



The voice of international business in Singapore

POSITION PAPER ON SINGAPORE'S PRIVATE EDUCATION INDUSTRY

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EXECUTIVE SUMMARY

As a review to the current state of the private education industry, the Singapore International Chamber of Commerce (SICC) has produced this position paper to explore how the industry can further add value to the Singapore economy as an industry itself and also, as a soft infrastructure to support Singapore's growth. Various key private educational institutions (PEIs) were consulted and several recommendations were made based on these institutions' observations of their respective sectors' development in recent years.

This paper begins with an overview of the key sectors of the private education industry: private tertiary schools, foreign system schools/K-12 international schools, and private pre-schools. Next is a snapshot of the industry's role in Singapore's economic development and the industry challenges that have surfaced from government policy changes to move the economy up the value chain.

Two areas that have clearly emerged as the most critical aspects in developing the industry are as follows:

1. The need for an industry blueprint to provide a clear direction to PEIs on their role in Singapore as envisioned by the government.
2. The need for the government to review the role of the Council of Private Education (CPE) as an industry regulator and developer.

In highlighting these needs, SICC is mindful of the inevitable challenges that Singapore's current economic restructuring brings. In SICC's views, these challenges should be tackled in cross-Ministry consultations so that there will be balanced considerations in growing the industry both as an economic pillar and as a soft infrastructure.

Finally, this paper proposes collaboration between the government and PEIs in terms of industry branding and development, as well as maintaining the industry's dynamics amid a more demanding business environment that, while remaining efficient and stable, expects greater economic returns from organisations that choose to operate in Singapore.

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FOREWORD

In 2002, the Economic Review Committee recommended that Singapore try to capture a larger share of the estimated S\$2 trillion higher education market by positioning itself as a 'Global Schoolhouse'. Spearheaded by Singapore's Economic Development Board (EDB), a target was set to attract 150,000 international students to Singapore and increase the education sector's contribution to Singapore's GDP from 1.9% to 5% by 2015. The initiative was viewed as producing a number of policy complementarities such as developing a pipeline of workers and economic growth.

In recent years, however, the initiative seems to have taken a back seat in EDB's efforts to drive Singapore's economic growth. Nevertheless, due to Singapore's attractive position as a gateway to international markets, the industry has continued to grow, mainly with the addition of new private education players. This development, together with the changing business landscape as the Singapore economy evolves, brings to light challenges that the industry faces. From the overall perspective, it will be beneficial for both the government and industry to take stock of the latter's development and review its growth direction and strategies.

PART I : Robustness of the Private Education Industry

1.1. Industry Overview and Key Indicators

As of December 2012, there are over 330 private education institutions (PEI), enrolling more than 227,000 students across 5,800 courses (CPE, 2013). For purposes of this paper, industry players are segmented into three groups:

1.1.1. Private Tertiary Institutions

Institutes of higher learning offer a variety of post-secondary certificate, diploma, and degree programmes. Some have also extended their curricula to include work-training programmes tailored to specific industries or companies. There are 3 local art institutes, 12 overseas branch campuses, and at least 40 other private institutions offering a wide range of programmes.

1.1.2. Foreign System Schools (FSS) / K-12 International Schools

FSS provide primary and secondary education in accordance with international curricula, primarily to children of expatriates residing in Singapore. There are a total of 31 FSS operating in Singapore, enrolling more than 45,000 students (CPE, 2013).

1.1.3. Private Pre-schools

Private pre-schools comprise both kindergartens and childcare centres. There are over 1000 public and private pre-school branches in Singapore, an increase of approximately 40% compared with 2008. Together, they hire some 11,000 teachers and centre managers, 20% of whom are foreigners (Lee, 2013).

1.2. Industry's Role in Singapore's Economic Development

1.2.1. Value-Add and Job Creation

As of December 2011, the industry's contribution to Singapore's GDP is 3.2%, in comparison to 1.9% in 2003. In the same period, the industry's share of total employment was 2.7%, equivalent to 86,000 jobs. In monetary terms, the industry's total value-add was more than S\$2 billion and the value-add per worker was S\$53,300.

Despite being a relatively new kid on the block in Singapore's overall economic blueprint, the education industry has performed as well as the IT and business services industries that contributed 3.6% and 3.0% respectively to our GDP.

1.2.2. Attracting Investments

Rapid economic development in the region brings growth opportunities for Singapore. For instance, drawn by the prospects of an Asean common market and facing slow economic growth in their home countries, European companies are keen to invest in Singapore as the business outlook here remains stable and promising. Going by EDB's projected investment inflow into Singapore, more companies are expected to establish business here. For employees of these companies to be willing to relocate to Singapore, the FSS and K-12 international schools will play a crucial role in providing the international education that these expatriates want for their children.

1.2.3. Educational Alternatives

FSS provide a good alternative to Singaporeans who wish their children to opt out of the national curriculum. This is particularly important to Singaporean expatriates and repatriates as it ensures seamless transition and continuity in their children's education. This minimises the reluctance of Singaporean professionals in undertaking overseas postings out of concern in their children's education.

1.2.4. Building a Pipeline of Qualified Workforce

To ensure Singapore remains as the preferred business location, there needs to be a pipeline of qualified workforce capable of propelling business growth and investments. Just as the FSS and K-12 international schools support the expatriate communities, the private tertiary institutions play a significant role in developing specialised talent and enabling manpower up-skilling to support companies as they move up the value chain. For instance, private tertiary schools have developed work-study arrangements that comprise courses tailored to companies' needs. These work-study arrangements can be scaled up to benefit more companies in workforce training.

1.2.5. Strengthening Singapore's Education Sector

There is diversity in the private education industry that introduces different models of operations (i.e. school management, curriculum planning and teaching methods) that serve as a basis for sharing of best practices between public and private schools that will collectively strengthen Singapore's education system. This creates a more robust education sector that presents opportunities for collaboration between schools.

At the end of 2011, 31 foreign universities were collaborating with local universities to provide joint programmes from bachelor degree to PhD level (Toh, 2012). Such collaborations not only result in the development of better educational programmes but also, can be extended to institutional-industry partnerships to spur industrial

research and development, particularly development of intellectual properties to boost Singapore's innovative output.

1.2.6. Nexus for Networking

As globalisation results in increasing levels of cross-border trade, investment and human capital movement, the private education industry enhances Singapore's appeal as an intellectual melting pot by providing a nexus for foreigners and Singaporeans to exchange knowledge and experiences. This relationship building may translate into international business ties in time to come and benefit Singapore that relies on global networks to succeed.

1.3. Industry Challenges arising from Changes to the Business Landscape

Despite the industry's contributions to the economy, PEIs face several challenges that have impeded their growth. Some of these challenges stemmed from government policies that, despite their best intentions, have had adverse impact on the industry.

To address the challenges mentioned in this paper, the Ministry of Education (MOE) should perhaps consider driving the industry in partnership with other competent authorities such as the Ministry of Trade and Industry (MTI), as well as the Ministry of Manpower (MOM).

1.3.1. Manpower Tightening

SICC supports the government's move to encourage companies to rely less on foreign workers. As far as we understand from our members in the private education industry, they prefer to hire Singaporeans whenever practicable. However, as laid out in Points (a) to (c) below, it is important for MOM to recognise the unique hiring needs of the industry to avoid hindering the industry's growth and support for Singapore's development.

a) Private Tertiary Institutions

Private tertiary schools with foreign university partners are required to enter into an agreement whereby the schools have to fill senior positions of academic heads and faculty members with foreign professionals appointed by their overseas partners.

b) Foreign System Schools (FSS)

Most FSS require the majority of their staff, including senior administrators, to be fluent in their native language and possess a strong cultural understanding that makes them relatable to students and parents from their home country. In addition, academic staff need to be equipped with the necessary teaching methodologies, skills and experiences, as well as sound knowledge of different

education systems if they teach in international schools. These requirements mean that Singaporeans that have only taught in Singapore are not ideal for the positions.

c) Private Pre-schools

Due to shortage of pre-school teachers and strong competition from public pre-school operators, private pre-schools are facing difficulties in hiring enough Singaporean teachers. The lack of manpower is largely attributed to higher qualification requirements that MOE has set for the teachers and a concurrent increase in the number of pre-schools in recent years.

These manpower challenges have worsened with the tightened foreign manpower policies that private pre-schools face in hiring teachers at the S-Pass level, such as teachers from China who are not only proficient in Mandarin but also, are equipped with strong complementary skills in speech and drama.

As with other industries, the manpower challenges faced by PEIs are also extended to the management and senior support roles. Schools are also often constrained by the lack of manpower in key leadership and operational areas which requires the international expertise. This experience is, in most cases, lacking amongst Singaporeans.

SICC urges MOM to take into account the necessity for PEIs to hire the foreigners they need, especially in view of the launch of the Fair Consideration Framework in August 2014. We would like MOM to consider granting an exemption to PEIs from advertising in the National Jobs Bank for positions that can only be filled with candidates from their home countries.

Besides impacting manpower supply for the PEIs, the stricter foreign manpower policies may also crimp the demand for private education in Singapore. Expatriates and foreign students alike are less certain now about employment prospects in Singapore. If Singapore no longer remains as the choice location for them to work and/or study here, demand across all groups of PEIs will weaken.

1.3.2. Land Constraints

With greater focus by the government on increasing land productivity and strong competition for land from property developers, PEIs are facing difficulties in securing land for expansion. For some institutions, the greatest challenge is the lack of land security as most land leases have been shortened and land prices have risen significantly in recent years.

As a service industry with human capital as the end product, the private education industry should not be subjected to the standard land productivity measurement of output per worker that is more applicable to the manufacturing industry.

As a small economy like Singapore restructures, it is important for the government to recognise how its policies can have wide impact on the private education industry. A clear example is the shortage of pre-schools that MOE is trying to address. At the same time, MOE aims to increase the quality of pre-schools and maintain their affordability. While the industry tries to grow to fulfil MOE's goals, its players are hamstrung by existing manpower and land policies that increase their cost burden and prevent business certainty.

Just like any other industry, the private education sector's growth hinges on the level of resource support from the government. Where policies cannot be mutually supportive to grow the private education industry, it is necessary that they be made flexible to support its growth. To this end, PEIs in SICC membership are willing to contribute to inter-agency planning by MOE and the other competent authorities.

PART II : Singapore as an Education Hub

Private education was one of the fastest growing industries, expanding from 150 school branches in 1997 to more than 1,200 in 2007 (Othman, 2010). In 2009, the Council of Private Education (CPE) was established to regulate the industry by weeding out errant operators. As a result, the total number of foreign students dropped from 96,900 in 2008 to 91,500 in 2010 (Davie, 2010), whereas the number of foreign students in private institutions dipped from 35,000 in 2008 to 33,000 in 2012 (Davie, 2012).

While industry players welcome the move to “clean up” the industry to preserve Singapore’s reputation as a respectable country for good education, many are concerned with CPE’s overarching focus on setting regulatory standards for PEIs to follow. The concerns are two-fold:

2.1. The need for an industry blueprint that provides a clear direction to PEIs on their role in Singapore as envisioned by the government

As the Global Schoolhouse project appears to have faded despite the industry’s significant contributions to the economy, it will be helpful to PEIs to understand the government’s plan for the industry. Does the government view private education to be part of the soft infrastructure to support Singapore’s growth or does it view the industry as an economic growth pillar that it wants to develop?

From the PEIs’ perspective, the government should continue to grow the industry that has not only achieved impressive growth but also, is an important soft infrastructure to develop future Singaporeans as well as foreigners who can make a positive impact on Singapore’s growth.

To enable PEIs to plan their development, it will be good if the government could review existing demand and supply of various groups of PEIs and determine how many more new schools that Singapore, with its limited resources, can accommodate. Recent establishments such as the Singapore University of Technology and Design (SUTD), GEMs World Academy and increase in the number of PCF pre-schools have dramatically intensified competition for industry players that, at the same time, have to grapple with manpower and land constraints.

Rather than increasing the number of industry players, the government should leverage on the strengths of existing PEIs and support their growth. To this end, the government has to first recognise the different values that each sector brings to the industry as in the following context:

- Take the Foreign System Schools (FSS) as an example. While the focus of FSS is to serve the expatriate community, their presence encourages cross-fertilisation of ideas and a vibrant mix of cultures.

- As Singapore's education system is well regarded overseas, SPRING Singapore and International Enterprise Singapore should step up their efforts to support PEIs' overseas expansion. Where local PEIs are concerned, the more established institutions have grown to a fairly good size but are not yet able to compete regionally and globally. The agencies should review their definitions of these institutions as large SMEs that essentially, disqualify them from using some of the government schemes to venture into overseas markets.

2.2. Compliance with CPE rules that hinders PEIs' growth

Regardless of how the private education industry figures in the government's economic plan, there is a need for CPE to review its policies to avoid curtailing the growth of established PEIs with unnecessary compliance requirements.

2.2.1. Broad-Brush Approach in Setting Regulatory Framework

The CPE was established to regulate the private education industry and to date, it has successfully weeded out over 600 errant operators, mostly private tertiary institutions, by setting tighter operating requirements to raise industry standards. However, many remaining industry players find their growth hampered by the current regulatory environment that primarily aims to keep out lesser institutions. In view of the diverse sectors serving different private education needs, the regulations need to be refined so that CPE can play a more effective role as an industry regulator and developer.

Generally, institutions are of the view that the CPE has taken a broad-brush approach in implementing their regulations that make it onerous for different groups of PEIs to comply at various levels. Certain rules are too rigid, while others irrelevant to their area of business as most of the regulations are targeted at private tertiary schools sector which dominates the industry. For instance, the need to track student attendances is, understandably, of importance in ensuring that private tertiary institutions are committed to strong deliverables. This requirement, however, is of little relevance to pre-schools and FSS. To take this a step further, privately owned schools have to undergo more rigorous checks than public trust schools when in reality, the quality of education delivered does not depend on the institutions' types of ownership.

2.2.2. Developing a Knowledge Base

CPE could begin with adapting its policies and regulations according to sector-specific characteristics and needs. To do this, CPE needs to focus on developing a knowledge base of how the various groups of PEIs are run. This facilitates the calibration of regulatory requirements that do not run counter to the educational

curricula and philosophies adopted by various PEIs and ensure consistency in assessment. For instance, PEIs have shared that the team of CPE assessors often differ from year to year and tend to adopt different levels of expectations particularly in areas of compliance that are subjective. The lack of sectorial knowledge often impedes consistency in assessment.

For areas in which CPE may lack expertise in, it should consider leaving the regulatory compliance work to the relevant professional bodies such as the IB Board and international accreditation bodies. This also minimises unnecessary costs associated with duplication of effort in compliance work for both CPE and PEIs.

2.2.3. Implementing Value-Adding Processes

Many PEIs have noted that CPE often adopts a checklist mentality in compliance assessments. The lack of understanding of how PEIs operate and two-way communication between PEIs and CPE officials often undermines the compliance process which ultimately understates the quality of a PEI. There is a need for CPE to review its compliance examination procedures to include value-adding processes that allow CPE to gain a better understanding and evaluation of the various sectors of PEIs.

CPE should also disclose the assessment ratings to allow PEIs to evaluate how far off they are from the expected standards. While the list of recommendations provided after each assessment acts as a useful indicator of areas for improvements, clear ratings will provide an indication of the amount of resources that need to be invested in specific areas of quality improvements.

2.2.4. Greater Flexibility for Established PEIs

Within the private tertiary institutions group itself, CPE should focus on segregating the more established institutions from the rest of the industry. As these institutions are well-established, CPE should provide them with more room for development by reducing the level of compliance expected of the institutions. Benchmarks that can be used to distinguish the more established schools include quality of the school's infrastructure as well as outcome-based KPIs relating to student results, resources invested in training and development of both teachers and students and quality of programmes.

PART III : Industry Branding and Development

In order to market Singapore as a premium education destination in the region, a key branding position that capitalises on Singapore's strengths as a politically, socially and economically stable country should be developed for each group of PEIs. This branding initiative will be supported by CPE regulations that are calibrated to sector-specific goals and needs.

Once the unique selling proposition for each group of PEIs has been developed, there should be a central agency to promote Singapore's private education industry. This is to ensure that the industry's marketing efforts are strategically implemented and that there is a one-stop centre for potential students to learn more about the various programmes offered.

3.1. Private Tertiary Institutions

Currently, there exist respectable private tertiary institutions, such as the Singapore Institute of Management (SIM) and PSB Academy, that are capable of producing quality graduates, providing a good pathway for Singaporeans to seek higher academic qualifications and developing a pipeline of manpower to support the economy.

In addition to branding, CPE could perhaps consider working with the institutions in the following ways to strengthen their competitive positioning:

3.1.1. Collaborations with PEIs

To leverage on the strengths and best practices of PEIs, collaborations between public and private institutions can be further encouraged to:

- a) increase knowledge transfer and develop best practices in school and curriculum management as well as teaching methods; and
- b) address industry challenges such as jointly developing new pedagogy centres to train both new and existing teaching staff.

For this purpose, CPE should perhaps have a deeper understanding of the business and cultural dynamics of private tertiary institutions.

In addition, CPE could work with the institutions to map out differentiation strategies to strengthen the tertiary education sector in Singapore. A key approach is for CPE to collaborate with the institutions to set and measure quality outcomes that the industry should aspire to achieve, rather than to measure the quality of institutions based on checklists of compliance that consume manpower and time of institutions.

3.1.2. Official Endorsement of PEIs

Following the weeding out of errant PEIs in 2009 that was widely publicised in the media, the private education industry's image has been affected such that there seems to be a general misconception that PEIs produce second-rate graduates compared to public institutions. This misconception is particularly worrying when employers have been taking the cue from the government's preference in hiring graduates from public institutions. This mindset is certainly not helpful to Singaporeans who aspire to upgrade themselves through tertiary education. Moreover, considering now that there is a significant number of established private tertiary institutions in the industry, there should be a focus by CPE on ensuring a level playing field between private and public institutions by endorsing the former based on international accreditation standards.

CPE's endorsement of the PEIs will enhance Singapore's position as a quality education destination and encourage foreign students to obtain their education here as they will feel more assured of having their qualifications recognised by their home governments. With CPE's endorsement, PEIs will also be able to better compete in overseas markets. To realise these objectives, CPE could consider setting up differentiated evaluation tools and teams for each sector to ensure that the right levels of support and endorsement are extended to various schools.

3.1.3. Government Financial Assistance for all Singaporean Students

Demand for private education has grown in the past years due to two reasons:

- i. The government's call for Singaporeans to attain higher qualifications so as to build a quality workforce that will anchor investor's interests in Singapore
- ii. Aspirations of Singaporeans to enhance their employability

Currently, Singaporeans and foreign students enjoy government subsidies only if they enrol in public tertiary institutions. While certain private institutions provide scholarships and bursary awards for outstanding performers, such awards are limited in comparison to government financial assistance schemes.

As such, the government may wish to consider extending financial support to Singaporeans who aim to obtain a degree from private institutions. This is aligned with the government's move towards a knowledge-based economy and to this end, having a larger proportion of its workforce equipped with a degree at the minimum is necessary.

3.1.4. Facilitating Work-Study Arrangements

The majority of international students on Student Pass are not allowed to work in Singapore unless they are granted Work Pass exemption. However, gaining industry

experience is part of their education pursuits here. Prohibiting them to work to acquire practical knowledge and skills makes Singapore less attractive than Australia, UK and US where work-study is encouraged. All student pass holders should be allowed to take on work-study arrangements for a period deemed suitable by CPE and the institutions for each course of study.

In January this year, the EuroCham published a white paper titled "The Internship Imperative: Contribution by the European Chamber of Commerce to the Singapore government's efforts to develop internship". SICC supports the key thrusts of this paper that clearly and fairly underscores the value of internship to students, higher education institutions and companies.

To encourage Singaporeans to embrace workplace diversity that enriches their work lives by exposing them to different cultures can only be good for them. We urge the government to give due consideration to the recommendations of both SICC and the Eurocham in enabling all stakeholders to benefit from a more meaningful internship system in Singapore.

3.1.5. Equal Employment Opportunities for Private Tertiary Graduates

Employers, particularly from the public sector, prefer to hire graduates from public universities. This creates a general misconception that private universities produce second-rate graduates. This, in turn, drains students' spending from Singapore as Singaporeans go overseas to obtain their qualifications.

To overcome this misconception, the government should take the lead to hire graduates from private tertiary institutions to demonstrate that all graduates should be given equal employment opportunities. This will ultimately encourage greater competition and productivity amongst the workforce to benefit the economy.

Fundamentally, CPE should not view private tertiary institutions as purely profit-oriented institutions and implement regulations that are inhibitive to their growth. For instance, the Fee Protection Scheme allows the institutions to collect up to a maximum of 6 months (or 12 months for PEIs that are EduTrust-certified) of course fees. The inability to secure full fees in advance and collect security deposits creates risks of default by students, limits institutions' funds for expansion and inhibits effective operational planning. Another regulation that should be reviewed is the requirement for senior foreign faculty members to furnish excessive information and documents such as their original undergraduate certifications in order to teach here. Such faculty members have attained professional qualifications which sensibly do not require the need to submit basic certifications obtained in their earlier years. Often, these academicians feel slighted by this requirement which will not be omitted despite guarantees of legitimacy by the head of schools.

In addition, it may be worthwhile for CPE to set up an industry advisory council comprising educators and various industry players to provide thought leadership to steer the industry to greater heights and equally important, to ensure that part of Singapore's future workforce is driven by strong private education aligned with Singapore's economic strategies.

3.2. Foreign System Schools

The FSS plays a significant role in creating a liveable work destination for expatriates that are here to work for their employers. These schools incur significant resources to provide a holistic education environment and customised programmes to students of diverse learning needs such as special languages and talent development.

In face of growing competition from local schools and clampdown on foreigner workers in Singapore, the market for FSS will not be able to grow as fast as before. With a muted demand outlook, schools need better use of their resources that are currently being tied up in complying with CPE's regulations. As most FSS' programmes and operations are already assessed both by their home authorities and the International Baccalaureate, CPE could perhaps reduce the level of compliance by schools that meet these standards or are already internationally accredited.

Also, to overcome the limitation that CPE has in reviewing examination outcomes based on foreign standards, it could consider deploying various feedback mechanisms to assess the quality of FSS. For instance, it could verify the home country's endorsement of a school or even partner with accreditation agencies to ensure that schools maintain good operating standards.

3.3. Private Pre-Schools

By offering quality Chinese and English education, pre-schools are well positioned to project Singapore as a choice city to live in for both Singaporeans and foreigners. As with the private tertiary institutions, CPE could bring both public and private pre-school providers together to share best practices and brainstorm for solutions to overcome the challenges that the sector faces.

Greater land space could perhaps be allotted for pre-schools to introduce better child development programmes that allow children to move beyond classroom settings to experience self-exploratory learning. Such programmes, common in the US and UK, typically require greater space.

PART IV : Maintaining Industry Dynamics in Singapore's changing Business Environment

It is clear that Singapore has become a more expensive business location after several years of strong foreign investment inflow that places a strain on its limited resources. While its agencies have performed a good job in maintaining a pro-business environment, there is always room for greater efficiency in the environment to support industry growth.

4.1. Streamlining Regulations

CPE needs to review if there is overlap between its regulations and those of other agencies. For instance, PEIs' compliance with fire safety standards is required by both CPE and the Singapore Civil Defence Force. Such overlapping should be streamlined so that PEIs can make the best use of their resources.

4.2. Minimising Cost Increases

Operating cost of PEIs have increased due to extra manpower and administrative support that schools have to put in place to comply with CPE regulations. For instance, certain requirements included as part of CPE's compliance assessment process are being repeated across sections. As each section is often being assessed by different CPE official in silos, PEIs are expected to furnish duplicates of the same documents. To illustrate the extensiveness of CPE compliance work, some PEIs invest up to a year in preparing a new set of updated documentations for a 1 year EduTrust Provisional certification renewal.

From an established PEI's perspective, incurring the extra cost does not bring direct benefits to its students. As PEIs need to commit resources for their key deliverables to their students, the resources could have been channelled to produce better programmes and services for the students. Eventually, the extra cost may be passed on to students through higher education fees.

4.3. Industry Consultation

To better calibrate its policies, CPE needs to deepen its scope of consultation with Industry associations such as SICC, Early Childhood and Development Agency (ECDA), and Singapore Association for Private Education (SAPE) by creating a platform for regular thought-sharing sessions.

4.4. Increasing Productivity

With increasing focus by the government on productivity increase across industries, CPE and public tertiary institutions could work together to develop an education system or framework that will support Singapore's productivity growth. A key question to tackle is whether productivity should be built into schools' teaching curricula or be incorporated into development programmes for all levels of employees.

Depending on the outcome of these collaborations, CPE and PEIs could explore producing an academic paper on what productivity for the Singapore economy should encompass. Input from industry leaders should be sought to ensure that the productivity concepts and objectives put forth by the paper are practical and sound to serve as a guide for the education system to align itself with Singapore's economic growth.

PART V: Conclusion

Singapore is undergoing one of the toughest economic restructuring since its independence. Faced with intense competition from other business destinations in the region, it is of paramount importance that Singapore continues to attract both foreign investors and expatriates to drive its economic growth.

Attuned to these needs, the private education industry has evolved over the years to boost the services sector of the Singapore economy. Besides value-add to the economy in monetary terms and job creation, the industry has also served as a critical soft infrastructure to enhance Singapore's attractiveness as an investment destination by providing education to children of expatriates that companies here hire, as well as strengthening the workforce of both Singaporean and foreign workers.

While it is best to let an industry grow by market forces of demand and supply, a joint effort by the government and PEIs is necessary to chart the industry's growth due to these factors:

1. Increasing competition for Singapore's limited resources of manpower and land
2. The need for MOE/CPE to calibrate its policies and regulations so as to avoid crimping the growth of good PEIs that are already producing the quality outcomes that the agencies are seeking
3. The potential of closer collaboration between public and private institutions that will strengthen Singapore's brand identity overseas
4. To grow existing PEIs that have established themselves here

As a chamber that supports the private education industry, we would like to urge the government to consider the following recommendations that our members believe will take the industry to greater heights:

5.1. Addressing Land & Manpower Issues

Recognising that issues of manpower and land constraints are long term challenges that require close consultation between the government and the industry, it will be beneficial to establish a platform for regular consultation between the authorities and PEIs. This platform will be particularly useful as these issues require strategic planning and development across Ministries.

5.2. Developing an Industry Blueprint

To grow their business and industry, PEIs in the various sectors will welcome an industry blueprint as envisioned by CPE and possibly, EDB. This blueprint will be useful in guiding PEIs' plans for development, for instance, the extent to which PEIs may scale up their presence in anticipation of future demand for their education programmes from foreigners seeking to work in Singapore. With a healthier industry composition now, developing the

blueprint will be timely in charting the future direction of the industry with its existing players.

5.3. Setting up an Industry Advisory Council

As good education underpins a competitive workforce that is key to Singapore's economic growth, the CPE may want to collaborate with industry associations such as SAPE to set up an industry advisory council that will help PEIs anticipate the skills and knowledge in demand by employers in the long term. Based on guidance from the council, both CPE and the industry players can work together to ensure the optimum supply of teachers, as well as formulate the right programmes, to determine the supply of teachers required to produce the future stream of students who will form the core of Singapore's workforce.

In SICC's view, these initiatives are worth considering at the minimum level for the private education industry to advance now that CPE is urging PEIs to produce greater results to meet its standards. With a good cross-section of PEIs in various sectors, SICC members in the private education sector are ready to partner government and its agencies in implementing these initiatives.

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