

New Zealand's Export Education Innovation Program

The Opportunity Offshore

This paper introduces transnational education, describes the scale of transnational education, looks at the need for a good practice model in transnational education and suggests some strategies for institutions contemplating transnational education initiatives.

Transnational Education

The December 2005 **OECD Guidelines for Quality Provision in Cross-border Higher Education**¹, prepared by OECD in consultation with UNESCO, provide an international framework to protect students and other stakeholders from low-quality provision and disreputable providers.

The OECD Guidelines endorse the **UNESCO/Council of Europe Code of Good Practice in the Provision of Transnational Education**² which provides a definition of transnational education which is as close as there is to a global standard:

All types of higher education study programmes, or sets of courses of study, or educational services (including those of distance education) in which the learners are located in a country different from the one where the awarding institution is based. Such programmes may belong to the education system of a State different from the State in which it operates, or may operate independently of any national education system.

This definition fits historical usage in Australia. As Knight³ points out, Australia has a convenient classification

Australia was one of the first countries to use the term 'transnational education' in the early nineties as it wanted to differentiate between international students recruited to Australian campuses and those who were studying for Australian degrees offshore. Hence, the term transnational education was used to simply describe offshore international student enrolments regardless of whether the offshore students were studying through twinning, franchise, distance or branch campus arrangements. It is interesting to note how the use of terms in Australia has evolved in such a way that 'international education' usually refers to foreign students studying in Australia and 'transnational education' refers to those studying offshore. In this conceptualisation of the term transnational, the focus is on where the student is studying.

Simply, the learner is located in a country different from the one where the awarding institution is based.

¹ www.oecd.org, Topics, Education, Publications, Guidelines

² www.coe.int, A-Z, Recognition

³ Knight J. (2005) *Borderless, Offshore, Transnational and Cross-border Education: Definition and Data Dilemmas*, London: Observatory on Borderless Higher Education, available at <http://www.obhe.ac.uk/products/reports/>

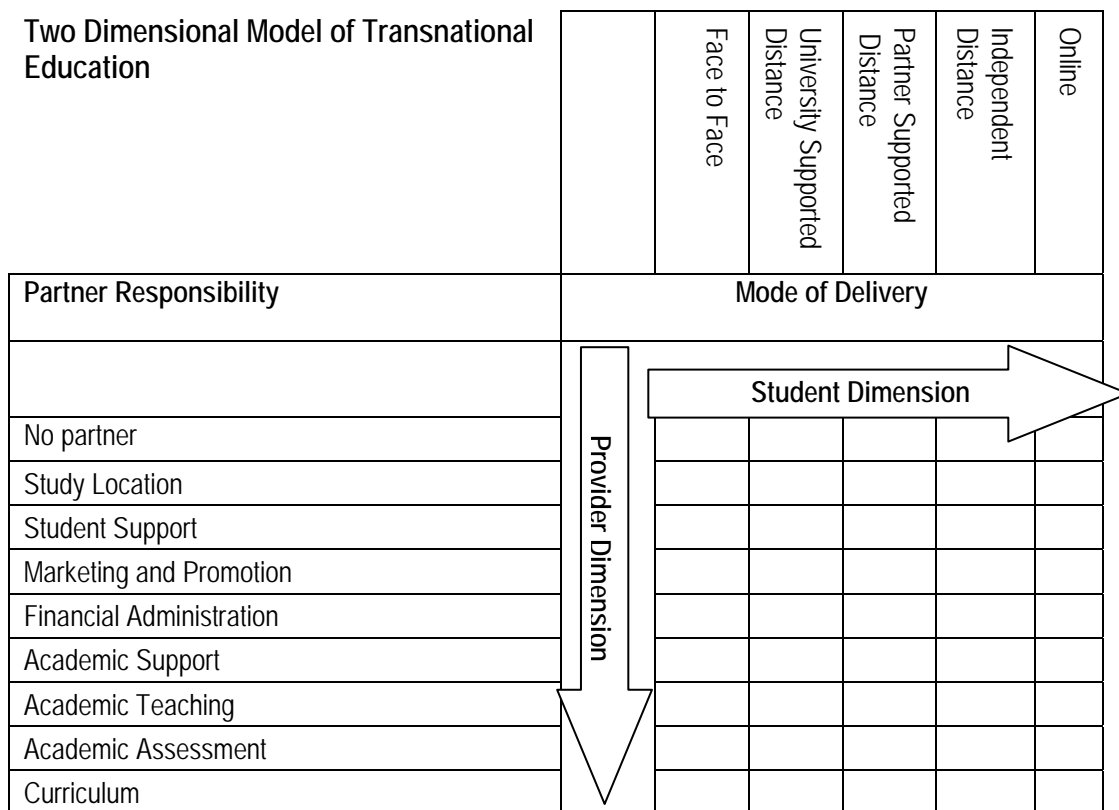
Distance education specifically is included in transnational education, a point with which Australia is having some difficulty in its **National Quality Strategy for Australian Transnational Education**⁴, but it is more important for New Zealand to follow the global standard.

While New Zealand may wish to continue to use the term *offshore education*, the global standard suggests the term *transnational education*.

Modes

Essentially, New Zealand is seeking to build an export education industry, and to diversify the modes with which it supplies export education globally.

A Two Dimensional Model of Transnational Provision developed from Davis, Olsen and Böhm (2000)⁵ captures all offshore activities, including independent and locally supported distance education (cross border supply), block teaching (presence of natural persons), partnerships, collaborative provision, franchising, twinning arrangements and branch campuses (commercial presence). The model maps all transnational education provision along two dimensions, a Student Dimension and a Provider Dimension.



⁴ <http://aei.dest.gov.au>, Transnational Quality Strategy

⁵ Davis, D., A. Olsen, & A. Böhm. (2000). *Transnational Education: Providers, Partners and Policy. A research study* Brisbane: IDP Education Australia

The model suggests that movement along the Student Dimension, and movement along the Provider Dimension, both involve movement along a continuum, with no step changes in type of provision.

The model reinforces that all offshore activity is part of transnational education, essentially of the same type, and subject to a good practice model.

Scale of Transnational Education

New Zealand's November 2005 **Offshore Education Stocktake and Analysis** reported 1,385 students enrolled offshore in New Zealand institutions in 2004, 459 in university courses, 703 in other state institutions (mainly polytechnics), and 223 at private training establishments.

In Australia, IDP Education Australia, in a paper circulated to universities, estimated 58,713 transnational education students in Australian universities in first semester 2005, with 88% from Asia, including 40% from North Asia and 47% from South East Asia. The largest source countries were Malaysia (21% of all students), Singapore (21%), Hong Kong (19%) and China (13%). IDP Education Australia in **Global Student Mobility**⁶ forecast global demand for 434,000 Australian transnational education places by 2025.

In the UK, a survey of **Transnational Delivery by UK Higher Education** by the Observatory on Borderless Higher Education⁷ estimated 101,645 transnational education students in UK universities in 2004, with 42% from Asia, 15% from Africa and the Middle East and 33% from Europe. The **Vision 2020**⁸ study for the British Council forecast global demand for 804,000 UK transnational education places by 2020.

In the US, transnational provision is dominated by the private Apollo Group, Inc., through its subsidiaries, the University of Phoenix (including University of Phoenix Online), the Institute for Professional Development, the College for Financial Planning, and Western International University, with 315,350 students across the Apollo Group in November 2005⁹.

Through Western International University, the Apollo Group has partners in China and India, but there is no split of its student numbers between international students and those in the US. Twice¹⁰ Apollo Group has settled lawsuits brought against it by the US Department of Education, and there is not a lot to learn from its operations.

⁶ Böhm A, Davis D, Meares D, Pearce, D (2002) **Global Student Mobility** IDP Education Australia, Sydney

⁷ www.obhe.ac.uk Briefing July 2004

⁸ Böhm A, Follari M, Hewett A, Jones S, Kemp N, Meares D, Pearce D and Van Cauter K **Vision 2020: Forecasting International Student Mobility: A UK Perspective** British Council. London

⁹ www.apollogrp.edu

¹⁰ Cunningham S, Ryan Y, Stedman L, Tapsall S, Bagdon K, Flew T and Coaldrake P (2000) **The Business of Borderless Education** Department of Education, Training and Youth Affairs

Also in the US, University of Maryland University College claims 47,000 international enrolments, nearly all from active duty military and dependents through its overseas programs under contract with the US Department of Defense¹².

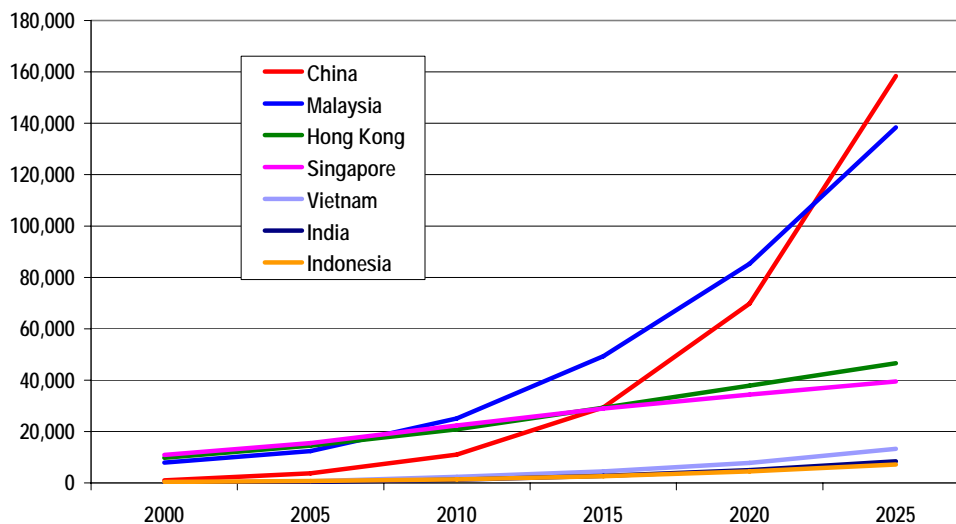
From analysis of Australian transnational higher education enrolments in 2002, 63% of students were undergraduates and 64% were in Business. From the UK 2004 data, 56% of students were undergraduates and 44% were in Business (with another 21% in joint degree programs).

The Australian and UK pictures suggest substantial potential demand for New Zealand transnational education, much of it in mainstream fields such as Business, perhaps more so than in niche markets.

Target Countries

The chart shows the top seven source countries for Australian transnational education in 2025, as forecast in the Australian study **Global Student Mobility**.

**Global Demand for Australian Transnational Education:
Top Seven Countries**



China, as expected, is the top source country, Malaysia is nearly as big a source as China, with China and Malaysia accounting for 68% of forecast global demand. Hong Kong and Singapore make up a further 20% and remain important destinations for Australian transnational education.

¹¹ www.obhe.ac.uk Breaking News Article 22 September 2004

¹² www.umuc.edu UMUC at a Glance

Launching **Education without Borders: International Trade in Education** in September 2005, Australia's former Education Minister Nelson told a media conference that China has around 250 million students and that over the longer term, China would like to see Australia help educate about one million of those: *I hasten to add, in China*¹³.

The view of Malaysia in **Global Student Mobility** is that Malaysia's booming population and its unmet demand for higher education will require substantial, new provision of transnational education by Australian universities.

From New Zealand's perspective, Hong Kong and Singapore are saturated, with the University of London External Program the UK's dominant provider in Hong Kong (54% of the UK's 13,928 transnational students) and Singapore (80% of 10,838).

China, Malaysia and Vietnam, and later India and Indonesia, should make up New Zealand's top five priority countries for transnational education.

Good Practice

The need for a good practice model for transnational education should be put into context. Major problems include the lack of consensus on various aspects of quality assurance for transnational education; the lack of strategic focus on the part of educational institutions; competing stakeholder demands, and the definitional issues that entangle attempts to put regulatory frameworks around the proliferation of transnational education programs.

At the same time, it must also be noted that many of the transnational education issues confronting universities are due to considerable success in their implementation.

The Australian Universities Quality Agency **Report of an Audit of the University of South Australia** in August 2004¹⁴, where UniSA was commended for its quality assurance system for transnational programs, provides one example of good practice.

Victoria's Auditor General in June 2002¹⁵ carried out case studies of selected associated entities and joint ventures of Victorian universities. The Auditor reviewed RMIT Penang, RMIT Vietnam, Monash Malaysia and Monash South Africa, and commented

The rewards of offshore operations for Victorian universities include increased revenues, enhancement of their international profile and expanded opportunities for staff development and student mobility. However, as these case studies demonstrate, offshore educational activities of universities also carry both financial and reputational risk which must be carefully managed if the expected benefits are to be realised.

¹³ www.foreignminister.gov.au Transcripts 7 September 2005

¹⁴ www.auqa.edu.au/qualityaudit/sai_reports/index.shtml

¹⁵ www.audit.vic.gov.au/reports_mp_psa/psa0202.html#P20_363

Swinburne University of Technology developed a model for good practice in transnational education, as a project in 2005 for the Australian Vice-Chancellors' Committee¹⁶. This model will be described in **Models and Types: Guidelines for Good Practice in Transnational Education**, by Stephen Connelly, Swinburne University of Technology, Jim Garton, Swinburne University of Technology and Alan Olsen, Strategy, Policy and Research in Education, Hong Kong, forthcoming from the Observatory on Borderless Higher Education ¹⁷.

This four-box model captures the 28 precepts on collaborative provision in the UK Quality Assurance Agency's Code of Practice for the Assurance of Academic Quality and Standards in Higher Education¹⁸ and the 93 guidelines in the Australian Vice-Chancellors' Committee Code of Practice and Guidelines for Australian Universities on Provision of Education to International Students¹⁹.

Good Practice Model for Transnational Education

<p style="text-align: center;">Strategic Guidelines</p> <p>Policy Framework e.g. Internationalisation Plan Quality Assurance Strategy Decision Making Process Partner Selection Strategy Education Plan Business Development Process</p>	<p style="text-align: center;">Client Perspective Guidelines</p> <p>Client Needs – Information for Students Student Experience Planning Consumer Protection including Exit Strategy Client Feedback Equity Issues</p>
<p style="text-align: center;">Academic Guidelines</p> <p>Comparable Standards Sound Pedagogy Approval and Accreditation Process Equitable and Ethical Treatment of Students Assessment Infrastructure and Procedures Academic Staff Support Awards – Quality and Control</p>	<p style="text-align: center;">Administration Guidelines</p> <p>Project Management Partner Institution Student Administration Procedures Marketing Guidelines Financial Administration Quality Assurance System Annual Review</p>

The four box model is intended as a checklist for the often overwhelming number of issues to be accounted for in establishing and managing transnational education programs.

As New Zealand moves to develop export education as an industry, and as it moves to diversify its modes of supply, New Zealand will need to develop its own model of good practice in offshore education, against the background of work already undertaken in other jurisdictions.

¹⁶ www.idp.com/aiec2005/program/Thu%201100%20Connelly%20&%20Garton.pdf

¹⁷ www.obhe.ac.uk

¹⁸ www.qaa.ac.uk/academicinfrastructure/codeOfPractice/default.asp

¹⁹ www.avcc.edu.au/content.asp?page=/publications/international/index.htm

Strategy in Transnational Education

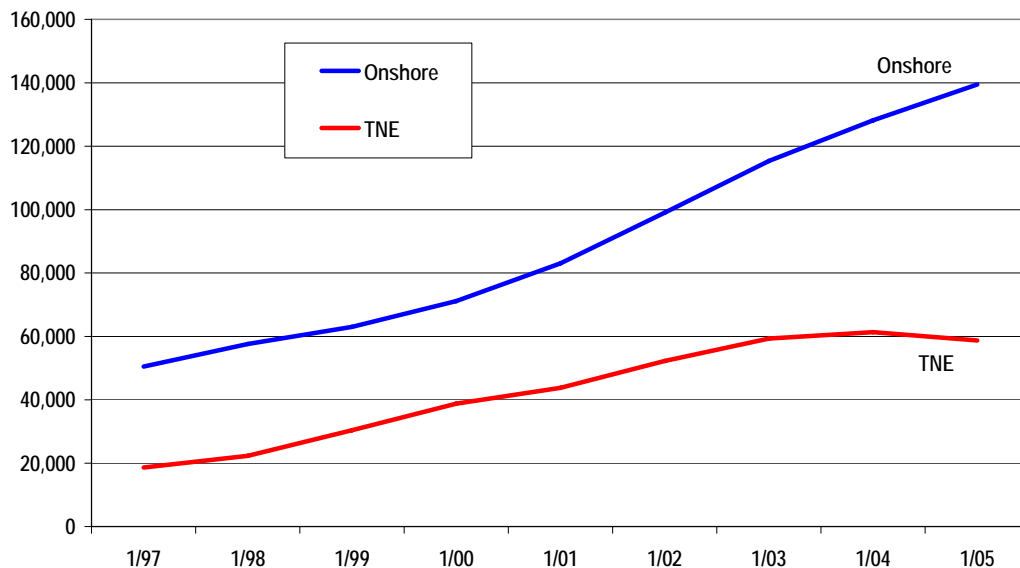
Armed with a Good Practice Model, the final part of this paper puts forward three strategic principles in transnational education.

Complementarity

It is fundamental to the existence of transnational education programs that an institution's international student program and transnational education provision need to be complementary, they need to grow together.

IDP Education Australia surveys Australia's university's every semester on their numbers of international and transnational students. IDP Education Australia no longer puts these figures into the public domain but provides them to universities including Swinburne University of Technology. In first semester 2005, there were 139,517 international students in Australian universities, on campus in Australia, and 58,713 students in transnational education.

Complements or Substitutes?



In higher education, Australia's international student program and transnational education provision have grown together, suggesting complementarity. If transnational education programs are providing pathways to international student programs on campus, so much the better.

If transnational education becomes a substitute for international education, then an institution would need to make strategic decisions about the relative merits of its international student program and its transnational education provision. In many cases the institution would decide to close transnational education programs, preferring to preserve its international student program, the assumption being that international student programs have greater value to the institution than transnational education programs.

The key strategic principle is that an institution's international student program and transnational education provision need to be complementary, they need to grow together.

Priority Countries

The second strategic principle is that an institution should determine its priority countries for transnational education programs, and these should be the countries where the institution should be prepared to invest. An institution should look at niche transnational education opportunities put to it from other countries but would not invest outside its priority markets.

In an international student program, on campus in the home country, good practice often involves diversification of source countries. In addition to large numbers of students from key source countries, an institution would look for smaller numbers of international students from a diverse range of countries.

In transnational education, where the clustering of students in enclaves cannot be an issue, such diversity by definition is unachievable.

An institution needs to focus on its priority countries for transnational education. From earlier analysis, China, Malaysia and Vietnam, and later India and Indonesia, should make up New Zealand's top five priority countries for transnational education.

The Role of a Central International Office

The Australian Universities Quality Agency consistently finds the need to make *recommendations* about transnational education initiatives. Swinburne University of Technology was no exception, with transnational education accounting for 6 of the 18 *recommendations* following the 2002 audit²⁰.

At Swinburne, the Office of the Pro Vice-Chancellor (International) and the International Programs Committee apply both a brake function and an accelerator function in Swinburne's transnational education strategy. They seek to protect Swinburne from financial and reputational risk, by applying the Swinburne good practice model to all proposed transnational education initiatives. This is the brake function. To accelerate transnational education initiatives, they seek to encourage proposals for transnational initiatives, in the target countries, ensuring that the proposals meet Swinburne's good practice model. Swinburne then seeks to invest resources such as staff time and travel in transnational education proposals in the target countries that meet Swinburne's good practice model.

Generalising from the Swinburne experience, there is a need also for institutions from a central international office to shape institutions' transnational education strategies, focusing on synergies not silos, on partnerships not programs.

²⁰ http://www.auqa.edu.au/qualityaudit/sai_reports/index.shtml Last accessed 28 March 2006

If universities are seen as institutions organised as loosely connected disciplinary silos designed for elite, in-residence students and faculty research²¹, if things happen of which the centre is ignorant²², there is a need for the central international office to encourage creation of resource efficiencies in support of transnational activities, identify good practice models and promulgate them throughout the institution, establish an institution-wide quality assurance framework and facilitate a coordinated approach to strategic planning, quality assurance and project implementation.

In determining what transnational activities of a university should proceed, universities from a central international office need to consider long-term relationships and the ability for individual program proposals to grow within an overarching institution-to-institution relationship. Program proposals of and by themselves may have short-term merit, but need also to be aligned with institutional strategic objectives for establishing or maintaining presences and partnerships in priority countries.

The third of three strategic principles in transnational education follows directly from this Swinburne experience

- universities from a central international office need to shape institutions' transnational education strategies, focusing on synergies not silos, on partnerships not programs
- universities from a central international office need to apply both a brake function and an accelerator function in transnational education strategy
- the brake function involves the application of a Good Practice Model to all proposed transnational education initiatives to protect the university from financial and reputational risk
- to accelerate transnational education initiatives, universities from a central international office need to encourage proposals for transnational initiatives in the priority countries, ensuring that the proposals meet the good practice model, and then need to invest resources in transnational education proposals in the priority countries that meet the good practice model.

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²¹ Harris, J., Tagg, J. and Howell, M., (2005) *Organise to Optimise: Organisational Change and Higher Education*, London: Observatory on Borderless Higher Education, Issue 32 June 2005
<http://www.obhe.ac.uk/products/reports/>

²² Woodhouse, D., (2004) Issues in Offering Programs Abroad presentation to the Australian Universities Transnational Education Forum, Australian Universities Quality Agency