

How can Africa Maximise the Developmental Impact of Cross-border Higher Education?

Conditions for Growth, Current Characteristics and Enhancement for Development

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Abstract

This paper analyses global trends in cross-border or transnational higher education. 'Transnational higher education' is used here as a collective term encompassing higher education programmes from one country offered in another (programme mobility), and higher education institutions from one country establishing a campus in another country (institution mobility). The conventional form of transnational higher education is for students to travel abroad to study. Rising costs for the student, and government concern over brain drain and lost revenue prompted an alternative model, whereby the provision travels to the student. Transnational higher education has a mixed reputation. To some it is a positive force for capacity-building in transition economies, while to others it smacks of cultural imperialism and is said to often have a negative impact on domestic institutions (e.g. offering only 'popular' programmes, diverting students and income away from domestic institutions). To date, much of Africa has remained relatively untouched by transnational higher education. Thus 2005 is an ideal opportunity for Africa to learn from the experience of other countries, and attempt to maximise the potential benefits of transnational delivery, and minimise the potential drawbacks. To help understand 'when' different African countries might be perceived as 'attractive' markets for transnational delivery, a conceptual model of the conditions for growth of transnational import/ export is offered below. The paper uses data on the United Kingdom (a major source of transnational higher education) as a way of explicating the nature of transnational delivery in its current form, and to raise questions about the development potential of this activity. It is argued that by addressing these issues African policy-makers may work towards a clearer perception of what transnational delivery is capable of in developmental terms.

1. Introduction

This paper draws on a number of reports published by the Observatory on Borderless Higher Education in London, United Kingdom, into global trends in cross-border or transnational higher education¹. 'Transnational higher education' is used here as a collective term

¹Garrett, R. & Verbik, L. (2003) *Transnational Higher Education, Part 2- Shifting Markets & Emerging Trends*, London, Observatory on Borderless Higher Education; Garrett, R. & Verbik, L. (2004) *Transnational Delivery by UK Higher Education, Part 1- Data & Missing Data*, London,

encompassing higher education programmes from one country offered in another (programme mobility), and higher education institutions from one country establishing a campus in another country (institution mobility). Programme mobility includes both twinning/ franchising (where part or all of a foreign programme is offered through a local partner) and forms of distance learning. Institution mobility includes a range of 'presences' from a small centre of a foreign institution offering one programme, to a fully-fledged, multi-discipline branch campus. There is a blurred line between what is programme mobility and what is institution mobility.

The conventional form of transnational higher education is for students to travel abroad to study. Rising costs for the student, and government concern over brain drain and lost revenue prompted an alternative model, whereby the provision travels to the student. Thus this paper is concerned with programme and institution mobility, and excludes traditional student mobility. Transnational higher education is a global phenomenon, with ever more countries involved as importers and exporters, and often as both. The conventional flow is from developed countries to emerging economies, but other relationships exist. The scale of transnational provision has increased dramatically in recent years. For example, transnational programmes from Australian universities grew from less than 50 in 1992 to about 1500 in 2002, with almost all the country's universities involved.

Transnational delivery offers important advantages to both source and host countries, and to institutions and students. For example, host countries may view transnational provision as a means to reduce brain drain and loss of economic activity, and boost domestic higher education capacity through institutional partnerships and mentoring. Source countries and source country institutions may view transnational delivery as a source of additional income (recruiting students unable to study in the source country), an opportunity to expand physical capacity beyond the confines of the home campus, and opening up a range of research and student/ faculty exchange opportunities. Students may view transnational provision as a cost-effective route to a non-local qualification, or a springboard to student mobility. According to forecasts by the British Council, transnational delivery of UK programmes will outpace student mobility to the UK by 2010. These forecasts build on work by IDP Education Australia, predicting similar transnational growth for Australian higher education. Many countries are becoming involved in this sector, as source or host countries, or both.

Transnational higher education has a mixed reputation. To some it is a positive force for capacity-building in transition economies, while to others it smacks of cultural imperialism and is said to often have a negative impact on domestic institutions (e.g. offering only 'popular' programmes, diverting students and income away from domestic institutions). To date, much of Africa has remained relatively untouched by transnational higher education. Thus 2005 is an ideal opportunity for Africa to learn from the experience of other countries, and attempt to maximise the potential benefits of transnational delivery, and minimise the potential drawbacks. To help understand 'when' different African countries might be

Observatory on Borderless Higher Education; Garrett, R. (2004) *Transnational Delivery by UK Higher Education, Part 2- innovation & competitive advantage*, London, Observatory on Borderless Higher Education. All available to subscribing institutions at: <http://www.obhe.ac.uk/products/briefings.html>.

perceived as 'attractive' markets for transnational delivery, a conceptual model of the conditions for growth of transnational import/ export is offered below. This is an attempt to articulate the factors that render a country a promising site for import or export in this area. Worldwide, the major sites of activity have been middle-to-high income economies characterised by significant unmet demand for higher education, significant brain drain through traditional student mobility, and government desire to grow domestic higher education capacity and curb brain drain. As many African countries develop their economies, and as concern among African policymakers about the negative aspects of traditional student mobility grows, the next decade may see parts of Africa emerge as major sites of transnational delivery.

The paper uses data on the United Kingdom (a major source of transnational higher education) as a way of explicating the nature of transnational delivery in its current form, and to raise questions about the development potential of this activity. It is argued that by addressing these issues African policy-makers may work towards a clearer perception of what transnational delivery is capable of in developmental terms.

In summary, this paper addresses the following questions:

- a) What are the socio-economic-political conditions at national level for the import of programme/ institution mobility?
- b) What are the current characteristics of the majority of programme/ institution mobility? Transnational delivery by higher education institutions in the United Kingdom is used as an exemplar.
- c) How might programme/ institution mobility be enhanced to more actively contribute to host country development?

This paper attempts to distil global trends, and lessons for Africa. Practical suggestions to help African policy-makers to maximise the potential value of transnational higher education will be explored in my presentation in Cape Town.

2. A conceptual model of transnational higher education

While data on the extent, regulation and impact of transnational higher education is far from comprehensive, there would appear to be sufficient commonality of rationale and circumstance to attempt a conceptual model of development at the national level. Figure 1 sets out a range of conditions that determine the extent to which a country is an attractive location for transnational delivery, and the extent to which a country can embark on an export strategy. While concerned with the national perspective, the various conditions also reflect student and institutional concerns. The term 'transnational higher education' is used here to refer to taught programmes of study offered by an institution in one country in another country. It excludes provision aimed at students from the source country (e.g. study abroad schemes). It is acknowledged that some arrangements combine relevant taught provision with other activities (e.g. research, staff and student exchange and industry links).

Figure 1- Conditions for the development of transnational higher education at national level

IMPORT	EXPORT
	Mainstream
a. Domestic public higher education capacity gap (institutional type/ number/ size/ culture)	a. Public higher education under pressure to diversify income; desire to enhance international reputation; capacity surplus; part of broader strategic alliances
b. Domestic private higher education cannot fill any public sector capacity gap alone	b. Private higher education under pressure to diversify income; desire to enhance international reputation; capacity surplus; part of broader strategic alliances
c. Sufficiently high 'Human Development Index' value to ensure a critical mass able to pay for imported provision	c. Sufficiently high 'Human Development Index' value commensurate with a mature and stable higher education system and the ability to export
d. Domestic tuition fees (if any) perceived as high/ poor value for money	d. In-country pricing perceived as good value for money
e. Overseas study too expensive for majority (but sufficiently large population willing and able to afford in-country fees)	e. In-country delivery offers significant recruitment potential
f. Value particular foreign higher education	f. Domestic higher education is valued in other countries
g. Speak or desire to learn 'premium' language	g. Teach in 'premium' language (or willingness/ ability to do so)
h. Regulatory environment encourages, or at least allows import	h. Regulatory environment encourages, or at least allows export
	Niche
i. Desire for specific cultural provision not available locally	i. Acknowledged source of specific cultural provision

Transnational provision is divided into 'mainstream' and 'niche'. This is an attempt to distinguish between provision targeted at the general population and provision targeted at specific populations. For example, the former would include a general MBA from an Australian university marketed in Singapore, while the latter would include an Indian university offering provision on Tamil culture to a Diaspora community in California. Mainstream transnational delivery reflects national circumstances at the macro level,

whereas niche provision responds to very particular conditions pertaining to certain sub-groups that may bear no resemblance to those which affect the general population. For these reasons, mainstream and niche provision must be modelled separately.

Some of the conditions above warrant additional explanation. Conditions a and b in the right hand column are an attempt to capture the sometimes multi-layered rationale for export (e.g. encompassing some or all of the items listed)²³. The term 'premium' language refers to the handful of languages that are widely regarded by non-native speakers as desirable to learn. English, and to a lesser extent Spanish and French, currently fall into this category. Russian might be an example of a language formerly in this category (during the Soviet era). The vast majority of mainstream transnational higher education is delivered at least partly in a premium language. This is not to ignore the fact that some imported transnational provision is delivered in a local language, but what data there is suggests sole local language delivery is uncommon. There are also cases that blur the line between mainstream and niche provision. An example would be Dutch or Portuguese language programmes in mainstream subjects marketed to a very restricted range of former colonial outposts. It should also be recognised that as translation software improves and online delivery plays a more important role, local language in-country delivery may become more widespread. This will reduce the importance of 'premium' language capacity, and will allow a wider range of providers/countries to compete (i.e. language of source country will be less significant). However, in many cases, provision delivered in a 'premium' language will continue to offer market advantage. The use of 'in-country' in conditions d and e refers to delivery in the host country (not the source country). The Human Development Index was introduced in Section 2 of this report.

It is suggested here that if any of the conditions a-h are not met, imported mainstream transnational provision is unlikely to develop on any scale. (Condition d may not apply where the state sector is very dominant and does not charge tuition fees). For example, if a government does not perceive a capacity gap between its domestic provision and socio-economic ambitions, and there is no separate demand from students, imported transnational provision is unlikely. students separately bud capacityee sometimen tt separate tal 4

Distance learning is included in the above account of transnational delivery. Forms of distance learning are simply alternative ways of accessing foreign provision, and rationales for import/export would conform to conditions a-h above (with only minor modification of wording). Provision may be entirely at a distance or may overlap with in-country delivery where remote activities are matched with in-country support. As discussed below, a 'regional hub' model may form an intermediate stage between majority import and majority export, and helps explain the transition process.

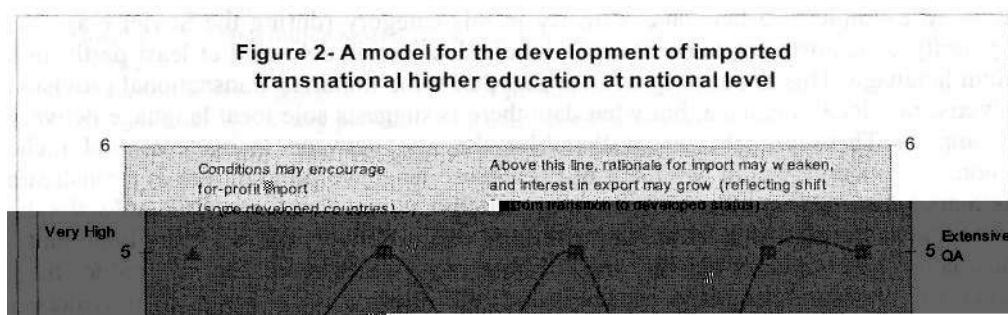


Figure 2 is an attempt to model the range of factors that determine the suitability of a country for imported transnational higher education.

The left y axis refers to all items on the x axis save regulation (which is covered by the right y axis). The space between the two solid lines is judged to represent 'ideal' conditions for import, while the space below the lower of the two solid lines is judged to represent less than ideal conditions. Broadly speaking, the former space reflects the situation in many transition

economies, while the latter pertains to least developed countries. The positioning of some points was relatively flexible. For example, the distinction between public and private domestic capacity works differently in particular countries, depending on whether one or other sector is dominant. One or both at least at 'moderate' level are judged to be sufficient to encourage imported transnational provision (it was not possible to show this clearly on the chart).

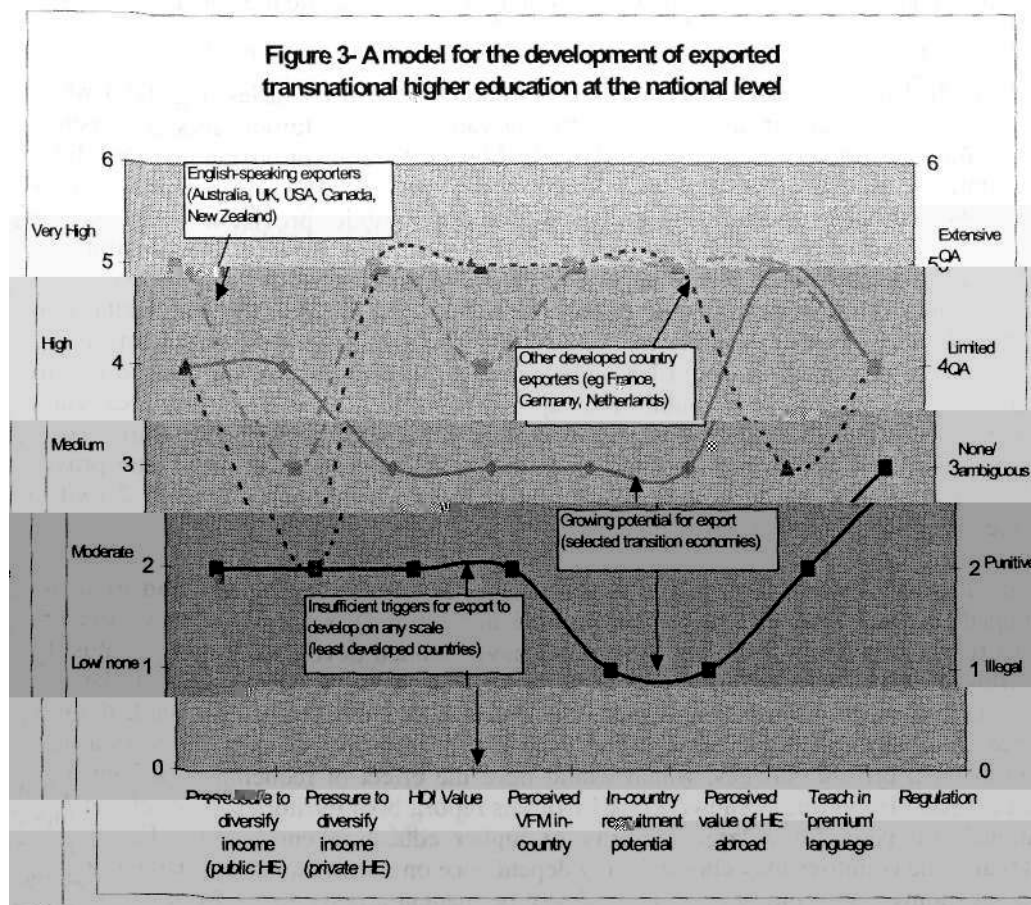
The dashed line represents the situation in some developed countries (e.g. UK) where the public sector is dominant, there is little private capacity, tuition fees are rising, and regulation of foreign providers is relatively liberal. Foreign provision, notably for-profit institutions from the United States, might view such countries as potentially attractive markets. Equally, diversified/incentivised domestic public provision might be judged sufficiently robust to weaken the case for market entry. Not shown is the situation in some other developed countries, where imported provision has occurred in response to a perceived capacity gap in the domestic public sector. For example, in pre-Bologna continental Europe, in the absence of internationally marketable short postgraduate provision, many countries imported masters provision from UK universities. In these instances, the dashed line might drop to 'high' for 'Domestic public HE capacity' and the 'Domestic tuition fees' category would refer to specific postgraduate study (many countries in continental Europe do not charge significant tuition fees to undergraduates). Also not shown is any niche provision which, it is argued, can occur regardless of the various conditions in Figure 2 (with the possible exception of regulation).

The distinctions between the three main categories (least developed, transition and developed) are not hard and fast. As discussed in Section 2, some very active importer nations (e.g. Hong Kong SAR and Singapore) have attained developed country status, but while this shift has included significant investments in domestic higher education, the scale of imported provision has not diminished, and arguably has increased. That said, there is evidence from Singapore, for example, of a policy to gradually extend degree-awarding powers to local private colleges, which would have the effect of reducing dependence on imported degrees. However, as shown in Part 1 of this report, both territories now depend on transnational provision for a large minority of higher education enrolments. This may suggest that some countries may choose heavy dependence on transnational provision during transition economy status and beyond as an almost permanent arrangement. Figure 3 offers a model of export at the national level.

Figure 3 is an attempt to model the range of factors that determine the suitability of a country to export higher education internationally. The left y axis refers to all items on the x axis save regulation (which is covered by the right y axis). The two broken lines represent the majority of the main exporting economies, split into two categories- category 1 encompasses the main English-speaking exporters⁴, and category 2 other exporters. This distinction

⁴Spain might also fit into category 1 (offering provision in the other 'premium' language). A report for the Confederation of European Union Rectors' Conferences on transnational provision in and from western Europe pointed to Spain as a significant source of provision to Latin America (and parts of the United States) but stated that any detailed assessment of scale was impeded by lack of data collection at the national level. See Adam, S. (2001) *Transnational Education Project: report &*

captures broad differences in terms of pressure to diversify income and ability to teach in a 'premium' language (both judged to be generally higher for category 1 countries); and perceived value for money (many category 2 countries do not charge student fees at levels



seen in category 1). There is a certain amount of intra-category diversity not shown on the chart. For example, the figure for 'pressure to diversify income' might be higher for private higher education in the USA than in the other countries in that category (where private provision is much less prominent).

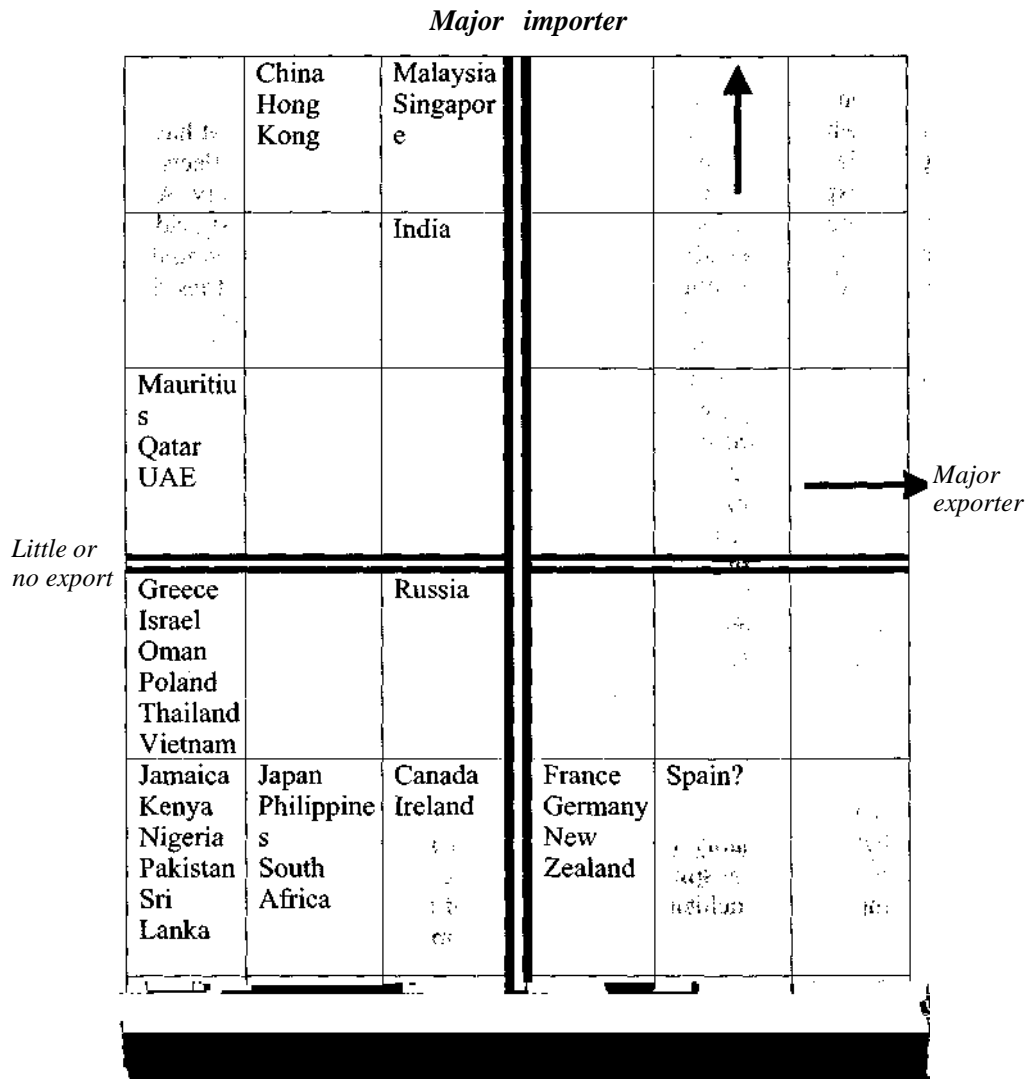
recommendations, Confederation of European Union Rectors' Conferences. Available at: http://www.crue.org/espaeuro/transnational_education_project.pdf. The Observatory is currently researching developments in Latin America and will report in 2004.

The space between the two solid lines is judged to represent 'emerging' conditions for export (e.g. India, Malaysia, Singapore), while the space below the lower of the two solid lines is judged to represent unsuitable conditions (e.g. least developed countries). Chart 1 positions 35 countries on two axes- extent of import and export of transnational provision.

Chart 1 focuses on those countries known to be among the world's most active importers and exporters, those where import/export is under development and those that have made or are considering regulatory change in this area. Positioning on the chart reflects both absolute levels of import/export and proportion given size of the host/source country. As noted above, national data is often inadequate. Country positioning is based on the best evidence available to the Observatory, and uses official sources where possible. The author would be pleased to receive views on the positioning of particular countries. Of the 35 countries discussed here, 20 (57%) exhibit only import or export activity (or neither on any scale), while the remainder (43%) exhibit both import and export activity. Almost all countries present unequal import and export activity. Only one country (Russia) is judged to exhibit import and export activity in roughly equal measure. Four countries (India, Malaysia, Russia and Singapore) are characterised by both significant import and export activity, although for all but Russia import remains dominant. India, Malaysia and Singapore have developed explicit export strategies, and a number of institutions are already active. No country presented both major import and export activity, although on current projections Malaysia and Singapore may achieve this in the coming years (at least temporarily).

Not shown in Chart 1 is intelligence on how national positions may change over time. For example, countries such as Taiwan, South Korea, Saudi Arabia and Japan have either recently moved to encourage forms of imported provision or are under pressure to do so. Others (e.g. Oman, Vietnam) are stepping up their import activities. These trends, if matched by foreign interest, would see these countries move up the vertical axis. New regulations may act to reduce import levels in some countries. Both China and India have recently introduced much stricter requirements for in-country providers that, if enforced, might consolidate what has arguably been uncoordinated and under-regulated growth in recent years. This has already transpired in South Africa (see Section 3), where the effective outlawing of import by franchising led to the exit of the vast majority of foreign providers, leaving only those willing to invest in a branch campus (the only import model currently permitted).

Chart 1- Transnational Higher Education: import and export activity by country



Some active importer countries (e.g. Malaysia, Singapore, UAE, Mauritius) are pursuing 'regional hub' status, utilising both domestic and imported provision to attract students from

the region. This encourages a version of the conventional form of transnational provision, where the student, rather than the institution, moves across borders. While this is not export as such, only a slightly modified version of export criteria a-h would apply. However, 'domestic' provision would encompass both local and foreign providers, making 'export' fundamentally dependent upon import. This notion of a regional hub partly based on imported provision may form an intermediate stage between majority import and majority export, raising a country's profile but maintaining foreign associations. As is beginning to happen in Malaysia and Singapore, gradual rolling out of degree-awarding powers to domestic institutions may prove the catalyst for progression, whereby those institutions begin to jettison their foreign partnerships and attract foreign students in their own right. Despite a similar history as a major importer, Hong Kong has yet to embark on a majoe

protocols⁶, instituted in 2000, are nonetheless more demanding than current arrangements in the UK. The most important criteria is that foreign applicants must demonstrate comparability with Australian provision in terms of "requirements and learning outcomes"-not defined). It is not known whether the protocols have been tested against an application from an established/ accredited foreign university, or whether the criteria might inhibit the prospects for, say, one of the large US for-profit institutions.

Chart 1 offers a model to track national developments over time, and allows additional countries to be added. One can surmise that almost all least developed countries (including many African nations) would fall into the far left corner of the lower left quadrant, and many transition economies that failed to meet one or more of conditions a-h above (see Figure 1) would be similarly placed. Ongoing work by the Observatory will enable the position of additional countries to be plotted in the future.

3. Transnational delivery by UK higher education

3.1 Introduction

To improve understanding of the current characteristics of transnational delivery, we now turn to evidence from a major exporter- the United Kingdom. Covering the 2002/03 academic year, the UK Higher Education Statistics Agency (HESA) has for the first time collected information about UK higher education programmes taken outside the UK. Examples would include programmes from a UK higher education institution delivered by an institution in another country (i.e. validation or franchising), distance learning or provision conducted at the foreign branch campus of a UK institution. All this activity falls under the definition of 'transnational' higher education given above. The HESA material provided an unprecedented opportunity to analyse UK transnational provision, and make comparisons (where possible) with previous Observatory work on transnational delivery in Hong Kong and Singapore, and transnational delivery from Australia (see Observatory briefings from November and December 2003). The HESA data is not in the public domain, but is available for purchase.

Part 1 of this paper outlines the coverage and methodological limitations of the HESA data, analyses the data by institution, country, level and subject (noting international comparisons where possible). Part 2 discusses the strategic implications of current levels of understanding of transnational activity, both relating to the UK and globally.

3.2 Methodology

The UK Higher Education Statistics Agency was established in 1993 following the national government White Paper 'Higher Education: a new framework', which called for more

⁶See *National Protocols for Higher Education Approval Processes* (MCEETYA Protocols), Protocol 2: Overseas Higher Education Institutions Seeking to Operate in Australia. Available at: <http://www.nteu.org.au/freestylar/gui/files/file3b'f9e6ddl0a4b.pdf>.

coherence in higher education statistics. Rightly, HESA's remit was to institute regular data collection concerning the mainstream, publicly-funded activities of universities and higher education colleges. As both non-mainstream and not publicly-funded, transnational delivery was not subject to this process. However, as the apparent scale of transnational activity grew, and its potential as an alternative form of international recruitment was realised, there was a strong case for systematic data gathering.

As part of the standard 2002/03 data collection, HESA asked UK higher education institutions (on a voluntary basis) to supply information on UK programmes delivered outside the UK. Seventy-nine institutions (out of 170 surveyed) responded (46%), reporting just over 70,000 transnational enrolments. HESA's definition of what the Observatory terms 'transnational delivery' is "overseas students studying for the whole of their programme of study (to date) outside of the UK". This would include twinning programmes, franchised/validated provision, distance learning and students at international branch campuses. Students from the UK on international exchanges are excluded. The data covers details of the UK institution, number of enrolments, level and subject of study, and host country. This data is analysed below. HESA did not collect details of individual programme titles. For example, while there is information on the number of enrolments at a particular level in a particular subject, it is not possible to state whether all such enrolments are on a single programme. Enrolments are head counts not full-time equivalents. There is also data on full-time/ part-time study, plus student age, gender and ethnicity. This data is not analysed below, but may be subject to future investigation by the Observatory. There is no information about the mode of delivery, e.g. whether an enrolment is on a franchised, online or twinning programme, nor about any local partners. HESA have indicated that transnational enrolments will be part of subsequent data collections, and while still voluntary, institutions will be "strongly encouraged" to supply information⁷.

The figure of 70,000 enrolments is thought to be a serious underestimate. The most obvious omission from the HESA data was University of London External Programme, the distance learning arm of the University of London. (As a non-publicly funded operation, the External Programme is not surveyed by HESA at all). London External provision typically consists of distance learning materials supplied to individual students, minimal faculty or other support, and access to final examination and any other summative assessment. Some students enrol in in-country classes based on London External materials, but such activities are not quality assured by London External in any way. London External were contacted by the Observatory, and kindly made available the relevant data, stating a total of 31,565 overseas enrolments as of January 2004⁸. Each London External award is developed by a constituent college of the University of London (e.g. Imperial College or King's College), but students are registered with the External programme. There might therefore be a small number of

⁷Higher Education Statistics Agency (2004) *Student Definitions 2002/03-ref 22315*. Cheltenham, Higher Education Statistics Agency. This information was supplied with the data purchased from HESA.

⁸The data from London External is therefore slightly more recent than the data collected t .

students counted both by the individual institution in the HESA return and by London External. It is estimated that this number is at the most a few hundred students.⁹

Adding the London External total to the HESA figure of 70,080 gave a running total of 101,645 enrolments. Nonetheless, even with the addition of London External, total enrolment is still far below what is thought to be the true figure. It would appear that there have only been two other informed estimates of the total number of enrolments on transnational provision from the UK. In 1997, Bennell and Pearce at the University of Sussex surveyed 124 UK university-level institutions about their "overseas validated courses" (OVCs) and international distance learning recruitment¹⁰. Sixty-two percent of institutions responded, reporting around 57,000 enrolments. Adding in other survey data from the UK Council on Overseas Student Affairs (UKCOSA) and the UK Council for Validating Universities (CVU)¹¹, plus data from University of London External Programme, Bennell and Pearce arrived at a total of 100,000 transnational enrolments. Given various gaps and perceived under-estimates, the researchers concluded that total transnational enrolments on UK programmes in 1997 were in the region of 140,000. Using information on date of establishment of OVCs, Bennell and Pearce assert that transnational enrolments had grown substantially from the mid-1980s, and particularly from 1994 onwards.

The second informed estimate came from the British Council. In their recent Vision 2020 report, it was estimated that total UK transnational enrolments were around 190,000 in 2003. This figure is based on intelligence gathered from British Council offices worldwide¹². Taking the Bennell and Pearce 1997 figure of 140,000 as a baseline, this suggests approximately 36% enrolment growth over six years. 2002/03 data from CVU (covering enrolments on overseas franchised/ validated provision only) is discussed in Section 3.

One can explain the gap between the HESA data and the above benchmark figures in the following ways:

- a relatively low response rate- 46%
- suspected under-reporting by institutions (due to inadequate corporate information and/ or commercial sensitivities)
- possibly inadequate data specification by HESA (i.e. it may not have been clear to institutions precisely what kinds of enrolment to include, such as franchised as well as distance provision)

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⁹ Correspondence with Brendan Fawcett, Promotions Manager, University of London External Programme.

¹⁰ Bennell, P. & Pearce, T. (1998) *The Internationalisation of Higher Education: exporting education to developing and transition economies*, IDS Working Paper 75. Available at: <http://www.ids.ac.uk/ids/bookshop/wp/wp75.pdf>. Accessed 20 July 2004.

¹¹ CVU have conducted an annual data collection on enrolments (both UK and non-UK) on validated programmes for some years, but this excludes distance learning enrolments.

¹² British Council (2004) *Vision 2020: forecasting international student mobility, a UK perspective*, London, British Council, p27.

Is it possible to state the gaps in the HESA data in more precise terms? For example, is it simply that many of the most active institutions did not respond? Taking institutional type, the respondents matched the expected pattern. Responses to the HESA survey came disproportionately from universities and equivalent institutions. University-level institutions and awards generally carry high status and are often in limited supply in countries that host transnational provision. As discussed below, bachelor's and master's degrees (typically awarded only by university-level institutions) are the most common awards offered transnationally by UK higher education. Sixty-four percent of non-respondents fell into the 'university-level' category, compared to 96% of respondents. Out of around 35 institutions surveyed by HESA without university or university college title or equivalent status, only three (9%) responded. By contrast, 56% of university or equivalent institutions responded. This finding mirrors that of Bennell and Pearce who received positive responses from only ten out of 120 UK further and higher education colleges¹³. According to both Bennell and Pearce, and the Observatory's analysis of transnational activity in Hong Kong and Singapore, the former polytechnics in the UK are disproportionately active transnationally. Again, the HESA returns reflect this, with 80% of the 40 former polytechnics providing a response, compared to only 47% of pre-1992 universities or equivalent institutions.

Nonetheless, might the HESA enrolment total be accounted for in terms of a handful of missing institutions? It is widely accepted that Hong Kong and Singapore (along with Malaysia) are currently the largest markets for transnational higher education from the English-speaking world. Using Observatory analysis of transnational activity in these territories, it is possible to single out any institutions that appear to be very active but are not represented in the HESA data. Taking 'registered' UK programmes in Hong Kong in June 2003, ten out of the 54 listed UK institutions (13%) did not respond to the HESA survey. This represented less than six percent of UK programmes registered in Hong Kong. For 'exempted'¹⁴ UK programmes in Hong Kong, non-respondents made up 11% of UK institutions and 10% of programmes. In Singapore, non-respondents to the HESA survey constituted 11% of institutions registered in Singapore in June 2003, and 11% of programmes. So in terms of institutions, the HESA data would appear to have captured the majority of transnationally active public-sector higher education institutions in the UK. It is important to note that the small number of private UK higher education institutions (such as Henley Management College and Ashridge), some of which are very active offshore, are not included in HESA's standard survey universe.

In terms of programmes, the HESA data, as noted above, does not isolate individual programmes, so it is not possible to gauge what proportion of Hong Kong or Singapore registered/ exempted programmes were reported to HESA. The Hong Kong and Singapore data excludes enrolment, so again it is not possible to determine whether the absence from

¹³ Bennell, P. & Pearce, T. (1998) *The Internationalisation of Higher Education: exporting education to developing and transition economies*, IDS Working Paper 75. Available at: <http://www.ids.ac.uk/ids/bookshop/wp/wp75.pdf>. Accessed 20 July 2004, p 17.

¹⁴ For an explanation of the 'registered' and 'exempted' categories in Hong Kong, see Garrett, R. & Verbik, L. (2003) *Transnational Higher Education, Part 1: The Major Markets: Hong Kong & Singapore*. London, The Observatory on Borderless Higher Education. URL: <http://www.obhe.ac.uk/products/briefings/pdfs/Transnationalall.pdf>.

the HESA data of a small number of particularly high enrolling programmes may help account for the low enrolment total. While bearing in mind these caveats, the relatively small number of apparently active institutions (judged in terms of the Hong Kong and Singapore data) missing from the HESA data suggests that a significant part of the explanation for the low HESA enrolment total is under-reporting by responding institutions. Examples of what appear to be under-reporting are discussed in Section 3.

3.3 Transnational Provision by UK institutions

While it is clear that the HESA data, even with the addition of London External, is far from a complete and accurate record of transnational provision by UK higher education institutions, it is nonetheless the most detailed quantitative account available to date. This section analyses the data by UK institution, host country, subject and level, notes probable inaccuracies and the extent to which comparisons may be made with CVU and Australian data.

Table 1 lists, according to the HESA data, the ten most transnationally active UK higher education institutions in terms of enrolments. By far the most active are the University of London External Programme (largely distance learning materials and assessment only) and the Open University (offering/ associated with both in-country face-to-face and distance learning programmes). Together the two institutions account for 52% of the total number of students in the dataset.

Table 1 - Enrolments by Institution (ten most active)

Institution	Number of enrolments	Number of countries	% of students in top five countries
University of London External	31,565	185	80%
UK Open University	21,573	54	74%
Heriot-Watt University	9,530	146	57%
University of Derby	4,962	51	93%
University of Leicester	4,798	126	49%
University of Lincoln	3,293	48	75%
University of Northumbria	1,778	27	96%
Kingston University	1,618	16	92%
University of Strathclyde	1,602	33	70%
University of Greenwich	1,448	29	89%

The top ten institutions account for 81% of enrolments in the dataset. By contrast, 43% of HESA respondents reported less than 100 transnational students each. The third column indicates the spread of delivery by country, with some institutions (e.g. London External, Heriot-Watt, Leicester) spread very thinly. Kingston and Strathclyde universities reported almost identical enrolments, but Strathclyde recruited in more than double the number of countries. The final column indicates that despite enrolments in many countries, a large majority (in the case of most institutions) are concentrated in five or less.

Table 2 - Institutions active in the most countries

Institution	Number of countries
University of London External	185
Heriot-Watt University	146
University of Leicester	125
University of Manchester	99
Imperial College London ¹⁵	94
Oxford Brookes University	79
University of Surrey	75
University of Durham	72
Brunei University	61
University of Coventry	61

Table 2 shows the ten UK institutions active in the most countries. Comparison between Table 1 and 2 shows little correlation between the institutions with the highest number of enrolments on transnational programmes and the number of countries in which they operate/offer courses. Only London External, Heriot-Watt and Leicester enter both tables. This suggests type of transnational delivery determines spread of activity. One can posit a correlation between extent of UK-institution led/ directed face-to-face provision and limited geographical spread. By contrast, entirely distance provision undermines the importance of national boundaries. Moreover, distance provision characterised by materials/ assessment and not faculty instruction/ support may be least resource intensive and least bound by geography. The top ten providers by country, and particularly the top three, are primarily characterised by this form of transnational delivery. The extent of enrolment concentration in five or fewer countries (column four, Table 1) may indicate a mix of transnational modalities. For example, Israel accounts for 78% of University of Derby's stated transnational enrolments. The University has a longstanding arrangement whereby it beams classes to/ from a local private college by satellite. Only three other countries enrolled more than 100 students (out of a total of 51 where Derby is reportedly recruiting), suggesting enrolment in most countries is on 'individual' (rather than class-based) distance learning programmes.

A mere 16% of instances where an institution reported enrolments in a country refer to twenty or more enrolments, and less than six percent refer to a hundred or more enrolments (and less than 3% 200 plus). This may simply indicate under-reporting, but also suggests that the most common form of transnational delivery by UK institutions, that most consistent with this pattern of very low-level enrolments scattered by geography, is remote distance learning with little or no in-country support. Of course, new or relatively unsuccessful in-country provision might also report such low-level enrolments. Sixty-three percent of institutions that responded to HESA report enrolments in ten or more countries, suggesting too wide a geography to sustain substantive in-country activity (beyond marketing, and

¹⁵ As noted above, the constituent colleges of the University of London are surveyed individually by HESA, but also offer programmes/ awards through London External (the distance learning arm of the federal University of London). It is unclear whether returns to HESA by individual colleges duplicate data from London External.

perhaps franchising) across all areas. A typical pattern is for an institution to report very low-level enrolment in the majority of countries cited, with higher take-up in a handful. This 'handful' may be consistent with either substantive in-country activity by the institution or a particularly active local partner contracted to promote the institution's distance learning provision.

As noted above, it is suggested that under-reporting by institutions is a significant factor in explaining the difference between total enrolments reported by HESA and other informed estimates. Two clear examples of under-reporting are University of Nottingham and University of Liverpool. University of Nottingham is the only UK university to have a relatively large and explicit international branch campus- in Malaysia. While there appears to be no up-to-date public enrolment data for University of Nottingham Malaysia, a case study undertaken by the Observatory in cooperation with the branch campus in 2002 reported 202 enrolments as of June that year¹⁶. Current enrolments are thought to number several hundred. Yet in the HESA dataset, total enrolments for University of Nottingham in Malaysia are given as nine. University of Liverpool runs a successful online MBA and MSc in information technology, and claims enrolments of almost 2,000¹⁷. Yet, according to the HESA data, total transnational enrolments at Liverpool are a mere 89. These differences may be accounted for either in terms of insufficient central overview of the full range of transnational activities at these institutions, or an institutional interpretation of the HESA survey that excluded certain types of activity (e.g. international branch campus, online learning).

Table 3 lists what appear to be the current major markets for UK transnational provision. The top three contains no surprises. Hong Kong SAR, Singapore and Malaysia, together enrol a third of all students included in this study, and are also the three main markets for Australian transnational activities (see Observatory Briefing Notes 14 and 15¹⁸). The extent of concentration in the top recruiting institution is (sometimes) indicative of the limitations of the data. For example, it is difficult to accept that the 164 non-University of London UK programmes registered in Singapore¹⁹ in June 2003 recruited less than 2200 students

¹⁶

Observatory on Borderless Higher Education (2002) *International branch campuses: scale & significance*, London, Observatory on Borderless Higher Education. Available at: <http://www.obhe.ac.uk/products/briefings/publicaccesspdfs/IntemationalBranchCampuses.pdf>. Accessed: 26 July 2004.

¹⁷ Observatory on Borderless Higher Education (2004) *Sylvan buys K.I.T e-learning and strikes ten year deal with University of Liverpool*, Breaking News, 8th April 2004, Observatory on Borderless Higher Education. Available at: <http://www.obhe.ac.uk/cgi-bin/news/article.p1?id=282&mode=month>. Accessed: 26 July 2004.

¹⁸ Garrett, R. & Verbik, L. (2003) *Transnational Higher Education, Part 1: The Major Markets: Hong Kong & Singapore*. London, The Observatory on Borderless Higher Education. URL: <http://www.obhe.ac.uk/products/briefings/pdf/Transnationall.pdf>; and Garrett, R. & Verbik, L. (2003) *Transnational Higher Education, Part 2: Shifting Markets & Emerging Trends*. London, The Observatory on Borderless Higher Education. URL: <http://www.obhe.ac.uk/products/briefings/pdf/Transnational2.pdf>.

¹⁹ Garrett, R. & Verbik, L. (2003) *Transnational Higher Education, Part 1: The Major Markets: Hong Kong & Singapore*. London, Observatory on Borderless Higher Education, p7. Available at: <http://www.obhe.ac.uk/products/briefings/pdf/Transnationall.pdf>. Accessed: 26 July 2004.

between them (equivalent to an average of less than 13 enrolments per programme). In other countries, such as Russia and Romania, the apparent dominance of a single institution would appear to be close to reality. With rare exceptions (such as Oman and Israel), London External and/ or the Open University (and to a lesser extent University of Leicester and Heriot-Watt) are consistent market leaders. It is notable that the two markets widely predicted to emerge as the most significant sites of transnational provision (China and India) are currently some way behind the present top ten markets. Moreover, there is much less evidence of dominance by a small number of institutions. The top ten countries account for

Table 3 - Number of enrolments by country (thirty countries with the highest number of enrolments)

Top 30 Countries	Number of enrolments	% accounted for by top HEI	Top HEI
Hong Kong SAR	13,928	54%	London External
Singapore	10,838	80%	London External
Malaysia	10,506	25%	London External
Russia	6,919	95%	Open University
Israel	5,377	72%	University of Derby
Ireland	5,325	86%	Open University
Greece	4,397	27%	Kingston University
Trinidad & Tobago	3,079	77%	London External
Germany	2,339	54%	Open University
Romania	2,277	99%	Open University
USA	2,258	42%	London External
Canada	1,896	52%	Heriot-Watt University
Oman	1,506	81%	University of Luton
China	1,491	17%	University of Wales College, Newport
South Africa	1,408	41%	Heriot-Watt University
Slovak Republic	1,359	98%	Open University
India	1,203	26%	London External
Pakistan	1,156	70%	London External
Hungary	1,097	37%	Open University
Switzerland	1,085	61%	Open University
Mauritius	1,031	58%	London External
Netherlands	1,029	48%	Open University
United Arab Emirates	961	23%	University of Leicester
Sri Lanka	956	65%	London External
Spain	914	44%	Open University
France	888	64%	Open University
Italy	855	69%	Open University
Jamaica	777	48%	London External
Saudi Arabia	758	28%	University of Leicester
Japan	715	34%	London External

around 65% of all enrolments. It is notable that only one African country (South Africa) figures in the top thirty. Regional data is offered below.

It is interesting to contrast the HESA data with cases where a host country publishes a list of officially sanctioned transnational provision. A good example is South Africa. There are currently only four foreign higher education institutions registered with the South

perspective of national regulation. It would appear that Henley Management College is the only foreign distance learning MBA provider to (yet) seek accreditation in South Africa. There is also evidence of UK universities, not SAQA registered, apparently offering MBAs through a registered domestic provider. This sort of 'franchising' would appear to be against the current South African regulations.

The top 30 countries (by enrolment) for UK transnational higher education indicate the sheer geographical range of UK transnational activity, covering Asia, Africa, Europe, Caribbean, North America and the Middle East. As a whole, the dataset gives enrolments for 191 countries, but 121 (63%) report fewer than 100 enrolments each, and 168 (88%) fewer than 1000. Table 4 offers a breakdown of total dataset enrolment by region and sub-region.

Table 4 - Enrolments by region

Region & Sub-Region	Enrolments	% of Total
AFRICA & MIDDLE EAST	15,508	15.3%
Middle East	9,930	9.8%
North Africa	402	0.4%
Sub-Saharan Africa	5,176	5.1%
ASIA-PACIFIC	42,812	42.1%
Central Asia	161	0.2%
East Asia	16,535	16.3%
Oceania	381	0.4%
South Asia	3,619	3.6%
South East Asia	22,116	21.8%
EUROPE	33,218	32.7%
Central & Eastern Europe	13,481	13.3%
Western Europe	19,737	19.4%
AMERICAS	10,268	9.9%
Caribbean	5,018	4.9%
Central & South America	625	0.6%
North America	4,154	4.1%
Unknown	310	0.3%
TOTAL	101,645	100%

Table 4 confirms the dominance of various Asian markets for UK transnational provision, mirroring student mobility trends to the UK. Europe is the other major region, with Western Europe currently outpacing Central & Eastern Europe. Probable trends over time include continued growth in East Asia, with China overtaking Hong Kong as the dominant country; increased activity in South Asia (particularly India), and steady development in what are still the frontier markets of Central Asia and North Africa. Language barriers are likely to mean only limited enrolments in Central & South America for the foreseeable future. With the advance of the Bologna Process, the European market may shrink and/ or Central & Eastern Europe may overtake Western Europe as the centre of activity. In Sub-Saharan Africa, other countries may shift the focus away from South Africa. Kenya, Ghana, Nigeria, Zambia and

Zimbabwe were the next five most significant markets (between 200 and 500 students each). A total of 41 African countries (76% of 54) had a least one enrolment on UK transnational provision. In 30 African countries, total enrolment was less than 100.

Table 5 - Enrolment by Human Development Index Categories

Human Development Index	Enrolments	% of Total
High	65,139	64
Medium	33,534	33
Low	2,662	2.6
(Country not known)	310	0.3
TOTAL	101,645	100

Table 5 breaks down enrolment according to the United Nation's Human Development Index (HDI) categorisation. The dominance of 'High' and 'Medium' ranked countries reflects the findings of aforementioned Observatory briefing notes 14 and 15 that transnational provision develops in countries that are either: 1) between developing and developed status (e.g. may lack sufficient domestic higher education capacity to support desired economic growth), 2) are developed but choose to rely on transnational higher education for a significant proportion of capacity, or 3) are developed and where transnational provision plays a very specific or minor role in domestic higher education, such as offering short masters level qualifications not available in the domestic system. Low HDI countries generally do not possess sufficient capital/ individual wealth to sustain significant transnational activity. Of course, forms of distance learning allow individuals in low HDI countries to access transnational provision, without any in-country commitment required from the source institution.

Table 6 - Enrolment by Level

Qualification	Enrolments	% of Total
Undergraduate	56,463	56
Postgraduate	45,182	44
Total	101,645	100

As shown in the above table, the majority of students in the dataset were enrolled on undergraduate programmes. However, the figures are skewed somewhat by London External, where 86% of enrolments were at undergraduate level. The HESA data indicated a slight dominance of postgraduate provision (58% compared to 42%). Given this difference, analysis of type of undergraduate/ postgraduate award was undertaken separately. According to the HESA data, 93% of enrolments were on either master's (40%) or first degree (22%) programmes, or eligible for undergraduate (17%) or postgraduate (14%) credit. The remainder concerned various short undergraduate or postgraduate awards. The 31% of

HESA enrolments eligible for credit rather than whole awards may point to twinning programmes, where students take the first or second year of a programme (or a preparatory year) in their home country through an agreement between a UK institution and a local education provider. For London External, 72% of enrolments were on first degree programmes, with 12% on undergraduate diplomas and 2% on access courses. Almost all postgraduate enrolments at London External were at masters level.

For the purpose of this report, enrolments were grouped into broad subject areas. While with the HESA data it was not possible to disaggregate 'joint degrees' (i.e. degrees from a single institution covering two or more subjects in related or distinct disciplines), it was often possible with the London External material. In these cases both subject area have been counted and thus the total is slightly higher than the actual number of enrolments. This is reflected in the percentages in Table 7. Where programmes cover two different subject areas judged to be within the same discipline, (e.g. a business degree in accounting and finance), the area 'Business' was counted only once.

Table 7 - Enrolments by Discipline

Discipline	Enrolments	% of Total
Business	44,488	44%
'Joint degrees'	21,279	21%
Law	12,914	13%
IT	8,639	8.5%
Engineering	3,329	3.3%
Humanities	2,613	2.6%
Social Science	2,465	2.4%
Education	2,141	2.1%
Health Sciences	1,770	1.7%
Biological Sciences	752	0.7%
Environmental Sciences	698	0.7%
Physical Sciences	347	0.3%
Mathematics	217	0.2%
Unspecified	70	0.07%
Architecture	13	0.01%
TOTAL	101,733	100%

Not surprisingly, and similar to findings of other Observatory studies of transnational provision, 'Business' is by far the most popular discipline. If the 'joint degrees' category were disaggregated, it is likely that this would favour the 'Business' discipline as much as, or more than, any other. 'Law' ranked second, but it should be noted that students enrolled on such programmes are mainly studying through London External (96%). London External reported no engineering, biological or physical science enrolments, pointing to the perceived current limits of distance learning. It is clear that aside from business, law and IT, all other disciplines have only a very limited presence in transnational provision by UK higher

education institutions. If the Open University and London External are excluded, the average number of subject areas (using the letters of the HESA Subject Codes) per institution is 3.9. The UK Council for Validating Universities (CVU) kindly made available to the Observatory material from their annual membership survey for 2002/03. This gives details of headcount enrolments for all UK and overseas validated provision. This data offered a further opportunity to test the apparent accuracy of the HESA dataset. A total of 68 UK higher education institutions responded to the survey, and 37 reported overseas enrolments. Fifty-three institutions were common to both the CVU and HESA surveys. Given the broader scope of the HESA survey, one would expect the HESA enrolment figures to match or exceed those for CVU. However, for 23 institutions (43%) this was not the case. A number of institutions reported hundreds more enrolments to CVU than to HESA. This reinforces the view that many institutions have an inadequate grasp of the full range of their transnational activity and/ or made diverse interpretations of the HESA request for data. Nineteen respondents reporting enrolments to HESA made nil returns to CVU. These cases suggest that all transnational provision is remote distance learning or in country activity with no local academic partner. It was difficult to chart the balance between validated/ franchised provision reported to CVU and overall transnational provision reported to HESA. Some institutions exhibited transnational provision dominated by validation/ franchising, while for others it was a relatively small component of the total. Of course, given that in 23 institutions what should be the sub-section (validation/ franchising data) was greater than what should be the whole (total transnational data to HESA), this sort of comparison is problematic.

Finally, to what extent is it possible to compare the UK and Australian²² data? There are a number of problems. A key difficulty is that the Australian data from the Australian Vice-Chancellors' Committee (AVCC) is by programme, whereas the HESA data does not divide the material in this way. Thus it is not possible to directly compare the number of Australian and UK transnational programmes. Another problem is that (unlike the HESA data), the AVCC data excludes distance learning where there is no overseas partner. A third problem is that the AVCC figures encompass all Australian universities, while the HESA covers a mixture of universities and other higher education institutions, and achieved only a 46% return. What is clear is that the Australian and UK data exhibit common patterns by level, subject and (at least in terms of Asia) country/ region. As noted in the Observatory's Briefing 15, the data suggests that all Australian universities are involved in transnational provision (in contrast to the UK where some leading institutions are not), and intensity of activity is greater for Australian institutions (e.g. number of programmes per institution in Hong Kong and Singapore). It is estimated that Australian universities achieved 73,000 non-distance learning (but including distance learning with an in-country partnership) transnational enrolments in 2003²³. This is significantly below the UK estimate of 190,000, but does not include all transnational distance learning, nor the range of institutions encompassed by the UK figure.

²²

The Australian data from the Australian Vice-Chancellors Committee (AVCC) and Department for Education (DEST) was analysed by the Observatory in Briefing Note 15.

Campus Review (2004) *\$10m allocated to quality assurance*, 23-29 June, p5.

4. Using the UK data to reflect on innovation in and transcendence of transnational higher education

What does the HESA data, and missing data, suggest about the health and stage of development of transnational delivery by UK higher education? What have been the levers of innovation? What evidence is there to suggest that other levers will come into play, and how might these affect transnational activity? Three future scenarios are put forward; competition, host country regulation and source country backlash. It must be emphasised that while UK data is the impetus for discussion, the arguments made would apply equally to transnational delivery from other countries (although of course different scenarios would impact in different ways and at a different pace in particular national circumstances). Equally this paper is not arguing that the majority of UK transnational provision is of poor quality or not tied to broader objectives. Rather, for various reasons outlined below (e.g. the complexity of much transnational delivery, the relative novelty of some forms of provision, lack of data), not least massive projected demand, there is a strong case for concern and insufficient evidence to the contrary. The author would be interested to hear views on the arguments of this paper, including supporting and counter-examples.

Standing back from the immediate HESA figures, and taking into account other information, what are the main features of transnational delivery by UK higher education? The argument below points to a phenomenon characterised by significant demand, expansion and potential, but vulnerable to weak quality management and control, competition and both host and source country backlash. To date transnational provision has been a 'soft market', that is in so far demand has exceeded supply. This has hindered institutional motivation to innovate, confining innovation (in most cases) to the basic adoption of programme/ institution mobility, and quality assurance of core processes as conventionally understood. A broader reconceptualisation of the nature, purpose and potential of transnational activity has yet to be widely attempted. What follows is further discussion of scale and demand, image and motivation, and quality assurance. There is also reference to the relevance of the Gilligan report on international student marketing, published by the British Council in 2000. This is followed by three scenarios.

Scale & Demand. Predicted global demand for higher education over the next 20 years or so (and evidence that domestic supply is already swamped by demand in many transition economies) suggests a major role for transnational delivery. If the British Council's estimate of 190,000 enrolments is accepted (see Part 1), it is clear that transnational delivery from the UK has increased significantly in recent years. Taking the 190,000 figure, this would mean that transnational enrolments made up 8% of all enrolments in UK higher education in 2002/03, and 41% of overseas enrolments²⁴. Similarly, if British Council predictions are accepted, demand for UK transnational provision will outpace demand for student mobility to the UK by 2010, and significantly outpace it by 2020. The British Council makes the assumption that transnational delivery complements, not substitutes, student mobility to the

²⁴ Calculations based on 'Table 0a - All students by institution, mode of study, level of study, gender and domicile 2002/03' on the website of the UK Higher Education Statistics Agency. Available at: <http://www.hesa.ac.uk/holisdocs/pubinfo/student/institution0203.html>. Accessed 22 July 2004.

consensus on a fair and transparent framework for managing higher education across borders". The underlying message is that too much transnational provision has failed to live up to the higher education ideals of critical pedagogy, disinterested research, and personal and cultural development. The vision is for transnational higher education to be for the "benefit of all" and to ensure that the "broader public interest is not sacrificed to commercial interests"²⁶. While detailed evidence is often lacking, there is certainly widespread uncertainty about the precise impact of transnational higher education. For example, the recent Accra Declaration on GATS and the Internationalisation of Higher Education cited the lack of an "informed position... on how trade-related cross-border provision in higher education can best serve national and regional development needs and priorities on the African continent"²⁷. A 2003 study pointed to the widespread lack of awareness and understanding (at both government and domestic institutional level) of the range and potential significance of transnational higher education present in four host countries (Bangladesh, Bulgaria, Jamaica, Malaysia)²⁸. Of course, awareness and understanding of transnational provision varied by country. For example, awareness and understanding in Malaysia (given the registration and accreditation structures in place for transnational provision in that country) was in general much greater than in the other three countries.

The 'arms-length' character of much transnational higher education (i.e. in terms of the distance between the UK provider and the student) may be difficult for the uninitiated to understand, and may extend vulnerability to real and perceived shortcomings. For example, there is an important distinction between awarding body quality assurance of an award and quality assurance of provision leading to that award. "Not all awarding HEIs [higher education institutions] with CP [collaborative provision] choose to exercise responsibility for the quality of provision which leads to their academic awards and/or credits"²⁹. The proposed process of QAA audit of collaborative provision (see below) permits an awarding body to choose not to "exercise responsibility for the quality of provision which leads to their academic awards", and in such cases the audit will not review the quality of provision³⁰. An example of the latter arrangement is ma(qualiTc(e) Tj0.728 Tw0.229 Tc(9ec(i) Tj) T3T

distance learning, where overseas students may receive stand-alone materials and take an examination, but little or no other 'teaching' is provided. Many students in this situation turn to local tutoring classes (typically not quality assured by the awarding body) established to guide individuals through the process. The best example of such an arrangement in the UK is University of London External Programme. There is not necessarily anything wrong with this kind of arrangement. Indeed, the scale of some transnational provision, such as University of London External Programme, and the access benefits such scale implies, would not be possible if quality assurance of provision was undertaken. For the UK as a whole, and elsewhere, what might be valuable (and what appears to be missing) would a study of student retention and attainment across different transnational modalities. Only by means of such data will it be possible to demonstrate the value of diverse approaches.

It is difficult to locate detailed statements or discussion of institutional motivation to engage in transnational delivery. It is widely asserted (using evidence such as restricted subject offering and arms-length quality assurance) that a strong and often dominant motivation for many institutions to deliver transnationally is to raise additional income in a

the absence of detailed evidence to the contrary, it is argued here that (in most cases) income generation is the dominant

activities of its member institutions, but the nature, scale and spread of relevant provision means the process has only a limited impact.

While technically institutional participation in an audit is 'voluntary'³⁴, it is understood that the QAA will approach an institution known to be particularly active in a country, and make a case for participation in an audit. If an institution declined to participate, this would be made public. An impressive 23 countries have been covered to date but only a relatively small sample of provision is reviewed, and repeat reviews have been rare. For example, 54 UK higher education institutions were registered to offer programmes in Hong Kong in June 2003. The Hong Kong activities of only four institutions (about seven percent) have been reviewed by QAA to date. (The QAA process reviews the quality assurance arrangements of institutions, not the programmes themselves). Most recent overseas audit reports have been broadly positive about the quality arrangements in place, but common concerns include "delegation of authority without sufficient checks and balances" (i.e. corporate institutional management having insufficient oversight concerning the transnational activities of schools and departments) and "failure to act as an awarding body" (i.e. limited quality control by awarding body over awards offered in its name)³⁵. There is no formal obligation on the part of the UK institution to address any shortcomings noted in audit reports, but significant changes often result (including closure of links and withdrawal from a country). This technically 'voluntary' character of overseas audit relates to the non-publicly funded nature of transnational provision. Revised guidance is awaited on the future of 'overseas audits'³⁶.

'Overseas audits' has given a particular character to innovation in transnational delivery. The emphasis has been on the technical enhancement of quality assurance processes concerning provision as conventionally understood. Audits are concerned with specific matters such as veracity of marketing, control of the validation/ franchise process, documentation, assessment, and do not generally question underlying rationales, future potential or broader impact. There would appear to be little evidence that many UK institutions have moved substantially and explicitly beyond the basic innovation of transnational delivery. Examples of 'next-stage' innovation (i.e. beyond the basic innovation of programme/ institution mobility, and steady enhancement of core quality assurance) might include better integration of transnational and home students, broader subject offering, more substantive in-country presence, more explicit and independent quality assurance, and in-country impact assessment. Of course, there are important tensions between integration and dedicated provision. Some institutions have made great efforts to tailor transnational provision to local needs, including delivery in a local language. Nonetheless, one might envisage creative ways of enabling both domestic and transnational students to benefit from mutual contact. There is

³⁴ See 'Overseas collaborative provision reports- introduction' on the website of the UK Quality Assurance Agency. Available at: <http://www.qaa.ac.uk/revreps/oseas/overseas.htm>. Accessed 22 July 2004.

³⁵ Campbell, C. (2004) *Transnational higher education- the role of the QAA*, presentation at the conference 'Shifting Markets & New Opportunities: Global Trends in Transnational Higher Education' held by The Observatory on Borderless Higher Education, Queen Elizabeth II Conference Centre, 24th June 2004.

³⁶ QAA (2004) Proposed Operational Description for collaborative provision audit (England and Northern Ireland), paragraph eleven. Available at: http://www.qaa.ac.uk/public/inst_audit_hbook/collaborative.htm. Accessed 25 July 2004.

some evidence of the 'maturation' of transnational delivery, notably the emergence of the 'branch campus' model, where the awarding body dispenses with in-country academic partnerships in favour of an attempt to more closely replicate the home campus experience abroad. However, there are arguably only two clear UK examples to date of an international branch campus- University of Nottingham's campus in Malaysia and campus under-construction in China; although more from Australia and the United States.

Despite the apparent scale of activity, there would appear to be no UK professional or institutional association dedicated to transnational higher education. UKCOSA is almost exclusively concerned with student mobility to the UK, and CVU is only concerned with validation rather than other forms of transnational delivery (e.g. distance learning), and both in as well as outside the UK. An entity called the 'Universities Consultative Forum on International Collaborative Activity' (a relatively small and informal grouping of senior university managers) was established in the UK in 1998. This group was primarily concerned with good practice in transnational delivery and the wider implications of this sor

- overall the picture that emerges from this research is one of a sector that is of enormous strategic and economic significance to the UK economy, but which is characterised by the lack of marketing professionalism that typically emerges in 'soft' markets.

It is argued here that this account of international recruitment to the UK in 2000 is a fair characterisation of much UK transnational higher education in 2004. Gilligan's marketing brief prevented a yet fuller vision of the potential of (as an analogy) transnational delivery.

This might include the list given above: better integration of transnational and hn5y Tj0 Tc(e)

Quality Agency reported "numerous reservations and concerns" about quality arrangements⁴¹. It must be pointed out that the recent British Council consultation document 'Education UK: positioning for success' recognises some of these issues in outline form⁴².

To summarise, the core shift to mass programme and institution mobility, alongside traditional student mobility, was a very significant innovation, but transnational higher education has been and remains a soft market. Demand has always exceeded supply, and to date has risen faster than or at least at the same pace as supply. This situation has weakened institutional motivation to innovate, beyond core quality assurance demanded by in-house governance and third party oversight. The limitations of source and host country data have meant the absence of an evidence-base to compare providers, models and national experience, and take transnational activity to the next level.

5. Scenarios

Echoing Gilligan's reference to impending 'market changes', there are three scenarios that may face (and arguably are already impacting) UK transnational provision, and may prompt a step-change in innovation:

- i) **Competition scenario.** This scenario is that UK transnational delivery will be undermined by competition from other countries and other types of provider. In the English-speaking world, it is reasonable to suggest that, in terms of number of enrolments, the UK is probably the leading provider of non-distance learning transnational higher education. If distance learning is factored in, then the United States may take the lead. There is growing evidence that many countries and organisations are interested in the transnational higher education market, as a source of revenue and/ or as part of a broader internationalisation agenda. Aside from Australia, the UK's major competitor for non-distance learning transnational provision, other English-speaking countries, such as the US, Canada, New Zealand and Ireland are increasingly active. Examples include the College of the North Atlantic Qatar, University of Waikato's presence in China and University of Indianapolis in Greece. Some major continental European countries are also beginning to operate transnationally. Examples include the French and German universities in Egypt., and the numerous transnational activities of the Netherlands Business School. A third source of competition are net importer countries such as Hong Kong, Malaysia and Singapore, that have explicit ambitions to become the 'higher education' hub for the region, and as well as encouraging student mobility, are beginning to export programmes and institutions. Examples include Hong Kong Baptist University's proposed campus in mainland China and INTI College's branches across south east Asia. The Australian government recently allocated A\$10 million to "protect the quality, integrity and customer satisfaction of those studying with Australian providers overseas"⁴³ - although the details of this initiative are not yet clear.

⁴¹ Coleman, D. (2003) 'Quality Assurance in Transnational Education', *Journal of Studies in International Education*, Vol.7, No.4, p371.

⁴² British Council (2004) *Education UK: positioning for success*, London, British Council.

⁴³ Campus Review (2004) *\$10m allocated to quality assurance*, June 23-29, p5.

Finally, given projections of massive future demand for transnational delivery, the commercial sector is also taking an interest. The work of Apollo International (essentially exporting the University of Phoenix convenience model of higher education globally) and Laureate Education (formerly Sylvan International Universities- acquiring private universities and colleges around the world and developing an international brand) are cases in point. It is important to recognise that competition is not simply a matter of number of players, but scope for innovation (whether in terms of

Narrow/ unclear agenda

**Integrated development
commercial agenda**

internationalisation would also provide UK students with much needed opportunities to gain international experience for at least 10-15% of all students in the UK. The education system has an opportunity highlighted in Tony Blair's launch of the original PMI, but not actively supported by the scheme".⁴⁴ The horizontal axis charts movement from a narrow commercial or ambiguous transnational agenda at institutional level, to a integration of developmental and commercial objectives, arguing that competitive advantage (and hence commercial success) may be found in more directly addressing the development needs of host nations. This highlights a re-orientation in the dominance of business programmes, in favour of a more balanced approach. It also provides an assessment of the broader needs of transnational education providers. Expanded in the following table.

- ii) **Regulation Scenario.** This scenario concerns host country regulation of transnational activity, and asserts that given the apparent lack of attention to the broad development needs of host nations, UK and other transnational success

of transnational higher

It will be interesting to see whether the increasing interest in transnational activity by continental European universities will blur the lines between the traditional 'mutual understanding' approach to cross-border arrangements still dominant in the region, and the 'revenue generating' model more characteristic of the Anglo-Saxon community⁴⁷. Given the nature of Scenario 2, such blurring might constitute competitive advantage for an institution or source country. Moreover, there is a tendency (perhaps reflected in this report) to separate what is defined here as 'transnational higher education' (see the introduction) and longstanding forms of 'international activity' in higher education (in the UK and more generally), whether it be joint degrees between institutions from two different countries, faculty exchange, research collaboration etc. It might be argued that to address some of the concerns raised in this paper might involve connecting this 'international' and 'transnational' activity.

The third scenario concerns source countries.

iii) Backlash Scenario. The third and final scenario is that source countries will experience significant domestic backlash against the scale of international student/ programme/ institution mobility. Such a backlash would be fuelled by a combination of ever-rising numbers of international students (both on and offshore), rising domestic demand (due to both demography and attempts to widen access), higher domestic tuition fees (but not as high as international fees) and a growing culture of domestic student as consumer. In this scenario, the media would be quick to publicise alleged instances where domestic applicants were allegedly denied places in favour of higher fee-paying international applicants. The UK press recently featured a story concerning two undercover reporters who pretended to be a domestic and international candidate respectively applying to various UK universities. The two 'applicants' were both equally well-qualified, but with slightly lower grades than the entry requirements. Under the headline 'Exposed: university bias for foreigners', the reporters claimed to have contacted 28 of the UK's "top universities" and found that more than a quarter "offered more encouragement to the prospective student from overseas".⁴⁸ In another example, a controversial decision to close five academic departments at the University of Swansea has been contrasted by critics with attempts by the University to recruit international students to its new management school⁴⁹.

The key concern is that international students are viewed merely as a source of revenue, and there is little public (or perhaps institutional) consciousness of the educational potential of a diverse student body. In the case of transnational provision, one might envisage criticism

⁴⁷ The terms 'mutual understanding' and 'revenue generating' are taken from a typology of cross-border education developed by the Centre for Educational Research & Innovation at the OECD, and set out in a forthcoming OECD report entitled *Internationalisation and Trade in Higher Education-opportunities & challenges*.

⁴⁸ The Times (2004) *Exposed: university bias for foreigners*, 11 July. Available at: http://www.timesonline.co.uk/article/0,,3561_1176637.00.html. Accessed 28 July 2004.

⁴⁹ The Observer (2004) 'Degrees for sale' at UK universities; Failing students passed to keep funds flowing migh D • Tj1.648 Tw-0.181 Tc(s Lecure)s

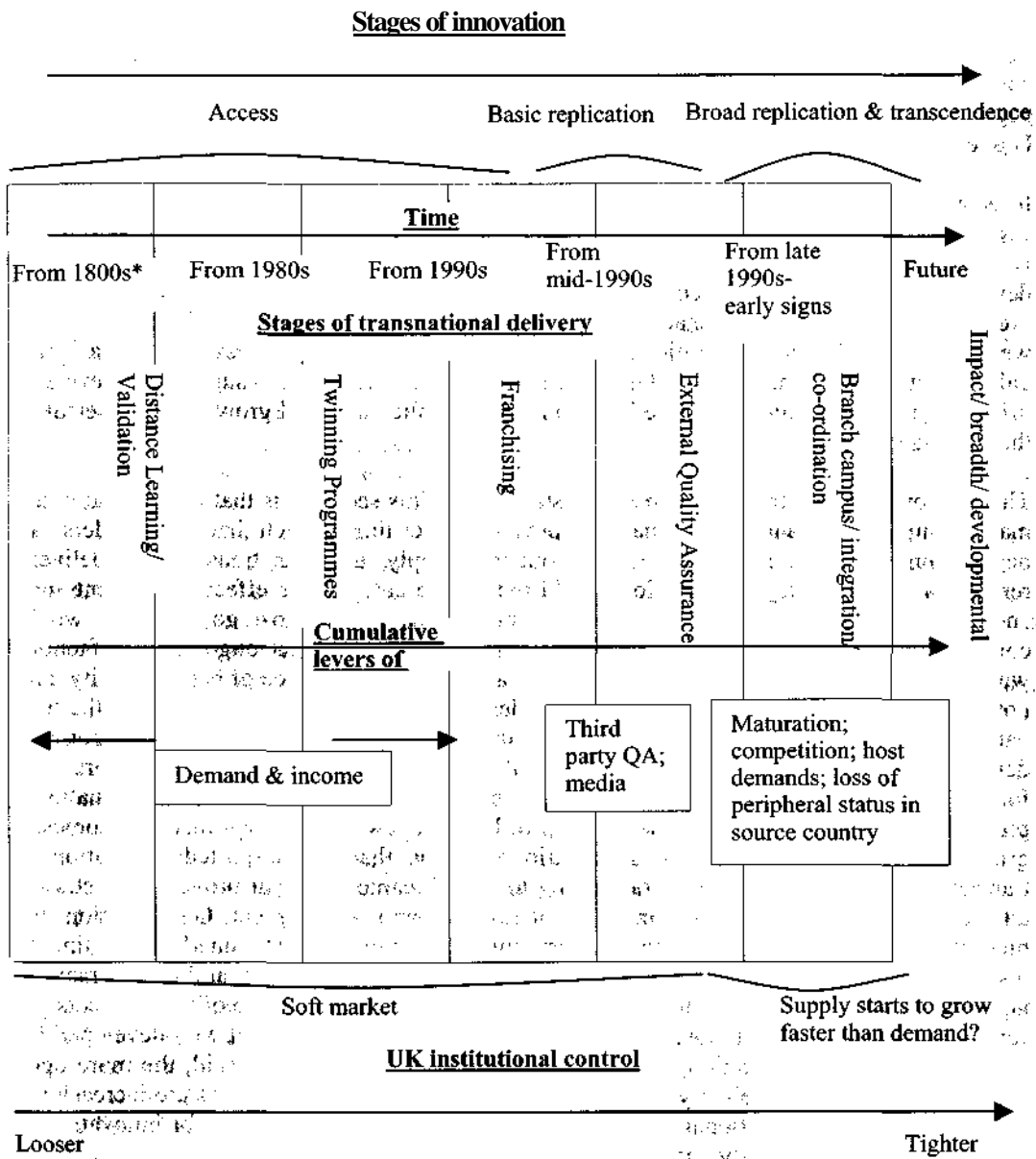
from failed domestic applicants and the media that universities were devoting too much time and resource of overseas recruitment, siphoning capacity (and even public money⁵⁰) away from deserving domestic candidates. A specific transnational example occurred recently when Middlesex University abandoned longstanding plans for a new branch campus in a deprived neighbourhood of London, and then announced the go-ahead on what the press described as a "money-spinning" mini-campus in Dubai.⁵¹ A better articulated and implemented positioning of transnational activity as not only a source of income but a means of enhanced experience for all students and research/ other collaboration, (and evidence of positive development impact on the host country- again, moving from the bottom-left to the top-right quadrant in Figure 1), would help limit such accusations.

Another possibility is that programme and student mobility begin to clash from both a source and host country perspective. For source countries (e.g. Australia, UK) facing the pressures of an ageing population, student mobility may gradually take on a stronger 'skilled migration' approach, alongside income generation. Such an approach might see international fees fall, as universities and host economies come to increasingly depend on overseas students and skilled foreign labour. From the source country institution perspective, such a situation might undermine the rationale for transnational delivery. High quality and competitively priced transnational delivery might be seen to undermine a skilled migration approach to student mobility. Yet from a host country perspective, transnational delivery that reduced brain drain overseas would be missed. More generally, the point is that the relationship between student and programme mobility, and how this might change over time, is little understood from either a source or host country perspective.

Figure 5 (over the page) offers a conceptual representation of perceived stages of delivery and innovation in transnational higher education over time, plus market characteristics and primary levers of innovation.

⁵⁰ UK higher education institutions are not permitted to use public funds to support transnational delivery, but that might not prevent an accusation to that effect, nor does it mean that it would necessarily be straightforward for an institution to unequivocally demonstrate compliance (e.g. the ambiguities of staff time).

Figure 5- Innovation in transnational delivery by UK higher education- past & future



* The reference to the 1800s refers to early instances of transnational delivery by UK higher education. For example, from 1858 University of London examinations began to be offered in an increasing number of centres of the then British Empire. In the 19th and first half of the 20th centuries, there was a common arrangement whereby many colleges and now

independent universities in former British colonies offered the degrees of a British university (typically University of London). Examples include Codrington College in Barbados that offered the degrees of University of Durham from 1876; and Ceylon University College (now University of Colombo) and University College Ibadan, Nigeria (now University of Ibadan) that offered University of London degrees from 1921 and 1948 respectively. Of course, in the late 19th and early 20th centuries, many now independent UK universities began life as university colleges, offering the awards of a pre-existing university (typically University of London).

It is argued that 'levers of innovation' to date (demand, income and external quality assurance concerned with basic replication of provision) have been insufficient to drive what is called here 'broader replication and transcendence'. This refers to the range of developments outlined above concerning integration of transnational and domestic students, breadth of programmes, transnational delivery as a site for research and developments as well as teaching, tighter institutional control over activity, impact assessment and a better balance between a commercial and developmental focus. Scenarios 1-3 suggest that levers to drive these forms of innovation are beginning to be applied and will grow more powerful in the coming years.

There is, of course, a fourth scenario- the status quo. This scenario is that despite increased market entrants, demand for transnational provision over time is such that all providers can be accommodated, demand continues to outstrip supply and thus transnational delivery remains a soft market. This situation would reduce the competitive effect of new entrants, and weaken motivation for innovation. In this scenario most host governments would continue with the model of minimal regulation. This would reflect ongoing 'satisfaction' with a conception of transnational provision as a cost-effective source of basic capacity, and not seriously raise questions of impact on students, domestic higher education and the host nation as a whole. Similarly, in source countries, this scenario would see transnational delivery stay on the periphery of institutional strategy, regarded in most cases first and foremost as a source of revenue. Intermittent 'scandal' press coverage aside, transnational provision would maintain its present low profile, with few connections made to domestic provision. A final element of this scenario might be that the purported maturation of transnational delivery (e.g. from franchising to branch campus) might prove unrealistic for all but a handful of institutions- in terms of resource and commitment. On reflection, the present 'cut down' approaches to delivery might be judged best suited given limited institutional resources, complexities of substantive in-country operation and (in the main) a target market unable to afford traditional student mobility. Indeed, some of the elements put forward here as next-step innovation (e.g. impact assessment) are not yet well-developed for domestic UK higher education, let alone transnational provision. That said, the more open market of transnational delivery, where providers from a range of countries are increasingly competing in different national arenas, might suggest more fertile ground for innovation of this kind than, say, currently domestic-dominated UK higher education.

Finally, what role might national quality assurance agencies play in enhancing transnational higher education, particularly from a source country perspective, such as the UK? This is a matter not Tj1.296 Tw0.220 Tcurh0.24ad thed-. whatt might

sector? Is it conceivable or practical to envisage a large-scale, comprehensive international remit for a national agency? And what might that remit evolve into? How would a UK higher education sector that commonly complains of over-regulation (to some extent vindicated by the reports of the Better Regulation Taskforce and recent attempts to reduce the overall 'regulatory burden') react to such a possibility? While the UK QAA is to be commended for its overseas audits, it is hampered by the sheer scale of the task at hand—namely, covering UK provision offered in dozens of countries worldwide. To undertake such a task would require unrealistic resources. An emerging solution may be in the form of cooperation and networking between national agencies, such as that between QAA and the LAN in Malaysia. Networks such as the International Association of Quality Assurance Agencies for Higher Education (INQAAHE) that might facilitate this sort of cooperation over transnational activity. One difficulty is that many host quality agencies (or equivalents) do not include transnational provision in their purview, so the question of additional resources would remain. Moreover, many host countries lack a quality assurance agency of any kind.

Another possibility is institutional resort to preferred national or specialist agencies for 'international' quality assurance. The most obvious example, as noted above, is the 'internationalisation' of at least three business school accreditors—Association to Advance Collegiate Schools of Business (AACSB International) from the US, EQUIS from Europe and the Association of MBAs from the UK, all of which boast non-local accredited institutions. Other examples would include overseas accreditation in Greece, India and the Middle East by the British Accreditation Council, US Distance Education netwo(o) Tj0 Tc(f) Tj3020 0 1

6. Conclusion

This report has outlined the conditions for import/ export of transnational higher education, described the current characteristics of much transnational delivery (using activity by United Kingdom higher education institutions as an exemplar) and argued that there are growing tensions between the current and predicted scale of transnational activity and what appears to be generally (with key exceptions) poor central institutional understanding of provision, plus limited co-ordination with broader institutional mission. The focus here has been on the UK, but the argument would apply with more or less equal force in other countries. To date, innovation has generally been restricted to the basic shift to programme/ institution mobility and steady enhancement of quality assurance of provision as conventionally understood. Gathering competition, host country regulatory ambivalence, and threat of source country backlash all point to other levers of innovation coming into play. Future innovation may emphasise the value of improved data collection, tighter quality assurance, mission co-ordination and impact assessment. It is argued here that a refined balance between commercial and development objectives would enable transnational providers (or a national strategy) to circumvent scenarios 1-3, build competitive advantage and put transnational provision on a more secure footing in every sense. Determining what such innovation and competitive advantage might constitute in practice (and for different disciplines, institutions and countries) is another matter. Such is undoubtedly already the stuff of nascent institutional and national strategies worldwide.

Given widespread higher education capacity problems on much of the African continent, and concern about the problems of 'brain drain' associated with student mobility to other countries, transnational provision may constitute part of the solution. But how can African leaders maximise the developmental impact of transnational provision? Some of the key lessons from this report are:

- national regulation of transnational provision (worldwide) is typically poorly developed.
- there is little empirical evidence of the impact (positive or negative) of transnational delivery on host nations.
- it would be fair to say that very few (if any) countries have articulated and implemented a successful developmental regulatory regime concerning transnational delivery.
- there is little sense of good practice in terms of balancing commercial and developmental agendas in this area.
- the policy context may be coloured by the stance of the dominant nation in the region (South Africa), that has taken a relatively punitive approach to transnational delivery (import), at the same time as developing an export strategy- targeting primarily the rest of the African continent.

The underlying argument here is that the developmental potential of transnational delivery has in most cases yet to be realised, and that there is an opportunity to forward-thinking

African nations to fashion a model of transnational delivery that transcends existing norms. Practical suggestions for taking this opportunity forward will be explored in my presentation in Cape Town.