

Lessons from the Australian experience of international education

Towards a global protocol for cross-border students

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[International student security: What Australian research tells us]

(Preliminaries. Thanks)

[Foreign students, world, 1975-2008]

Across the world the number of international students is growing at 8 per cent per year. Until recently growth in Australia was even more rapid. It averaged 12 per cent per year for the last two decades, before the sharp fall in numbers that has now begun.

[International students in higher education, Australia, 1990 and 2007]

Between 1990 and 2007 the number of international students in higher education rose from 25,000 to 254,414, reaching 20 per cent of onshore university students. There were 600,000 international students in all sectors of education and training.

Four in five were from Asia. At \$18 billion per annum in 2009 education was Australia's largest services export and fourth largest export overall after coal, iron ore and gold, ahead of tourism.

[Foreign student destinations, 2008]

In 2008 Australia was the world's fifth largest exporter with 6.9 per cent of all foreign tertiary students. A dozen institutions enrolled over 8000 students, led by RMIT University with 22,497 and Monash University with 19,079. International education provided 15 per cent of university income. In future we can look back and say that 2007-2008 was the highpoint, when we could glimpse the infinite: it seemed international student numbers would keep growing forever, to half or more of the student body.

For a long time the growth trend proved to be remarkably robust. It outlasted dramatic fluctuations in the Australian dollar, the late 1990s Asian financial crisis and the beginning of the global financial crisis in late 2008 and 2009.

This was because numbers were primarily regulated by supply. It is widely believed this market is primarily demand driven but it is a myth. Demand factors are secondary and mostly follow not lead supply.

With the Asian middle classes continually expanding, especially in China, the number of applications to study in Australia always exceeded the supply of places, at least until very recently.

Numbers have been determined by the willingness of universities to take students; and the willingness of the federal immigration department, now DIAC, to grant visas.

Until recently, most of the time DIAC supported the export industry at visa stage and welcomed the throughput of graduates into skilled migration. Both these elements have now changed, however.

[Growth of international education in Australia was driven by successive reductions in government funding of higher education]

For their part Australian universities needed the money. Badly. Growth in international student places was driven by successive cutbacks in the public funding of higher education.

There was a 12-15 per cent fall in per student funding in 1988-1989 and the Vanstone cuts of 1996 also triggered accelerated growth. In the 1980s Australian public fiscal outlays on higher education were above the OECD average.

Between 1995 and 2002 public spending on tertiary education fell by 8 per cent, while student numbers grew 40 per cent.

By 2008 public outlays were 0.7 per cent of GDP compared to an OECD average of 1.0 per cent. International student fees have long been part of core funding.

Institutions cannot do without international student fees. But in the next two years many and perhaps most will see their international student fee income fall significantly.

International student commencements in higher education fell by 6 per cent in the second half of 2010, compared with the same period in 2009. Numbers from India are falling catastrophically, hitting VET and some universities hard.

Numbers from China (the number one source country) and Vietnam (emerging as a major source country) are expected to decline sharply in 2011. Because of pipeline effects the full damage will not show until 2012 and after.

[Nitin Garg etc]

So what is driving this? Demand from South Asia has fallen since the patterned violence against South Asian students in Melbourne in 2008-2010, media coverage in India, and the culturally insensitive early responses of Australian authorities.

[Indian parents rally]

Nevertheless the change has been primarily on the supply side. There has been a dramatic shift in Australian immigration policy.

[Immigration stamp/ Chris Evans]

The change has been triggered by two factors. The first factor is migration scams and a blowout in the number of PR-focused students in vocational education.

The second factor, visible in the 2010 election, is migration resistance in parts of the local population. This has been evidenced first in the debate about the patterned against South Asian students in Melbourne in 2008-2010, and perhaps in the fact of that violence; and second in the change in the outlook of the political parties in the lead-up to the 2010 federal election.

In the opinion polls there has been a small but significant shift in the proportion of people who say Australia has ‘too many migrants’. Significant, because the increased opposition to migration was apparent in the Western suburbs of Sydney and the South-Eastern corner of Queensland, the zones that decided the last federal election (or didn’t decide it!).

In both these zones scarce and inadequate public infrastructures are under pressure, exacerbating intra-community tensions. In the lead up to the election both sides of politics indicated that they had shifted from a high migration target to a medium migration target. Given that almost half of Australia’s skilled labour intake was coming from international students this was bound to affect the international student program.

[Do not enter]

The federal Labor code for this policy change is the shift from a ‘big Australia’ to a ‘sustainable Australia’. Rather than invest more in infrastructure it has cut back immigration, despite the continuing problem of skill shortages induced by the mining boom.

Tony Abbott's position on immigration has been even more hairy-chested' which has further locked in the government.

The government has moved to restrict both temporary student migration and the passage of graduates into permanent migration. Student visas are subject to steep income tests and processing delays. Australia has set an income test of \$18,000 per year of study. A student wanting to complete a four-year program has to produce evidence that she or he has \$72,000 in the bank.

That's a lot of money to leave idle in a bank account. Students going to the US merely have to show they can support themselves at the time of arrival. Australia is also processing international student visas slower than are the competitor countries. A visa from China can take more than three months. At the other end of the education-migration continuum, graduates who want to become permanent residents face a mix of English language and work experience tests.

The requirement that graduates work in an occupation for which they have been trained is difficult to meet. Labour markets are never closely matched to qualifications—across the world roughly half of all graduates work outside their fields of training. Internationals face discrimination at work, and employers are reluctant to hire persons without permanent residence. Graduates need a job to get migration status. But need migration status to get a job. Catch 22! 'How cool is that!' says DIAC.

The federal government states the changes will improve ‘quality’, and decouple demand for Australian education from demand for migration. This is untrue. Education and migration motivations are inseparable, whether the nexus is favoured by policy as it was or opposed by policy as it now is. Individual students move freely between the two goals.

Anyway, the October 2010 statement by federal minister Chris Evans claims migration outcomes as one benefit of international education. What then about ‘quality’? The reality is that ‘quality’ is not guaranteed by regulating marginal colleges. Quality is determined by resources and incentives in the mainstream of institutions. There quality is declining, inevitably.

The government has evacuated core public funding and forced the substitution of private revenues—most of which are absorbed by business costs and do nothing for teaching and research. In the two decades after 1985, the average student-staff ratio rose from 13 to 20, as noted by the 2008 Bradley report on higher education. One assumes that by ‘quality’ the minister actually meant ‘reputation’. But there the tightening of regulation will be overwhelmed by the negative publicity generated by the coming fall in Australia’s market share.

The decline is unstoppable, even if a new migration policy starts tomorrow. The message has been widely propagated that students are less welcome in Australia. The education agents who used to specialize in study in Australia have now shifted their business to other countries.

Total international students are growing worldwide but numbers coming to Australia are falling. Demand is following supply, trending downwards in most countries. A high dollar exacerbates the fall in demand. Fortunately for Australia the UK is also restricting international student intake, but this is not the case in Canada and the United States. The latest US Open Doors statistics show a big jump in Chinese students going to there.

The international student industry will be turned upside down by the ending of the growth period. It is a good time to review the character, dynamics and effects of international education in Australia. And there may be lessons in this for South Africa and other nations that export education and engage with large numbers of international students.

[Tensions in Australia's international student program]

Australian international education illustrates the strengths and weaknesses of a commercial approach. It has also been shaped by Australia's global position and positioning strategy.

International education has generated much wealth in Australia. But it has been inhibited by key tensions that have stymied its evolution to a higher level and undermined long-term sustainability.

First, the tension that is right now very evident, between immigration policy and education export policy

Commercial international education is an economic market. But like many markets it is shaped by factors other than free exchange between provider and consumer - public subsidies, regulation, protection of favoured providers, and social and cultural elements.

For example, international education generates profits for English speaking countries because graduates with global English enjoy advantages, and developed countries provide opportunities. The commercial industry rests on global inequalities.

In Australia, the most important force determining the size and character of the market is immigration regulation. This determines how much profit Australia chooses to make out of global inequality. DIAC mostly facilitated the growth of the market, until recently. But it is always concerned about backdoor migration, and has deeper worries about terrorism and maintaining the national 'character'.

[The immigration authorities]

DIAC's classical method is to be harsh in dealing with mobile non citizens as a way of limiting the flow. We see this also in refugee policy. Many students experience DIAC as arbitrary, unfriendly and ugly.

Earlier in the decade the department cancelled the visas of many international students for often minor breaches of the 20 hour limit governing student work during semester. Many were thrown into detention: prison conditions.

The students had to mount protracted and expensive appeals—often from within detention—against the loss of their visas. Nevertheless a third of the visa cancellations were overturned on appeal.

Government flips between the benefits and the dangers (as it sees it) of international students. The students are regulated within two conflicting normative frameworks. One policy framework is positive and encouraging.

The other treats international students as a threat. Can this tension be removed? It cannot be totally abolished—in a nationally-bordered world governments will always be anxious about incomers—but can be modified. First, temporary migration should be handled separated from permanent migration. Second, there is no good reason why temporary student visa holders should not be treated with the same courtesies as citizens, for the duration of their stay. I'll come back to this.

[Dollar notes versus the Idea of a University]

Second, the tension between education export policy, and the education and research missions of universities.

Teaching and learning are concerned with the self-development of students.

Research is about knowledge creation and application, and generates long-term benefits of both the public and the private

kind. In these domains, money is not an end in itself, it is a means to deeper objectives.

Public sector education and research are essentially about product maximization. As new needs and ideas emerge they are addressed, until resources are exhausted.

In contrast, the purpose of the commercial producer is to maximize revenues, market share and profitability while minimizing unit costs. Because of this, the market has one virtue. On a good day, it is quicker than public administration to expand opportunities and throw the door open to all—or all those with money in their hands. But that is where the virtues stop.

[In greed we trust]

Education markets are not primarily driven by meeting needs. The customer is the means to the real ends: revenues and profit. These markets are producer dominated—there is an information asymmetry between provider and consumer.

The consumer cannot judge the learning experience until well into the program. Further, in education markets production is standardized and there are downward cost pressures on extra provision tailored to meet specific needs—such as extra help with English, which is under-resourced, or the development of a more engaging intercultural curriculum that would involve both local and international students.

The Australian business model is very good at standard high volume, medium quality, minimum cost programs in business education. But this success has created path dependence. When revenues were expanding the opportunity should have been taken to innovate and improve. Instead the production model was stuck. It was unable to evolve a higher quality model, or to differentiate.

This business model of international education has proven to be good at minimizing poor teaching or services, using quality assurance.

But it is poorly equipped to strive for either excellence or diversity. In the market framework 'excellence' tends to be confined to elite institutions and signified by selectivity and price. The intrinsic quality of teaching and learning is invisible to market forces. Meanwhile, when business objectives are dominant, systems of quality assurance that depend primarily on self-regulation tend to become corrupted by marketing.

The objective is not better product or student satisfaction, but better satisfaction ratings and reputation. There is no objectivity, no 'warts and all' scrutiny. Flaws are papered over. Every producer behaves this way. The collective outcome is an Orwellian world in which funding is falling, but everything always seems to be getting better and better.

Pressure on government to improve funding and quality simply vanishes. Government is no longer seen as responsible- the providers carry the can. Thus the mechanisms designed to advance quality only end up emptying it out.

[What kind of global engagement?]

Third, the tension between commercial exploitation of Asia, and a richer offshore engagement.

Some might see the tension between commercial objectives, and education and research, as a tension between globalization and education—suggesting that to reassert public values we must break global engagement. I believe that is a misreading of the situation. I am more positive about globalization.

Globalization means worldwide convergence and part integration. The most fecund globalization is not in economics (which is partly confined by national borders) but in knowledge people flows and culture. Maintaining diversity can be a problem here, but overall, global sharing is no bad thing. It is a sign of hope in a troubled world.

[Research pictures]

The fault line between commerce and education runs not between the global and the local, but within university global strategies.

The global setting provides a rich set of options for teaching and research, including knowledge exchange and collaboration on projects contributing to the common global good—for example research on epidemic diseases, climate change and water management.

Australian universities do some, but not as much as universities in North America. Why? Marketing comes first. In their global positioning Australian universities focus on student recruitment, and are more dependent on business acumen than academic capacity. Australian education could be sold on the basis of its intellectual fire-power and its contribution to human knowledge. Mostly the sell is beaches and the happy life.

Research-intensive universities like Monash, Melbourne, Sydney, New South Wales and Queensland are Jekyll and Hyde. At home they are student selective and focus on research. They also engage in global research collaborations.

But their main off-shore agenda is the mass education of fee-paying students, to fill the revenue gap. It has proven difficult to synergize the academic capacities of Australian universities with their business strengths because the business model is one-dimensional. Australia is weak in international doctoral education where global competition is scholarship based.

Government provides little subsidy for such scholarships. Institutions must send their revenues to core funding.

This limits the potential of Australian universities in East and Southeast Asia where the nation's geography and demography ought to secure an advanced role for its universities.

East Asia, including China, has emerged as the world's third great zone of higher education and research. But Australian universities still treat Asia primarily as a source of fee-paying students not research collaborations. Few local students learn Asian languages.

The lack of balance, range and depth in Australia's international program was remarked on by the Bradley report two years ago. One result is that Australia makes only a modest contribution to capacity building in higher education in the developing world.

The growth of international marketing has correlated with a decline in aid for post-secondary education. Japan, Canada and some Western European governments do more in Asia and Africa.

Can this tension be corrected? As long as there is commercial international education profit will be a major goal. But market forces should be modified by the subsidization of countervailing practices.

The Bradley report advocated support for a broader range of global activities including two-way student exchange, international scholarships and research collaborations.

[International Student Security cover]

Fourth, the tension between economic consumption, and student rights and security

So far I have focused on the way these tensions limit institutions. But what about the students? They were the focus of our study of *International Student Security*, funded by the Monash Institute for Global Movements and then the Australian Research Council.

[Lonely girl sitting down photo]

When international students enter the nation of education, having left home behind, they find themselves classified officially and unofficially as ‘outsiders’ in the new country. They cannot exercise the rights and entitlements of citizens in either the country of origin, or the country of temporary residence. They cannot fully access home country legal, welfare and political systems. But in the new country they have inferior status and lack full rights.

[Group of international students outside parliament]

This renders them more vulnerable than national citizens, with less agency. Yet often they are resident for several years.

They must deal with housing and employment markets and subject themselves to the police, legal system and public bureaucracies, just like local citizens. They mostly pay the local taxes.

[Happy happy? The student as consumer]

Under the Education Services for Overseas Students (ESOS) Act, and its National Code, the international student is modeled not as a person with full legal, civil, industrial, political and educational rights—but as an economic consumer.

The Act is strong on protecting the monies students invest in fees, and on their right to be informed before they sign a contract with the institution, but little else. There is no contract between students and government and no reference in the *Code* to political rights or representation. The Act and *Code* touch only briefly on other areas of student security, mandating not accommodation and welfare services but the provision of information concerning such services.

On campus safety is not mentioned. Nor does ESOS, which regulates international education by controlling the provider institutions, provide for international student security and rights outside the campus where most of the problems are.

International Student Security compared the official entitlements and benefits available to international and local students. We found 28 policy areas in which the position of international students was distinctive and inferior.

Nearly all public financial support, including welfare and housing, were inaccessible. In the two largest States, internationals paid full fares on public transport in New South Wales and Victoria while local students paid concession rates.

Public schooling was free for local families; international students paid full fees for their student children. International students paid higher tuition but received less personal financial aid and were ineligible for some postgraduate research scholarships.

And some bank services. Both groups had health cover but internationals were excluded from the public scheme and took out private insurance, more costly than the Medicare levy paid by the locals through taxation. International students could work only 20 hours per week in semester.

Local students had an unrestricted right to work. The visas for some international students included condition 8303: 'You must not become involved in any activities disruptive to, or in violence threaten harm to, the Australian community or a group within the Australian community'. Not only are their rights restricted, the students are officially Othered as aliens and a potential threat.

[Cross-cultural relations 1]

This official Othering of international students provides conditions for their unofficial Othering. The 200 students interviewed in *International Student Security* discussed numerous instances in which they were subordinated, marginalized or abused.

Either their outsider status was at play, or the perpetrator positioned them as outsiders. Some such experiences were on campus. One student was abused by a uniformed member of the university security staff.

But nearly all such experiences were in the general community, the street, on public transport, in shops or at work. Among the 200 interviewees, 99, just under 50 per cent, had experienced cultural hostility or prejudice in Australia. Almost all were non-white.

The perception of hostility or prejudice was higher among women than men. All women wearing the Muslim headscarf had been abused.

[Cross-cultural relations 2]

Several students were profoundly distressed by such incidents. They were made to feel wholly alien, with lasting effect. There was no process whereby they could seek redress.

Consumer rights were no help here. They needed to reassert their dignity and agency, to claim the right to respect and to belong. They could not.

The binary structure of citizen/outsider opens international students to this brutal marginalization in the community. Official Othering gives comfort to the perpetrators—who have no doubt *they* belong and are superior to the outsiders.

Recurring problems of stereotyping, discrimination and abuse affect international students not just in Australia but in all English speaking provider nations, which share a similar policy and cultural setting. This asymmetry of treatment and respect makes it very hard to bridge the gap in relations between local and international students, also a perennial problem in export nations.

It seems it is only when local and international students live together for sustained periods in student residences that cultural segregation begins to break down and deep friendships can form. But Australia does not subsidize intercultural student housing, or any student housing.

[Global commons]

Finally, there is the overarching tension between national political economy, and the global public good.

The human rights of international students, like all mobile persons, are a global public good. We have a collective interest in safe and secure passage between nations, and mutual respect between citizens and mobile non-citizens in an interdependent world.

But the Australian international education program is unconcerned with the global public good. It is focused on private economic goods within a national political economy. The beneficiaries are national citizens who pay less taxes, and universities that make money.

Global mixing and tolerance are global public goods. Higher education creates them. Does Australian international education contribute? Yes, it does, very much so—even though the policy settings have other ends in view.

But it is flawed and lop-sided and neo-imperialist and could be much better. International students bring valuable cultural diversity to the country of education.

The hosts are mostly oblivious, and the guests are disadvantaged by being different. By no means all locals are prejudiced towards international students and some become culturally engaged—yet all see international students as outsiders with weak claims to the common weal. Which is seen as nationally bordered.

The underlying problem is the inability of nation-states to rise to the challenge of global interdependence. When political decisions on global matters are left with nation states, whether operating unilaterally or bilaterally they habitually put their own citizens first. It is politically as well as economically expedient for Australian government to hold 600,000 foreign students at the margin.

In the face of these limitations there are two moves we can make, if national governments are in an enlightened mood. (Let's pretend we live not in Australia but in, say, Denmark).

[Main conclusion: Extend universal humanism to cross-border students]

The first move is to re-norm international education. We should stop seeing these students as people in educational, social or cultural 'deficit'. They are strong human agents, deciding for themselves, managing complex personal changes, engaged in self-formation through education and global mobility, persons with all human rights.

Nations should extend to non-citizen international students the same entitlements as citizen students. International students should be quasi-citizens for the duration of their stay.

(We might make exceptions in a small number of areas where national treatment is warranted, such as voting in national elections).

The second move is to make this real by forging a global protocol for the empowerment and protection of mobile students. Sending/ importing countries could negotiate with receiving/ exporting government a set of principles covering their student nationals. This protocol would be developed using the *Universal Declaration of Human Rights*, the great multilateral statement that Australians played a key role in drafting and steering through the United Nations.

The protocol would include specifications in areas such as education, housing, transport, crisis support and intercultural relations. If enough such agreements are developed bilaterally, this generates momentum for an informal global standard. When enough international agreement is secured in this manner, student rights could be monitored by a global agency.

These moves would correct the bias to commercial objectives. They would put the global Other, the international student, on equal terms. They would bring educational and humanist objectives back to the table. This would provide the normative basis for a broader set of global strategies based in public values.

[sign off slide]

Thank you for listening.