehm (2010), "all publications have acknowledged the Bologna Process as possibly the deepest and most far reaching higher education reform process since World War II" (page 530). However, this is also accompanied by ever increasing complexities, contradictions and tensions, and inadequate data (Kehm. 2010). Concerns for the next decade (10-year term) include three main challenges of: (1) commitment from each European and national level towards the reform; (2) being on the same level of BP implementation with newer members catching-up and continued commitment; and (3) gaining acceptance from teachers and students of the BP.

2.6 Higher Education

Higher education refers to postsecondary education and is commonly referred to in the United States as "college". College can refer to large universities down to smaller sized schools, that

offer undergraduate, graduate, and doctorate degrees. They may be public or private institutions of higher learning with multiple ages in enrolment from the normal 18 years of age, to those who come back to college at an older age to enhance their labor-marketable skills (Baum, Ma, and Payea. 2013).

Enrolment rates in higher education have been gradually on a rise in recent years. However, it is evident that the gaps in enrolment patterns and rates are wide across demographic groups. There is a narrowing of gaps between: (a) the black and Hispanic; and (b) White high school graduates who enroll in college within the first year of graduation from high school. It has also been evident that college enrolment rates for low-income groups are lower compared to middle and high income groups due to financial reasons. Although educational attainment rates have gone up, there is a big difference across demographic groups when it comes to college completion rates and attainment patterns. It was also interesting to note that females have outpaced men both in college enrolment and degree attainment rates. Moreover, statistics have indicated that women were earning advanced degrees beyond the normal Bachelor's degree (Master's Doctoral, or Professional) at rates higher than men during the past few years. Higher education is costly, and the following figures demonstrate the amount of public government funding in developed countries: (a) 22% in Chile; (b) 96% in Finland; (c) 96% in Norway; (d) 25% in the United Kingdom; and (e) 36% in the United States (Baum et al. 2013).

Higher education has benefitted graduates as they acquire a secure lifestyle, achieve significantly levels of easier employment, gain higher levels of job satisfaction, a more stable career, and earn higher income. Holders of bachelor degrees earn approximately twice as much as those with just a high school diploma. College students have also shown to have healthier lifestyles that result in lower health care costs. Mothers who have a college education are more devoted to raising their children and can better meet their children's' developmental needs. Pension plan possibilities are higher for college-educated employees; particularly those with higher education levels. They also have great health insurance plans, which is a big bonus to their employment benefit package. College graduates exercise more vigorously, are less obese, smoke less, and have a greater understanding of politics (Baum et al. 2013).

Research indicated that students enrolled in Science, Technology, Engineering, and Mathematics have higher rates of attaining their bachelor's degrees. The percentages of a four-year

college completion include: (a) 73% for Engineering/Technologies; (b) 71% for Mathematics; (c) 67% for social/behavior Sciences; (d) 66% for Physical Sciences; (e) 65% for Business; (f) 64% for Biological/Life Sciences; (g) 59% for Computer/Information Sciences; (h) 57% for Humanities; (i) 55% for Health Sciences, and (j) 47% for Education (Baum et al. 2013).

Student mobility in higher education has increased over the years, and now, much more so with globalization. This global mobility is not just in developed English speaking countries but also in other non-speaking countries like Japan, Malaysia, Singapore, and Thailand. With the increased trend of going abroad for higher education, coupled with English as the medium of global communication, many institutions of higher learning have provided international higher education to not only meet the demand but to attract more students ("Department of Export Promotion of Thailand". 2004; Jones. 2006). The large inflow of international students into host countries had been a huge revenue booster for economics, contributing to their GDP (Arambawela and Zuhair. 2003; Jones. 2006), and bringing with them, a diversity of culture (Emanoil. 1999 and Reeve. 2001, as cited in Jones. 2006).

2.6.1 E-Learning. Technology had brought about an inevitable new methodology in teaching and learning that had gone global in recent years. This new methodology has been labeled as e-learning, distance education, or online learning; an ongoing development for the past 15 years. Although it is still in its growth stage, it shows great potential, particularly in developing countries. However, this growth in developing countries may be hindered by the tremendous amount of investments, let it be financial, human resources, and/or the availability of technology, since e-learning is completely reliant on the internet. Distance education has been cited as a "credible alternative to conventional education due to its inherent benefits that work wonders when put to work in over-populated or geographically diverse countries" (Yusuf. 2013: 77). The list of benefits associated with e-learning include: (a) flexibility and freedom of course selection; (b) 24/7 training time; (c) learners set the schedule and study at their own pace; (d) learners get access to the instructor; (e) training adapts the learner's style; (f) learners get quick feedback; (g) learners are treated more equally due to higher levels of anonymity; (h) saves time and money for learners since there is no traveling involved; and (i) tutors can teach anywhere and travel less. The disadvantages of e-learning, on the other hand, include: (a) less impulsive learners; (b) confusion about course activities and deadlines; (c) unavailability of instructor when needed; (d) students isolated from the instructor and

classmates; and (e) technology constraints such as internet quality, availability, and/or older computers (Yusuf. 2013).

E-learning (distance education) is still a very new development in Thailand. The future of e-learning looks bright for Thailand as it is more convenient and cheaper for students, and is predicted to grow in popularity in the years to come (Khaopa. 2012). According to Associate Professor Kamjorn Tatiyakavwee, the deputy secretary-general at the OHEC:

> Online education is the education of the future and more universities have requested us to review their online or e-learning programs before they open them. Many other universities have combined normal face-to-face teaching in classes with e-learning to enhance students' learning. (Khaopa. 2012, para.3)

As of to date, up to 67 distance education programs of nine institutions have been submitted, and are being reviewed by the Office of Higher Education commission (OHEC). Out of these 67 programs, 50 have been approved in nine higher educational institutions, while 17 are still in process of being reviewed. The areas of study include: accounting, business administration, economics, management, mass communication, and public administration. The breakdown of programs include: (a) 28 programs for bachelor's degrees; (b) 28 programs for master's degrees; (c) eight programs for doctorate degrees; and (d) three programs for graduate diplomas. Despite the increased popularity of distance education, none of the universities with international programs have offered this, aside from Assumption University seven years ago (Khaopa. 2012). Assumption University offers both the master's degree and doctorate degree international programs online with a total of five degree offerings; three master's degree programs and two doctoral degree programs. These programs are: (a) Master of Science in Management; (b) Master of Science in Information and Communication Technology; (c) Master of Education in Teaching and Technology; (d) Doctor of Philosophy in eLearning Methodology; and (e) Doctor of Philosophy in Teaching and Technology. Assumption University also has plans of offering distance education at an undergraduate level in the future as well ("About GSeL". 2014). Rangsit University (RSU), on the other hand, was the first university to offer Thai e-learning programs in Thailand (Khaopa. 2012). E-learning has grown popular and most of its

students are working people. Three programs are offered at RSU Cyber University include one at the undergraduate level and two at the graduate level (Saengpassa. 2013).

E-learning is seen as a golden opportunity for Thailand as the new ASEAN educational market opens up. With e-learning, potential ASEAN students can be enrolled in International programs in Thailand without being physically present at the university. This especially applies to foreign students who would like to pursue a degree in Thailand but do not want to leave the comforts of home and family. Despite the great potential that lies ahead for Thailand in the form of e-learning, there is a big need for the government to "issue a clear policy and strategy in terms of quality and education" and "relevant agencies should also have a clear policy to follow and work in the same direction" (Chitapa. 2012, as cited in Khaopa. 2012, para. 6). To effectively market its future online programs in the ASEAN market, programs must be of good quality, and progress made in English proficiency (Khaopa. 2012) as Thailand's educational system has a bottom ranking of 53 out of 54 countries (Lavankura. 2013).

Despite the launch of the Thailand Cyber-University Project more than a decade ago, its progress had been at a snail's pace. As to date, there is still no real cyber university in Thailand as none of the Thai universities has a single focus on cyber programs. In fact, there has been very little enthusiasm on the part of prestigious Thai universities in the development of full packaged e-programs. It is hoped however, that Thailand would more responsive in embracing the Cyber University concept as cyber learning has increased in significance globally. Several universities within the ASEAN region have successfully developed universities that specialize in cyber-learning. A good example is that of Malaysia where 16 state universities had collaborated in the establishment of the Malaysian Open University that caters to only e-learning (Saengpassa. 2013). It is therefore, clearly evident, that:

> There has been a change of paradigms in the higher education system. The universities need to respond to challenges within the ongoing global processes and emerging Smart economy" and education needs to be adapted "to the challenges of smart economy by using eLearning and smart technologies. (Tikhomirova, Maksimova, and Telnov. 2011: 563)

2.7 International Programs (IPs) in Thailand

Thailand was a developing country that responded to the need for IPs in order to cater to the demand for international higher education in 1967 (Jones. 2006). By the mid1980s, the internationalization concept became trendy because of the economic boom. This internationalization concept stemmed from internal and external forces such as the "demands for market liberalization, the impact of interdependence, advanced communication and technological services, and increased international labor mobility" (Lavankura. 2013: 664). Increased global competition and the higher involvement in higher education resulted in Thailand's plan for internationalizing its higher education in the form of an internationalization policy; a 15-year long-range plan for higher education between 1990 and 2004 (Lavankura. 2013). As Thailand resumes its efforts aimed at catching up with the West, it has expanded more recently to include other countries, particularly ASEAN ones ("High Hopes to be Asia's International Education Hub". 2009).

Since the launch of its IP, it has gone a long way in its IP offerings since the Asian crisis in 1997 ("Department of Export Promotion of Thailand". 2002; Jones. 2006; Lavankura. 2013). These IP offerings use English as the medium of instruction in both public and private universities ("International Programs in Thailand". 2012; Lavankura. 2013). Both public (79) and private (71) HEIs in Thailand offer a wide array of IPs in multiple disciplines at four different levels: (a) certificate programs; (b) undergraduate; (c) graduate; and (d) doctoral. Higher Education Institutions (HEIs) are gradually expanding their IPs while others are contemplating on starting them. Some HEIs have even gone a step further by offering double degree programs. The efforts made to increasingly accommodate the needs of both international and local students are commendable ("International Programmes in Higher Education Institutions". 2008). Statistically, the increase of IPs reached "14 in 1984, to 520 in 2003, and to 981 in 2010" (Lavankura. 2013: 668). As of 2012, there were a total of 1,017 international programs that can be classified as: (a) 344 undergraduate programs; (b) 394 graduate programs; and (c) 240 doctoral programs. The 2011 survey on foreign student enrolment in Thai HEIs revealed an enrolment of up to 20,309 foreign students. Starting from 2014, all Thai HEIs were required by the Thai Ministry of Education (MOE) to adopt the August or September as the beginning of the new international academic calendar year in preparation for the AEC in 2015 ("International Programs in Thailand". 2012). Aside from IPs offerings by Thai universities, there

were some universities that had partnered with foreign universities as well ("Ministry of University Affairs". 1990, as cited in Lavankura. 2013). According to Knight (1997), "these international programs illustrate the internationalization of higher education in terms of the teaching functions of the institution" (as cited in Lavankura. 2013: 667). This internationalization had led to the announcement in 2009, that Thailand would be a regional education hub with the enrollment goal of 100,000 foreign students by 2014-2015 ("High Hopes to be Asia's International Education Hub". 2009).

The growing demand for graduates with English proficiency to work in the growing foreign industries in Thailand before and after the economic boom had resulted in the extra demand for IPs. To meet this extra demand, there had been gradual increases in IPs to accommodate the needs of both foreign and Thai students. IPs have also caught the attention of students because those with English language abilities received premium salaries and gained access to better job opportunities in the market. Another motivating factor was the desire to enhance their social status. By enrolling themselves in IPs, some middle class Thai students felt that it would a way for them to climb up the social ladder as they associated themselves with international concepts and activities. Students enrolled in IPs are usually labeled as relatively well-to-do because IPs are costly and usually only upper- and middle-class families can afford it. Thai students are the main target group of IPs in Thailand, as demonstrated by the Thai student body of 85% as of 2010. The majority of IP programs have Thais as the main study body, while a very small handful has foreign students dominating the student body. Statistically speaking, more than half of the international students are from Asia; mostly from China, Laos, and Myanmar. As of 2010, there was an increase by 5.7% in the percentage of international students compared to figures from the previous year (Lavankura. 2013).

Thai students benefit from IPs in Thailand because they are able to obtain an IP at a much lower cost, compared to going abroad. This is clearly indicated by the increased number of enrolments during the 1997 crisis, when students had to either come back from abroad, or could not afford to go abroad due to the crisis. Although there are numerous IPs in Thailand, they are not marketable like Australia, Canada, the Netherlands, the United Kingdom, and the United States as a higher educational export product. An advantage that Thai universities gain from IPs, is income generated from the much more expensive program compared that to the Thai program. This revenue

generation is very different for educational hubs in developed countries like the United States and the United Kingdom, where they extract fee income aggressively from international students. (Lavankura. 2013).

The undergraduate program requirements include: (a) the completion of upper secondary education or an equivalency of Grade 12; (b) university entry examinations, depending on each HEI; (c) aptitude test, that would vary according to each university's requirements. Undergraduate students need to be enrolled for a minimum of nine credit hours and a maximum of 22 credit hours per semester. Depending on the HEI, candidates need to complete a minimum of 120-150 credits, maintain at least a 2.00 point cumulative grade point average (GCPA) in order to graduate, and the letter grading system is used in all Thai HEIs ("International Programs in Thailand". 2012).

Students applying for the graduate program are required to have completed their bachelor's degree or an equivalent, submit official documents that would accompany applications forms, and may be required to submit additional graduate examination scores such as the GMAT or GRE, depending on the HEI and program. Interviews may also be conducted as part of the screening process. Graduate students need to complete a minimum total of 36 credit hours with a CGPA of 3.00. Doctoral students need to obtain a minimum of 48 credits to graduate if they are applying with a master's degree, or a minimum of 72 credit hours with a Bachelor's degree ("International Programs in Thailand". 2012).

Thai universities have signed up to 1,536 agreements with foreign universities focusing on student and lecturer exchanges, collaborative degree programs, collaborative research agreements, and information exchanges. The top five countries that signed MOUs with Thailand include Australia, China, Japan, the United States, and the United Kingdom ("Office of the Higher Education Commission". 2007).

2.8 Bachelor of Business Administration International Program (BBA)

One of the most popular HEI programs both locally and worldwide, is the Business program (Baum et al. 2013; Hampton-Sosa and Friedman. 2013; Herrington and Arnold. 2013; "Popular College Majors and Top Jobs for Grads". 2013), and the degree conferred in Thailand may come under a variety of names, depending on the curriculum offered by each HEI: (a) Bachelor of Arts; (b) Bachelor of Business Administration; (c) Bachelor of Commerce; and (d) Bachelor of Science and

Business Administration. The most popular business program offered by HEIs in Thailand is the Bachelor of Business Administration (BBA) and its popularity is the reason why many universities currently offer the International BBA program ("International Programs in Thailand". 2012).

2.9 Research Questions

The qualitative research design was used to answer the research project's questions, and are therefore said to be both "general and broad", seeking "to understand the participants' experiences" (Creswell. 2008: 54). This study attempted to explore the impacts of the AEC on BBA IPs in the form of current direct impacts that were experienced prior to the AEC as well as the future opportunities, challenges, and threats that lie ahead when the AEC becomes effective in 2015. This was accomplished by answering two of the following research questions:

1. What impacts have been experienced by BBA IPs as a result of the upcoming AEC in 2015?
2. What are the future opportunities, threats, and challenges faced by BBA IPs when the AEC becomes effective in 2015?

These two research questions were focused on each individual university and the researcher moved from the broad research questions into more specific topics that would vary from one university to another, depending on the direction of each interview. As qualitative studies do not use hypotheses, they are therefore not used, but research questions are used instead (Creswell. 2008).