The Politics of International Education

Constructing New Zealand's Export Education Industry

By
(Cecily) Jing Lin

A Thesis Submitted to the Victoria University of Wellington in Partial
Fulfilment of the Requirements for the Degree of
Master of International Relations (MIR)

School of History, Philosophy, Political Science and International Relations

Victoria University of Wellington
February 2013

Abstract

International education today is an important export industry for New Zealand. It has come a long way from its origins as a developmental scholarship programme for countries in South and Southeast Asia under the Colombo Plan. This thesis studies the concepts and debates related to international education globally; and traces its development in New Zealand over three stages to investigate how it has been transformed from “education for aid” to “education for trade”.

This transformation has taken place against the backdrop of neoliberal globalisation. Adopting a constructivist approach, I argue that the commercialisation of international education is influenced by normative factors such as globalisation and regionalism, as well as a conscious decision made by the state based on the material resources New Zealand possesses as an English language speaking country with a relatively advanced liberal education system attractive to developing countries, particularly in Asia.

I construct New Zealand’s export education industry in its current state using Wendt’s framework of three elements of social structure. Assuming that the neoliberal norm persists, this thesis identifies the critical factors affecting the continued wellbeing and future development of the export education industry as follows: 1) the quality and reputation of New Zealand’s international education; 2) the continued economic growth of key student source countries and the ongoing demand for overseas education; and 3) the willingness of people from these countries to purchase education services from New Zealand.

The Politics of International Education

Constructing New Zealand's Export Education Industry

Table of Contents

Abstract	i
Chapter One: Introduction	1
Overview	1
Purpose of this thesis.....	4
Structure of this thesis	4
Theoretical framework	6
Chapter Two: Key concepts defined.....	10
International education.....	10
Export education	15
International students	17
Internationalisation.....	18
Defining internationalisation.....	18
Debate on internationalisation and globalisation	20
Summary	25
Chapter Three: International Education in New Zealand - From aid to trade	27
Education for aid (the 1950s and 1960s).....	27
Realist motive, liberal execution—the Colombo Plan.....	29
The case of Malaysian Chinese.....	32
Summary	34
To charge or not to charge? (The cost recovery debate)	36
Ways of containment.....	38
From cost recovery to full fee with profit	39
Summary	42
Education for trade (from 1990s to present)	44
The rise of China.....	47
Boom and bust in the early 2000s	51
Summary	54
Chapter Four: Constructing the Export Education Industry	58
Shared knowledge	58
Material resources	59
Practices	60
Conclusion	61
Bibliography	65

Chapter One: Introduction

“Education is in reality one of the basic factors of international relations – quite as important as diplomacy and military power in its implications for peace.”

James William Fulbright

Overview

International education has grown to be an important export industry for New Zealand in recent years. According to the New Zealand government’s Business Growth Agenda Progress Reports on Building Export Markets released in August 2012, export education is the fifth largest export industry, which represented 14% of New Zealand’s total service exports in 2011(MBIE, 2012).

Education is intrinsically part of a nation’s culture and identity. International education, through its various modes of delivery, therefore involves not only the teaching of subject matter, but the spreading of culture and values; the building of people to people relationships; at times the provision of developmental assistance; and in recent years, a significant source of foreign currency earnings. New Zealand’s international education has come a long way since the 1950s, when hosting international students was primarily considered to be a form of aid established to assist developing countries in the post World War II era under multilateral programmes, such as the often quoted Colombo Plan. Although a small number of aid scholarships still remain, the industry today is no charity. In 2011, the Ministry of Education published a “Leadership Statement for International Education”, in which the government allocated resources, re-organised agency functions and set targets to “double the annual economic value of these (education) services to \$5 billion” over the next 15 years (MOE, 2011). This shift from aid to trade is so profound that it cannot be explained without examining the transformation in political ideology and international relations over the past 60 years.

Since the National led government secured a second term in 2011, the New Zealand Ministry of Foreign Affairs and Trade has embarked on developing a suite of NZ Inc country/region strategies. These strategies are “plans of action for strengthening

New Zealand's economic, political and security relationships with key international partners" (MFAT website, NZ Inc page). The first two, NZ Inc India and China strategies, were launched in October 2011 and February 2012 respectively.¹ In both documents, international education is a priority and has been assigned ambitious targets for growth, i.e. grow services trade with China (education by 20 percent) by 2015; and grow service trade by 20 percent per year with India (these include education, tourism and professional services). International education plays an important role in a country's foreign relations, and for export countries such as New Zealand, it also plays a significant role in economic development.

Many incidents involving international students have affected the sending and receiving countries' bilateral relationships; and conversely, the relationship between the sending and receiving countries have also influenced the volume and types of student movement between the two. For example, Australia's relationship with India suffered a setback after a string of racial attacks targeting Indian students in 2009. As a result, the Australian export education industry is still recovering from the damage done to its image – its international student numbers have been in decline since 2009 (ICEF, 2012); and, in a recent safety survey conducted by the British Council (September 2012), Australia failed to make it to the list of the top five "safest places" to study (British Council, 2012).² New Zealand's international education sector also had its own turbulent experience with Chinese students in the early 1990s, and again in the early 2000s (Tarling, 2004). These incidents will be discussed in more detail later in this thesis.

Political and economic issues aside, education can also contribute to a country's soft power. In describing how American high culture produces significant soft power for the United States, Joseph Nye employs examples primarily related to international education, such as student mobility and academic exchanges, to support his arguments (Nye, 2004:44-6).

Throughout New Zealand, international students have become a staple for many schools, universities and other education providers in recent years, with some education establishments catering specifically for the needs of this group of students. Literature on international education, particularly that specifically concerning New

¹ Those under development include: the US, Australia, ASEAN, the Gulf Cooperation Council and Europe strategies (MFAT website, NZ Inc page).

² The top five study destinations are Britain, Canada, the United States, Germany, and New Zealand.

Zealand, often focuses on either the educational (adaptation to teaching and learning in a mixed culture environment and the internationalisation of higher education) or business (effective marketing and service provision) aspects. Historian Nicholas Tarling, who has compiled one of the broadest accounts of the changes to New Zealand's international student policy from 1950 to the early 2000s, argues that:

“The movement of international students is a very marked feature of the life of universities and other educational institutions in the early twentieth-first century, but it has been too little studied. Much of what has been done tends, moreover, to focus on the ‘market’, on selling places to foreign students, particularly from Asia, and on what are often seen as their learning difficulties” (Tarling, 2004:7).

In addition to Tarling, there are perhaps two scholars who have looked at New Zealand's international education from perspectives other than those related to teaching and marketing. One is Nicolas Lewis, who has analysed the current state of this industry from a neoliberal perspective (Lewis, 2011 and 2005); and Andrew Butcher, who emphasises the connection between international education and foreign policy (Butcher 2009, 2011).

Lewis argues that, over the last 20 years, albeit not a wholly new phenomenon, globalising education has increasingly been “commercialised, professionalised, institutionalised, and mobilised in political projects”. International education's practices and subjects “weave together neo-liberalism and globalisation and are constituted by their interplay” (Lewis, 2011:241). Lewis poses a number of questions on how the politics of international education should be recognised and engaged in:

Do we welcome it, for example, as a new internationalism in learning and cultural exchange, a paradigm for global citizenship, or an opportunity to generate radical new worlds or reclaim the universities for the academy from economic nationalism and new managerialism? Or do we see in its rapid and continuing expansion and the restructuring imperatives embedded within this expansion the neo-liberalising forces of rationalisation, marketisation, corporatisation, privatisation, and a managerialism that will remake education (ibid, 242)?

Butcher elaborates on the connections between international education and New Zealand's foreign policies, with a focus on those related to Asian countries. He stresses the importance and the benefit of maintaining this connection. In his 2009 article "Friends, Foreign and Domestic: (Re)converging New Zealand's Export Education and Foreign Policies", Butcher states that international education's "shift from 'aid' and towards 'trade' was perhaps inevitable" (Butcher, 2009:68), however, he does not provide any explanation as to the reasons for this "inevitability". Butcher is of the view that "the shift went too far" and, rather, New Zealand should include its "long-term foreign-policy objectives in the development of our export education industry" (ibid). How far is too far, and where should the balance of foreign policy objectives and the commercialisation of international education lie? Answers to these questions appear to fall outside the scope of Butcher's research.

Purpose of this thesis

Both the concept and the purpose of international education have evolved, as has the way in which the provision of international education is conducted. Neither Lewis' nor Butcher's research explain the reasons for the fundamental changes in international education over the past 60 years, while Tarling's account was written largely as a historical record of international student movements in New Zealand. This thesis intends to investigate what forces have driven the development of this "industry" by studying the political and economic environment; the change of norms in international education, globally and in New Zealand; the identities and interests of the various actors, internal and external, and the nature of their interactions. The purpose of this research is twofold: first, to identify the factors that have shaped the trajectory of New Zealand international education's development since the 1950s, discussing whether the past has any implications for the future development of this industry; and, second, to discuss whether the shift from "aid" to "trade" has resulted in an over commercialisation of New Zealand's international education sector, (as suggested by Butcher, the shift has gone "too far"), and whether this shift is detrimental to New Zealand's foreign policy objectives.

Structure of this thesis

The remainder of this chapter outlines the theoretical framework adopted in this thesis. The shift in international education from aid to trade occurred against the wider backdrop of neoliberal globalisation. However, while neoliberalism explains

why this shift took place, it does not explain why particular policy changes took place at a particular point in time, and how. Employing a constructivist approach, I argue that norms and material factors have determined the trajectory for the transition of international education from aid to trade. This section reviews the neoliberal approach to thinking about globalisation as well as key IR constructivists' theories, and explains how they can be applied in the case of international education; and why these approaches are helpful to achieving the goals of this research.

Chapter two includes a collection of literature reviews to help define key concepts and clarify the relationships between them. These concepts include 1) the term international education itself, its changing definitions and purposes; 2) export education, a term used when the purpose of international education is the pursuit of economic benefit; 3) international students, in terms of who they are and their associated identities as the population of this cohort grows; 4) internationalisation, particularly in higher education; and the debate on the relationship between internationalisation and globalisation. A close examination of the use of these terms and their change/development over time provides a glimpse into the change in discourse and norms that has taken place from the 1950s to the present.

Chapter three canvases the development of international education from the 1950s in three stages: the international education for aid era (1950-60); the cost recovery debate era (1970-80); and the user pays export education (education for trade) era (1990-current). The nexus between this process and political ideology and social transformation is explored. Through identifying norms in international education at each of these stages and the factors that influenced their transformation from one stage to the next, as well as observing the interactions between actors in the field (primarily the states, education institutions and international students), this thesis intends to explain whether the shift from "aid to trade" was inevitable, and whether the trajectory of this development has any implications for future development in international education.

Adopting Alexander Wendt's framework of three elements of social structure - shared knowledge, material resources, and practices, chapter four explores the "structure" of the current export education industry, investigating what factors are stabilising/reinforcing the current norm and what can be challenging it.

The concluding chapter summarises the factors, normative as well as material, influencing the development of New Zealand's international education, and discusses future challenges for the export education industry.

Theoretical framework

One of the purposes of this research is to understand how the developmental path of New Zealand's international education has been shaped; what factors have contributed to the shift in norm from education for aid to education for trade. This shift cannot be examined in isolation from wider political and economic changes domestically and internationally, which are influenced by the dynamics of global capitalism and neoliberal globalisation.

Globalisation is a complex process involving changes in economic ideas and shifting political coalitions at national and international levels, as well as new technologies that have brought the world closer together. It drives the reduction of barriers to global contacts. People become more able - physically, legally, culturally and psychologically - to engage with each other in one world (Scholte, 2005:3). It is against this backdrop that students are able to travel out of their home country for education with greater ease; and states and institutions can extend their national education beyond borders.

From a neoliberal perspective, globalisation "is an economically driven process that should proceed on first principles of private property and uninhibited market forces" (ibid:1). Neoliberal doctrine has exerted a powerful hold on governing circles during the past three decades of accelerated globalisation. Globalisation and marketisation are, however, not the same thing - the former is a development in social geography, while the latter is a policy approach in response to that trend (ibid:2). Despite announcements such as Fukuyama's "the end of history",³ globalisation has not led to single global response. States respond to common pressures in different ways. In international education, this is demonstrated by the fact that not all countries choose to commercialise their education systems. Countries such as France, Germany and Japan do not charge differential fees to domestic or international students; some Nordic countries (Finland, Iceland, Norway and Sweden) even offer their education free of charge to all students (OECD, 2012:367). Since the introduction of the 1989 Education Act, New Zealand has commercialised its international education sector,

³ Fukuyama argues that no other social models but capitalism and liberal democracy seemed possible to survive (Fukuyama 1992).

following the footsteps of key English speaking countries, including Australia, the UK, Canada and the US.

These different approaches suggest that globalisation alone cannot account for the shift from “education for aid” to “education for trade” in New Zealand. It also does not explain how and why certain policy changes took place in New Zealand at a particular point in time. The trajectory of the development of this industry involves a constant interaction between the change in norms and changes to other features of the political and international landscape.

Constructivists are interested “in the role norms play in political change” (Finnemore & Sikkink, 1998:888). Constructivism is not a theory but an approach to “social inquiry”, as Checkel puts it, based on two assumptions: (1) the environment in which agents/states take action is social as well as material; and (2) this setting can provide agents/states with understandings of their interests (it can “constitute” them) (Checkel, 1998:325). Applied to this study on international education, my assumptions are also twofold: (1) the decision to commercialise international education was made based on factors normative as well as material; and (2) careful study of the roles of key actors involved in this process can reveal the interests of each actor, and hence inform long term strategic directions.

A constructivist approach to examining the influence of globalisation in international education is thus appropriate for the purpose of this thesis.

So, what are norms? How does certain behaviour become a norm and how do norms change? In the 1998 article “International Norm Dynamics and Political Change” Martha Finnemore and Kathryn Sikkink define norm as “a standard of appropriate behaviour for actors with a given identity” (Finnemore & Sikkink, 1998:891). This appropriateness entails a quality of “oughtness” and shared moral assessment by “reference to the judgement of a community or a society.” Norm-breaking behaviour generates disapproval or stigma, whereas norm conforming behaviour either produces praise, or is taken for granted and provokes no reaction if it is a highly internalized one. The relativity of norms hinges on the environment within which they exist. As the surroundings evolve, the question then is not whether norms will change, but when and why at any particular point in time.

Jeffery Checkel examines the differences in the understanding of the concept of “norms” between constructivists and other schools of IR:

While realists see norms as lacking causal force, neoliberal regime theory argues that they play an influential role in certain issue-areas. However, even for neoliberals, norms are still a superstructure built on a material base: they serve a regulative function, helping actors with given interests maximize utility. Agents (states) create structures (norms and institutions). For constructivists, by contrast, norms are collective understandings that make behavioral claims on actors. Their effects reach deeper: they constitute actor identities and interests and do not simply regulate behavior.... Norms are no longer a superstructure on a material base; rather, they help to create and define that base. For constructivists, agents (states) and structures (global norms) are interacting; they are mutually constituted (Checkel, 1998:328).

As such, contrary to the neorealist assumption that structure is made up of a distribution of power (material capabilities); constructivists argue that international structure is determined by the international distribution of ideas (Finnemore, 1998; Wendt, 1995). Shared ideas, expectations, and beliefs about appropriate behaviour are what give the world structure, order, and stability. Alexander Wendt's analysis points out that there are three elements of the social relationships that bind all actors in a structure together, these are: shared knowledge, material resources, and practices (Wendt, 1995:73).

In the 1950s and 1960s, international education was typically understood by governments to be a form of aid, where developed countries were obliged to assist in the human resource development of the developing countries. In New Zealand's case, the state (as in other Commonwealth states) determined which countries to provide assistance to and education institutions were instructed to receive these students in certain subject areas. The international students were hosted and warmly welcomed by the institutions as well as the wider communities. The experience was a "feel good" story for both the providing and receiving sides. This norm was challenged and debated in the 70s and 80s as the global and domestic environment evolved. Globally, the need to foster bilateral relationships through education aid for fear of Communist takeover no longer existed; and domestically, the economy started to experience the constraints of sustaining the welfare state system. In 1989, with the introduction of legislation allowing education institutions to charge international students full fees, the education for aid norm officially became a thing of the past. The two decades that followed saw a new norm gradually being formed

through the actions and reactions of the state, institutions and international students (as a collective actor). These interactions led to the shared understanding of education as a tradable commodity. In practice, executive power was delegated by the state to education institutions, with international students served as the customers.

The development of international education into a lucrative export industry is often considered to be a purely business supply and demand dynamic. The rapid economic growth in some countries (China stands out as an obvious example) leads to increased needs for higher education while the domestic infrastructure is unable to meet the demand; when people are increasingly able to afford the high cost of overseas education, the flow of students abroad commences. Concurrently, some developed countries see the benefits of meeting this demand and start to compete with each other to attract these students. This cycle makes business sense; however, material explanations offer only limited insights. They cannot easily explain inconsistencies in the ebb and flow of student mobility between certain countries. For instance, New Zealand's Indian student numbers have been on the increase from 2006, whereas Australia has experienced a significant decline since 2009. It also does not explain why some traditional student source countries are also becoming destination countries, even while their own students are still seeking education abroad. China again is an obvious example, being the largest source of international students, hundreds of thousands of Chinese students study abroad each year, and yet, in recent years, China has itself been investing in attracting foreign students. All these challenge the simple notion of supply and demand market forces driving state responses.

While states need to respond to neoliberal globalisation, they are not powerless in choosing which path to follow. Based on constructivist principles, I argue that how states respond to globalisation is a choice shaped partly by norms and partly by material capabilities.

Chapter Two: Key concepts defined

Before proceeding with the study and analysis of the changes in international education in New Zealand, it is helpful to define the key concepts in this field and survey the related discussions/debate. This chapter includes a series of literature reviews covering the definition of key concepts: international education; export education; international students and internationalisation, and examines their inter-relationships.

International education

What is international education?

In his 1987 article “International Education: What is it? – A Taxonomy of International Education of U.S. Universities”, Stephen Arum states that the concept of international education “means different things to different people”, and that “(t)his terminological predicament has persisted for at least the past twenty-five years regarding both writing and speaking about international education” (Arum, 1987:5). He provides a broad definition of international education to include “all educational activities of any kind, (i.e., teaching, studying, doing research or providing technical assistance), involving people of two or more nations, either individually or in formal programs” (Arum, 1987:8). He then divides this general term into three more specific sub-parts: international studies, international educational exchange and technical assistance. Arum’s definition describes the *form* of international education from the perspective of institutions, particularly universities. It largely ignores the role the states play in this field.

UNESCO “understands international education as a process resulting from international understanding, cooperation and peace. International education is education for international understanding” (de Goñi, 2004:5). From a state’s perspective, this may be an aspiration, but rarely is it priority in the pursuit of international education at a national level.

Reginald Smart points out that international education “is fostered for political reasons by many outside the academic world. The end, ... creates the definition: any use of education which serves national ends in world affairs.” (Smart, 1971:449) In

May 2012, the US Institute of International Education (IIE)⁴ hosted the 2012 International Education Summit on the Occasion of the G8 (“the 2012 G8 Summit” hereafter), entitled “International Education: A Global Economic Engine”.⁵ In addition to the G8 members,⁶ a number of key players in the field of international education were invited to participate, including: Australia; Brazil; China; India; Indonesia; Malaysia; Mexico and Qatar. Each country submitted a “National Priority Statement” and a “Policy Statement” on international education to the summit, which were then published on the IIE website. The summit’s web page therefore serves as a convenient platform to analyse these countries’ different interpretations of the concept of international education through their stated priorities and goals.

Countries including France and Germany cite internationalising their higher education system as the primary goal for international education, and stress their national preference for not making profit from international students. Canada, the UK and Australia emphasise the economic contribution international education has made to their national economies. The US believes in a blend of democratic ideology and economic benefit, while China and Brazil are internationalising in a sense of catching up both in order to meet domestic demand and international standards. Suffice it to say, when pursuing international education, different countries are pursuing different goals.

Smart published “The Goals and Definitions of International Education: An Agenda for Discussion.” in 1971. The article argues that *what international education is depends primarily on its purpose*. For that, Smart lists 8 “pegs” to mark the implicit goals of international education (Smart, 1971:442-3):

1. Permeation of new ideas
2. Developing a synthesis of value systems and a world culture
3. National development
4. National political power
5. Mutual understanding and cooperation
6. Basic preparation for life in a global context
7. Developing a creative attitude toward diversity
8. Discovery of truth

⁴ IIE is a private nonprofit organisation. In collaboration with the U.S. governments, foundations and other sponsors, IIE runs programmes of study and training; including the flagship Fulbright Program and Gilman Scholarships. <http://www.iie.org> (accessed 12 Nov 2012)

⁵ This was the second meeting of this summit.

⁶ Canada, France, Germany, Japan, Russia, United Kingdom, and United States. Italy did not attend but the European Union was present.

Each of these goals implies a different definition of international education. Although the arguments under these goal “pegs” reflect their historical context, aligning definition with purpose is a sensible approach to understanding international education. Smart’s goal pegs can be classified into three goal clusters – educational; international and national - based on the primary interests of different actors they reflect. Taking into account the importance of economic benefit in international education at the present time (the G8 Summit’s title, “International Education: A Global Economic Engine” is most telling), I have introduced a new goal peg - *national economic benefit*. Table 1 below illustrates these goal clusters and their implication for the definition of international education.

Table 1: Clusters of goals for international education

Clusters of goals	Smart’s goal “pegs”	Implication for definition
Educational	1. Permeation of new ideas 2. Developing a synthesis of value systems and a world culture 6. Basic preparation for life in a global context 7. Developing a creative attitude toward diversity 8. Discovery of truth	These goals are about keeping pace with the ever changing global environment. The definition of IE, when pursuing these goals, concerns the substance or style (or both) of teaching to make it relevant to today’s world; and as such, is adopted mostly at an institutional level. (Arum’s definition refers).
International	5. Mutual understanding and cooperation	This is a goal often adopted by international organisations, which define international education as an instrument to promote peace (UNESCO’s definition refers). Within the circle of developed countries or developing countries, this can sometimes be the purpose of academic exchange and cooperation.
National	3. National development 4. National political power <i>New addition:</i> 9. <i>National economic benefit</i>	These goals are pursued against the backdrop of the developmental/ideological disparities among states. Starting from a realist stand point, states pursue one or more of these goals depending on the global environment and the domestic situation at the time. International education is considered an instrument to advance national interests.

In applying this classification to the study of national priorities at the G8 Summit mentioned before, one can see that all countries support their education institutions’ *educational goals*. After all, education is about passing on ideas and preparing the young for future responsibilities. When the world around is globalising, what is being taught and how teaching is conducted will need to reflect the current environment to be meaningful. Education institutions assume the goals in this cluster because education delivery is their core function.

International organisations champion *international goals*. Most countries aspire to mutual understanding and cooperation, however, where disparity exists, the pursuit of mutuality becomes liberal wishful thinking. Liberal thought “values individual freedom and tends to be optimistic about the potential for mutual gains in human interaction” (Thirkell-White, 2008:137). But as Smart puts it, “(T)he lamb would lie down with the lion if the reality of ‘mutual understanding and cooperation’ could be guaranteed by incessant repetition of the phrase” (Smart, 1971:453).

What really drives a state’s promotion of international education are national goals: national development, national political power and the new addition – national economic benefit.

In Smart’s view, *national development* becomes a goal when developing countries seek to increase standards of health, education and living, and are “focused on developing educational institutions based on prototypes in industrialized nations” (Smart, 1971:446). Up to the time when Smart’s article was written in the early 70s, for developed counties, international education meant the spread of Western education and was a matter of “us” helping “them”; whereas for developing countries, although receiving much needed assistance, international education was associated with a sentiment of powerlessness, including the “inevitable choice between Communist or Western domination or nonalignment – in all economic, political, and military matters” (ibid, 447). International education “which follows this broadly conceived goal of development is: to learn from others and to think with them about the application of varied national insights to the understanding and solution of the basic problems of contemporary life” (ibid, 449). Smart’s articulation of this goal is constrained by the Cold War dynamic of the time. However, while the norm he describes is no longer valid, the logic is sound. In the current context, developing countries still seek to build or enhance their national education systems and institutions through various forms of international education. The difference is that the dominant model now is largely based on payment for education services rather than receiving education as a form of aid. This is not to say that education aid programmes offered by developed countries have come to a halt, but that these tend to be very targeted and relatively small in scale. Countries, such as Brazil and China, pursue international education, in part, for the purpose of national development by paying for the education for their citizens, either from public funds or privately.

On the other side of the same coin is the pursuit of national political power by developed countries. Smart argues that international education is an important power factor in international relations. As an example, he points out that international education “contributes to American power in many ways, usually without the awareness of the students and faculty involved” (ibid, 450). This point has also been picked up by scholars of soft power, including Joseph Nye (2004). It is this soft power that a number of developed countries seek when they opt to stay clear of the profit making motives of the business of international education. Germany and France’s priorities exemplify this purpose; they are out to win the “hearts and minds” (Nye, 2004) of other global citizens.

The distinction between the pursuit of *national development* and the pursuit of *political power* is not clear cut. China, after years of dramatic economic growth, has seen a shift in its power position in the world. Although still a developing country, it has also invested in building its soft power through international education (IIE G8 Conference website). This is evidenced in its efforts to attract international students to China and the establishment of a network of Confucius Institutes throughout the world (Gill & Huang, 2006; Healey, 2008:348).

In the midst of the Cold War, Smart did not foresee the lucrative business international education would become. Globalisation has shrunk the world; English has become the lingua franca of business, politics, science, and, particularly, information technology. Economic development changes a country’s demand profile for education. In countries where the infrastructure is yet to meet this rapid change in demand, the part of the population with sufficient funds will be looking elsewhere - an international education market is thus formed. Countries that can cater to these needs alter the purpose of their pursuit in international education to economic benefit. At the 2012 G8 Summit, Canada, the UK and Australia all emphasised economic impact in their policy statements. The US came short of doing so, but acknowledged that “higher education in the United States was tied to American beliefs that democracy and economic prosperity are intrinsically linked.” For many English speaking industrialised nations (New Zealand included), international education is an important foreign currency earner. When international education is pursued for the purpose of economic benefit, how should it be understood? This question brings us to the concept of export education.

Export education

It is unclear exactly when international education started to be referred to as “export education” or “education exports”. The New Zealand Ministry of Education defines export education in a 2001 report as: “a transaction across borders involving the provision of education services in exchange for financial consideration” (MOE, 2001). Four categories of export education are recognised by the OECD and the GATS agreements (Lewis, 2005:20):

1. the cross-border supply of educational programmes;
2. direct investment in the commercial presence of an institution overseas;
3. the establishment of an institutional presence involving domestic employees; and
4. consumption abroad (where the student moves to the country of the supplier to receive education)

The last category, consumption abroad, is the most common form of export education. The OECD Figure below shows that the growth in the scale of student mobility picked up in the 1990s, and accelerated further in the new millennium (OECD, 2012:360).

Figure 1: Long-term growth in the number of students enrolled outside their country of citizenship

Australia is often considered to be the most successful practitioner in this industry.⁷ In modelling education as an export for Australia, Alan Olsen compares two top export industries (education and tourism) in the country over four decades. As one of Australia’s leading export industries, education overtook tourism in the second half of the 2000s (see figure 2). Although the industry has experienced decline since 2009, it remains ahead of tourism in foreign currency earnings. The Australian

⁷ OECD indicators suggests that apart from Luxembourg, where mobility is high due to strong integration with neighbouring countries, Australia has the highest percentages of international students among its tertiary enrolments, followed by the United Kingdom, Austria, Switzerland and New Zealand (OECD, 2012:360).

Department of Foreign Affairs and Trade ranked education services as Australia's third largest single export earner after iron ore and coal in 2010-11 (AEI, 2012).

Figure 2: Education and Tourism as exports for Australia: 1960-2010 (Olsen, 2012)

New Zealand has also experienced significant economic gains from this industry. A recent report from the newly formed Ministry of Business, Innovation and Employment indicates that international education is the fifth largest export earner for the country.

Figure 3: New Zealand export by industry (MBIE, 2012)

Applying Smart's method of defining international education by its purpose, export education constitutes a narrow interpretation of international education. When the goal of national economic benefit is pursued, international education becomes a business venture. A nation's education is thus regarded as a product or a service to sell across its borders. While the providing countries, mostly English speaking

liberal democracies, have superior education systems/products, the relationship between providing and receiving countries is no longer one of “us helping them”, but one of equal trade. Although the form of education remains more or less the same, i.e. conducted by education institutions through “teaching, studying, doing research or providing technical assistance” (Arum, 1987:8), the scale of the venture and the dynamic of its players are vastly different under this model. There is monetary incentive for the education providing states to expand this business venture; and as for the states seeking educational services abroad, now armed with the power of foreign currency, they can be much more assertive in choosing what they want, and where they go, to learn. Although development is still the developing countries’ end, the “practical problems” described by Smart in education cooperation between developing and developed nations are no longer relevant.⁸ State actors from both sides, in this instance, stand on equal terms as business partners. Is this progress in a neoliberal sense? A study of the debates on the internationalisation and globalisation later in this chapter will shed some light in this regard.

While I have discussed the role of states and institutions, the consumers of international education – international students – is another concept requiring definition.

International students

As discussed in the previous section, consumption abroad, where students move to the supplier country to receive education, is the most common form of export education (Lewis, 2005:20). International students have become the most visible physical form of international education. International students refer to those crossing borders for the specific purpose of studying. A distinction should be made between these and the foreign students who are not citizens of the country where they are enrolled, but may have resided in the country for some time, so the mobility does not occur because of study (OECD, 2012). In a migrant receiving country, such as New Zealand, a distinction should also be made between international students

⁸ These are described as such: “where such ‘international education’ involves cooperation, three practical problems are ubiquitous. The first is the unspoken, embarrassing feeling of denigration involved in always being on the receiving end. The second is the difficulty of keeping the assumptions, concerns, and needs of the donor nation subservient to those of the recipient, by granting the latter the final say about the situation, needs, guiding principles, and specific plans involved. The third is that recipients are vividly aware of the power factors involved, knowing that even if they could say ‘Yankee go home but leave your dollars,’ the Sixth Fleet would still show up if the investments seemed to be in jeopardy” (Smart, 1971:447).

and students who have migrated to New Zealand, although in some cases, the former may become migrants during the course of study.

Different segments of society naturally perceive the significance of international students differently. Education providers tend to view international students as those who pay high international fees; whereas the teaching professionals usually do not distinguish international students from migrant students, as they are both from different language and cultural backgrounds and present the same challenges in teaching. For the wider society not directly involved in the education industry, there are also those who only differentiate students on a racial basis. As the majority of international students in New Zealand come from Asian countries,⁹ the image of an international student in people's minds, more likely than not, is Asian. This may not be the case in other countries. For instance, the face of international students in France can be the French speaking Africans.

To add to the confusion, as will be discussed in the next chapter, international students have not always paid a different fee to domestic students; and in older data, the terms “overseas student” and “foreign student” were also in use. This thesis adheres to the OECD definition that international students are those students crossing borders for the specific purpose of studying.

Definitions aside, the perception and expectations of international students have evolved over the past few decades. These will be studied in more detail in the next chapter.

Internationalisation

Internationalisation has become a buzzword in the field of international education since the 1980s, particularly in higher education. As Brandenburg and De Wit put it, it has “moved from the fringe of institutional interest to the very core.” The definition of “internationalisation”, however, is not clear cut.

Defining internationalisation

In her 2004 article “Internationalisation Remodeled: Definition, Approaches, and Rationales”, Jane Knight describes the evolution of this concept, which I summarise in Table 2 (Knight, 2004:9-10).

⁹ MOE statistic indicates that Asian students consistently take up over 70% of New Zealand's international student population (MOE, 2012).

Table 2: The evolution of the internationalisation concept

No.	Time	Definition	Source	Knight's critique
1	late 1980s	The multiple activities, programs and services that fall within international studies, international educational exchange and technical cooperation.	Arum and van de Water, 1992:202	Commonly defined at the institutional level and in terms of a set of activities.
2	mid-1990s	The process of integrating an international and intercultural dimension into the teaching, research and service functions of the institution.	Knight, 1994:7	Internationalisation was a process that needed to be integrated and sustained at the institutional level.
3	1997	Any systematic effort aimed at making higher education responsive to the requirements and challenges related to the globalisation of societies, economy and labour markets.	Van der Wende, 1997:18	Positions the international dimension in terms of the external environment, specifically globalisation, and, therefore, does not contextualise internationalization in terms of the education sector itself.
4	2002	A change process from a national higher education institution to an international higher education institution, leading to the inclusion of an international dimension in all aspects of its holistic management in order to enhance the quality of teaching and learning and to achieve the desired competencies.	Soderqvist, 2002:29	Embeds rationales, demonstrates an evolution of the definition at the institutional level but, has limitations as a comprehensive definition.
5	2003	The process of integrating an international, intercultural or global dimension into the purpose, functions or delivery of post-secondary education.	Knight, 2003:2	Working definition applies at the national/sector/institutional levels. Acknowledges that the international dimension relates to all aspects of education and the role that it plays in society.

Knight's working definition (Table 2, Concept No.5) stresses that internationalisation is a process, which implies an ongoing and continuous effort. This has been widely accepted in discussions related to the internationalisation of higher education.¹⁰ Other versions tend to define internationalisation primarily from the institutions' standpoint, and therefore are not particularly helpful for this thesis. One exception is Van de Wende's 1997 definition (Table 2, Concept No.3). Although this was criticised for only positioning "the international dimension in terms of the external environment" and therefore "does not context internationalization in terms of the education sector itself" (Knight 2004:9), for analysis at a national level, this definition provides a useful insight. Overall, the consensus is that the responsibility of internationalisation rests on educational institutions, particularly in the tertiary education sector.

¹⁰ See: Welch, 2012:302, Gürüz, 2011:173, Healey, 2008:333, Teichler, 2007:268, and Yang, 2002.

Cross border education has existed as long as there have been universities. As Healey and Yang put it, many of the ancient European and Asian learning institutions were “born global” (Healey, 2008, and Yang, 2002). Why, then, has internationalisation been so talked about in the past three decades? In Van der Wende’s definition, international education is “any systematic effort aimed at making higher education responsive to the requirements and challenges related to the *globalisation* of societies, economy and labour markets” (Knight 2004:9). The pursuit of internationalisation hence needs to be understood against the backdrop of a world becoming increasingly globalised. The next section looks at globalisation as the external context for internationalisation and the debate of the relationship between globalisation and internationalisation in higher education.

Debate on internationalisation and globalisation

Like internationalisation, globalisation is a process - a process of the intensification of globalism (Nye & Donahue, 2000)¹¹ - or a trend of identifying the planet, the world as a whole, as a site of social relations (Scholte, 2005).

While globalism existed long before the technological advances of recent times, the manifestations of global connectivity have reached unprecedented levels during the past half century (ibid). Nye and Donahue differentiate four dimensions of globalism “according to the types of flows and perceptual connections that occur in spatially extensive networks”: environmental globalism; economic globalism; military globalism and social and cultural globalism (Nye & Donahue, 2000:3). Globalisation, however, is most commonly talked about in the narrow economic terms of globalism at present time.¹² The narrow interpretation of globalisation has given it a commercial flavour, which, in the debates that take place within higher education, has made it a less favourable concept.

Jane Knight states that “globalization and internationalization are seen as very different but related processes”; and that, “globalization is positioned as part of the environment in which the international dimension of higher education is becoming more important and significantly changing” (Knight 2004:8). In higher education, state funding for public institutions decreased as neoliberal globalisation’s

¹¹ Nye and Donahue define globalism as a state of the world involving networks of interdependence at multicontinental distance. Globalisation and deglobalisation refer to the increase or decline of globalism (ibid).

¹² Also see Welch, 2012; Healey, 2008; Yang, 2002, etc.

deregulation and marketisation doctrines took hold, particularly from the 1990s. “Education for trade” represents the states’ adoption of a neoliberal response to globalisation in the field of international education. Many scholars debate the type of relationship between internationalisation and globalisation, some adopting an anti-globalisation stand, equating internationalisation with “good”, globalisation with “evil” and resisting the operation of education institutions as businesses; whereas others call for a more measured and realistic view of these two concepts (these are detailed in the remainder of this section). Globalisation, when narrowly interpreted in economic terms, is often considered the key driver behind the commercialisation of education. The debate between internationalisation and globalisation hence sheds light onto the attitudes, by academia, towards the norm of “education for trade” which currently prevails in higher education.

Anthony Welch believes that the prime indicators for internationalisation and globalisation are fundamentally different. For internationalisation, these consist of “evidence of genuine mutuality and reciprocal cultural relations within university internationalisation activities” (non-commercial activities); and for globalisation, commercialisation within international programmes and activities, particularly evidence of entrepreneurialism (Welch, 2012:303). He argues that the forces of globalisation and internationalisation are intertwined, and in particular, the latter is increasingly being shaped by the forces of global capital, or economic globalisation (ibid, 310).

Studying the current state of international education in Australia, Welch believes that entrepreneurialism has “the *capacity* to damage the quality and reputation of both systems and institutions of higher education” (Welsh, 2012). He observes that in an era of global economy, education is increasingly treated as an engine of national and international competitiveness; the genuine cultural exchange based on values of reciprocity and mutuality has largely been obscured by Australia’s opportunistic approach to internationalisation. His study points out a number of acute risks associated with the commercialisation of higher education, which he offers as “lessons from the antipodes” (ibid). The underlining implications of Welch’s view appear to be that the consequences of an opportunistic and poorly regulated entrepreneurialism are dire, and that the commercialisation of higher education in Australia has gone too far.

Nigel Healey draws parallels between the globalisation of business and higher education, using the “Uppsala internationalisation model” of incremental process.¹³ The advance of internationalisation in higher education follows this pattern through the four steps described below (Healey, 2008:335):

- 1) *exporting education* (enrolment of international students);
- 2) *licensing production* (franchising, the 1+2; 2+1 or 3+0 model)
- 3) *joint ventures* (the third wave – establishing offshore branch campuses); and
- 4) *sole ventures* (wholly owned offshore private for profit institutions)

Healey points out that the primary motivation for the move from export education to franchising (and latterly joint and sole ventures off-shore) is to reach new markets abroad, or at least to maintain existing shares of foreign markets. For universities in the “Main English-Speaking Destination Countries” (MESDCs)¹⁴, it is more ‘profitable’ to exploit their ownership-specific advantages in an overseas market than in its domestic market, because off-shore capability increases the size of their markets, by making their products accessible to a wider population who cannot afford (or are not inclined) to study on the home campus. As such, the path of internationalisation of higher education makes good business sense.

Healey observes that “(i)t is widely believed that the higher education is internationalising in the same way as multinational corporations, moving along the Uppsala sequence from exporting to franchising, with the third wave being the establishment of off-shore campuses” (ibid, 353). The difference, he argues, is that the driver for universities to internationalise their student bodies has little to do with the exploitation of commercial opportunities to maximise global revenue, but everything to do with government interventionism (ibid). On the supply side, it was the combination of declining public subsidies for domestic students and the deregulation of tuition fees for international students, which made international students such an attractive market for MESDC universities. And “the deregulation of domestic tuition fees and the freeing of universities from state control could well lead to a scenario in which many universities begin to retreat from internationalisation and a return to their ‘core activities’ of research and teaching domestic students” (ibid, 354). On the demand side, when “the higher education sectors in developing

¹³ The four steps of the Uppsala model are: 1) exporting; 2) licensing production; 3) joint ventures, and 4) sole ventures (Healey, 2008:335).

¹⁴ These are: Australia, Canada, New Zealand, the United Kingdom and the United States (Healey, 2008:335).

countries scale up and consumers become more sophisticated, it is likely that demand to study abroad, particularly at the lower status universities now so dependent on international students, will decline rather than continue to grow at recent rates” (ibid, 354). Hence, he concludes that current trends of the internationalisation of higher education are unsustainable in the medium term.

Healey’s interpretation puts the current trend of internationalisation as “primarily a product of distortionary government policy” (ibid), a result of unbalanced execution of globalisation’s doctrines. He predicts that “if pressure to deregulate domestic tuition fees reached the point where this became politically acceptable, this would overnight reduce the attractiveness of international students” (ibid, 353). The past 20 years’ dramatic growth in export education will be merely a transitory “blip” (ibid), and give way to a much more modest underlying trend.

The accuracy of Healey’s prediction is debatable, he has, however, made a strong case in demonstrating that market forces alone does not satisfactorily explain the way in which the export education industry has evolved and how it works today. Universities are inherently international as faculty and student mobility existed during their early days as religious seminaries in the 15th and 16th centuries (ibid, 334). If left alone to conduct their core function of teaching and learning, instead of being forced to make up the shortfall in funding, internationalisation will continue in terms of the exchange of research, pedagogies and faculty as well as of international students.

Rui Yang studies the concepts of both globalisation and internationalisation, aiming to demonstrate that “globalisation is an extension of historical imbalances linked to Western colonialisation and dominance”, while “internationalisation has the potential to create more equitable relations.” (Yang, 2002:81) Critical of the process of globalisation, Yang’s negative views derive from the unequal exchange under globalisation and from the phenomenon that education is increasingly treated as a business.

Yang admits that “today’s market-driven globalisation, with its push for commercial interest that protects profit, not people, is unstoppable on a world scale” (Yang, 2003:272). Keohane and Nye believe that globalisation is accompanied by increasing gaps and it does not imply homogenisation or equity (Keohane and Nye, 2000:2-3), however, the question is not “will globalization be governed? – but rather, how will globalization be governed” (ibid, 2000:1)? The absence of a counter, or

balancing, approach to globalisation in Yang's analyses while being highly critical of it leads to an overly pessimistic view of the current state of international education.

Brandenburg and de Wit admit that there exists a sentiment that internationalisation is "good" and globalisation is "evil", and "lament about the loss of real mobility and the commercialization of higher education in general and its international component in particular" (Brandenburg and de Wit, 2011:16). However, they also point out that the future of higher education is a global one and a greater sense of reality is required. "We cannot continue to assume that certain types of mobility and other international activities (such as exchanges and study abroad) are good in themselves and that other types (such as recruitment and transnational education) are bad. We have to dig deeper, place the options within a new set of values and rationales, and ensure that we really achieve what is meaningful" (ibid). They point out that the core role of the university is: "to help understand this world and to improve our dealing with it", and suggest leaving "the old concepts of internationalisation and globalization and move on to a fresh unbiased paradigm" (ibid, 17).

Ulrich Teichler observes that since the mid 1990s, the term "globalisation" has been substituted for "internationalisation" in the public debate on higher education, and the trend towards greater use of the term "globalisation" is indicative of the extent to which the public debate on higher education is currently absorbed by issues of managerialism and resource acquisition (Teichler, 2004:23). He calls for actors in higher education systems to "raise their views above the operational issues and address the substantive 'international' or 'global' mandates of higher education" (ibid, 24). This means asking "substantive questions about the need of social cohesion on the globe or the ecological survival."

In summarising existing research on internationalisation in higher education in 2007, Kehm and Teichler note that internationalisation activities of higher education institutions are less strongly driven by the political and societal *Zeitgeist* than could be expected and public debates might imply (Kehm and Teichler, 2007:270). In their view, debates about the paradigm of competitive globalisation are centred on the question of whether and how much internationalisation policies and strategies of international organisations, governmental bodies, and institutional management are based on educational and knowledge-related meritocracy or whether such policies and strategies are trying "to sell" particularistic advantages to their respective groups of stakeholders (ibid, 271). A complete substitution of the paradigm of cooperative

internationalisation by the paradigm of competitive globalisation has not occurred, although public debates and a substantial body of research about internationalisation of higher education have been shaped by such a polarisation (ibid).

Jane Knight's following observation sums up the relationship between these two concepts: "Internationalization is changing the world of higher education, and globalization is changing the world of internationalization" (Knight, 2004). Van der Wende also considers globalisation as one of the main driving forces of the internationalisation of higher education. Quoting Scott, she suggests: "Not all universities are (particularly) international, but all are subject to the same processes of globalization—partly as objects, victims even, of these processes, but partly as subjects, or key agents, of globalization" (Van Der Wende, 2007:274).

There is an agreement amongst the authors above that globalisation is the external environment that higher education institutions and their internationalisation have to operate within. However, the attitudes towards this environment, views on what internationalisation should look like, and how institutions should react to this environment vary. Furthermore, these debates are primarily from the stand point of academia, and state interests are rarely the focus of the discussion.

Summary

As discussed above, key concepts in the field of international education are not static. The definition of international education depends on the particular purpose that the state is pursuing; the concept of "export education" represents a narrow interpretation of international education when the overall goal adopted is national economic benefit. The identity and perception of international students have evolved over time and the debate on the internationalisation of higher education reveals vastly different views on the role of educational institutions, particularly universities.

Van der Wende observes that "internationalization is a process more readily steerable by governments than is globalization" (Van Der Wende, 2007: 275). Responding to globalisation as well as to national interests, the definition of international education; the activities carried out at the institutional level; as well as the source and identity of international students varied accordingly. Figure 4 below is an attempt to illustrate how the key concepts discussed in this chapter relate to each other, and how they fit within the greater external environment of globalisation.

Figure 4: Relationships among key concepts

The process of defining these concepts not only helps to understand the relationships among key actors in international education and the changes that have taken place during the past few decades; but also to introduce the discourse used in this field. New Zealand's international education has been through a significant shift in its purpose in the past sixty years. Suffice it to say, the definition of New Zealand's international education today, i.e. as export education, is vastly different from what it was in the 1950s and 1960s. The next chapter explains this shift, and studies the international and domestic political, economic and social factors that influenced the change during this time.

Chapter Three: International Education in New Zealand

- From aid to trade

"The exchange program is the thing that reconciles me to all the difficulties of political life. It's the only activity that gives me some hope that the human race won't commit suicide, though I still wouldn't count on it."

James William Fulbright

The developmental path followed by New Zealand's international education has brought us to the lucrative export education industry of today. How we got to this point is the main focus of this chapter. The trajectory of this development is studied in three stages: the international education for aid era (1950-60); the cost recovery debate era (1970-80); and the international education for trade era (1990-current). Understanding the events, international and domestic, that shaped the transition from one stage to another will help to identify the drivers that influenced the fundamental shift from international education for aid to international education for trade, and answer the question on whether or not this shift was "inevitable".

Education for aid (the 1950s and 1960s)

After the Second World War, the Bretton Woods system liberalised international trade and investment. Jeffrey Frieden describes the spirit of the Bretton Woods Agreement as: "international integration tempered by government concerns for national constituencies; markets tempered by social reforms; American leadership tempered by Western cooperation" (Frieden, 2006:279). These compromises delivered economic growth and low unemployment for the advanced capitalist countries and "oversaw the most rapid rates of economic growth and most enduring economic stability in modern history" (ibid, 300).

This economic success was accompanied by "a sweeping extension of the public sector" (ibid). Many of the industrialised nations became welfare states and coalesced. By 1961, the "First World" of rich democratic welfare states formalised their club as the Organization for Economic Cooperation and Development (OECD) (ibid, 279). These wealthier societies tended to be generous with their social policies, forming social safety nets which in turn reduced the uncertainties of global

market conditions and helped neutralise an important source of potential opposition to liberalisation.

Politically, the world was divided into two ideological camps after the war: the American and British led “free world” and the Soviet led communist bloc. The early 1950s saw the socialist world expand from the centre of Europe to the Pacific and socialism was perceived as a serious rival to capitalism.

In the New Zealand context, the post war economy fell in what Geoff Bertram describes as the second era in the economic history of New Zealand in the twentieth century – the “insulation and industrialisation” era (Bertram, 2009:540-1)¹⁵ – where the state provided protection and support for growing manufacturing and construction sectors and oversaw a set of income-redistributing mechanisms that sustained a strong internal market. During this time, the New Zealand economy was more inward focused; however, the commodity boom and full employment had resulted in the country enjoying the highest standards of living in the world (Capie, 2009:588).

In this economic and social environment, education was considered a “public good” as it implied benefits to society as a whole, over and above the private benefits enjoyed by the graduates. Full employment in the labour market meant that those who chose to undergo higher education did so at the cost of their loss of income; however, the spill over benefits to society were significant.¹⁶ To encourage participation, since 1945, the government has “publicly subsidised higher education either by directly providing tuition at below cost through state-owned institutions or by paying subsidies to private providers to expand university participation to what is regarded as a socially optimal level” (Healey, 2008:344). As a welfare state, in addition to fees subsidies, other social benefits were also in place to alleviate financial concerns when considering studying.

In foreign affairs, the Second World War had forced New Zealand to be more active in dealing with states outside the British Empire. Although ties with the United Kingdom remained strong, New Zealand had to build new allies and fought for the decolonisation in the Pacific. From the 1950s onwards, Asia was considered the key battleground in the Cold War struggle. Despite the opening of a number of New

¹⁵ The era covered a period from around 1935 to the 1970s (Bertram, 2009).

¹⁶ These include “increased tax revenues, greater workplace productivity, increased consumption, increased workforce flexibility, and decreased reliance on government financial support” (Healey, 2008:344).

Zealand diplomatic posts in the region (Singapore, Malaysia, India, Thailand and Indonesia), Asia was still seen as “somewhere to keep away: different, exotic and dangerous” (Capie, 2009:588).

It was against this backdrop that international education emerged. What was its purpose and how did the actors relate to each other? Nigel Healey notes that for much of the post-war period, many governments viewed the recruitment of foreign students to their domestic campuses as, at best, a form of international development policy and, at worst, a tool of strategic foreign policy. Both of these motives existed concurrently in the context of the well known Colombo Plan.

Realist motive, liberal execution—the Colombo Plan

The Cold War, particularly during the early stages, was a war of “hearts and minds” (Finnemore & Sikkink, 1998:887). The US and UK governments as well as the Soviet Union used scholarships to attract foreign students to their universities, particularly the children of the political elites in developing countries. This was considered an inexpensive way of securing the future loyalty of client states (Healey, 2008:334).

Along with a cohort of post war international and regional organisations, the *Colombo Plan for Cooperative Economic and Social Development in Asia and the Pacific* was launched in 1951 as “a cooperative venture for the economic and social advancement of the peoples of South and Southeast Asia”. Its flagship, the Long-Term Scholarship Programme (LTSP) was a hallmark of the Colombo Plan during its early years until 1989. New Zealand was one of the seven founding members and had played an active role in the LTSP from its inception until the 1980s (the Colombo Plan website). The LTSP was granted such a high profile that it overshadowed the Colombo Plan’s other activities, and is remembered as being synonymous with “the Colombo Plan”, a term which is used to describe a period in the history of international students in New Zealand. The public simply remember the Colombo Plan as an initiative that brought Asian students to New Zealand.

Tarling attributes the Colombo Plan as “actual” as well as “symbolic” (Tarling, 2004:9). It represented a “collection of attitudes and practices in international education”. It was a form of aid to selected developing countries, particularly in technical education; and it emphasised bilateral relationship. The relationship between New Zealand and the sending countries are thought to have been made

personal through the programme, with New Zealand is itself learning from these relationships, and benefiting short and long term from the contacts established (ibid).

It is unclear exactly how many students came to New Zealand under the Colombo Plan.¹⁷

Tarling accounts for the annual intake in the 50s and 60s to be in the low hundreds. Key sending countries included Malaysia, Singapore, Thailand, Indonesia, Vietnam, the Philippines, India, Pakistan, Nepal, and Ceylon. By June 1965, there were about 1900 overseas students

in New Zealand, including those on New Zealand government programmes, UN scholarships, and those funded by sending countries' own governments as well as privately funded students (ibid, 22).

In a speech to mark the tenth anniversary of the Colombo Plan, the then Prime Minister Keith Holyoake expressed his appreciation to the New Zealanders who helped to “make the sojourn of the students both fruitful and enjoyable”. He also stated that it was “through personal contributions of this nature that the ties of friendship and cooperation between New Zealand and the countries of South-East Asia are strengthened in the most lasting way, and a real community of international understanding is achieved” (ibid, 19). However, behind this idealism that the Colombo Plan had both “showed and generated”, Tarling points out that realism was clearly evident from the start: the Colombo Plan was initially “part of a larger strategy, designed to bring the non-communist powers together and interest the US in their fate” (ibid, 12). The purpose of international education in New Zealand, during this period, was largely to pursue the goal that Smart labels as “national political

Colombo Plan students from Thailand and Malaysia view the city of Wellington in the 1960s.

Image source: Te Ara—The Encyclopedia of New Zealand

¹⁷ The anniversary publication by New Zealand Ministry of Foreign Affairs and Trade - The Colombo Plan at 50, A New Zealand Perspective - states that “several thousand students (the precise number is not known as the records have been lost) came from around the Colombo Plan region to study in New Zealand between the 1950s and the 1970s”.

power” (Smart, 1971). The Government played an important role in funding, selecting the students as well as influencing their fields of study.

The New Zealand government at the time promoted as well as celebrated the Colombo Plan as a model for international education success. As Tarling puts it, from the government’s point of view “it was simpler to think in terms of aid and goodwill, while at the same time rather strenuously trying to avoid a patronising tone by stressing mutuality” (ibid, 20). This norm, however, “took root and rather stood in the way of changes later governments sought to promote” (ibid).

Education institutions, during this period, embraced the diversity that the Colombo Plan students brought to their campuses. By the late 1960s, however, a number of cost associated concerns arose, most of which were related to the limits in education facilities available to the institutions. Although these concerns were raised within the context of Colombo Plan (ibid, 23), the number of students under this programme was not significant. The education capacities in New Zealand, particularly in higher education, were in fact challenged by two other factors: 1) as the victim of the government’s own success in encouraging university participation under the “education for public good” philosophy, domestic tertiary education participation increased; 2) the success of the Colombo Plan had unintentionally attracted another cohort of international students: the self-funded private students from the Colombo Plan participating countries. The latter, although not “aided” in the same way as the Colombo Plan students, paid the same fees as New Zealand domestic students, hence benefited from the heavy government subsidies. When capacity became an issue, priority was naturally given to domestic students, where education was an entitlement of every citizen. The “good will” of educating foreign nationals outside the aid programme (i.e. outside the established purpose of international education to advance national political power and outside the government’s control), had come into question.

Before examining debates in the following two decades about New Zealand’s obligation to and the expectations of this group of students, it is worthwhile having a closer look at the characteristics of these self funded international students -- who they were, why they came to New Zealand and what role they played in the development of New Zealand’s international education.

The case of Malaysian Chinese

During the 1950s and 1960s, despite the overwhelming profile of the Colombo Plan as mentioned before, not all international students entered New Zealand under this programme. In fact, in the late 1960s, of the over 2000 international students in New Zealand, only around 600 were Colombo Plan students. Others were either funded by the sending countries' own governments or self-funded. Collectively, these two groups were categorised as "private overseas students". The latter soon formed the majority of the international students in New Zealand. The largest single group of the self funded students were the Malaysian Chinese (Tarling, 2004:23-30).

During this phase of international education history, no marketing was employed to attract international students. Word of mouth was the most likely channel that the students came to know about studying in New Zealand. The push factor in the case of Malaysian Chinese was the frustration they experienced in Malaysia due to racial inequity; and the pull factor was the welcoming environment and the inexpensive education New Zealand had to offer. The lack of marketing and the unplanned nature of the flow of this group of students suggested that the push factor was stronger than the pull factor in this instance.

At the time of Malaysia's independence in 1957, the Malay and the Chinese, the two largest ethnic groups, "agreed to the indigenous Malays' domination of the government in exchange for citizenship for the immigrant, economically-dominant Chinese and Indian communities" (Rogers, 1972:169). Malay political hegemony was established and many favourable policies to the Malays were introduced (ibid). Following the 1969 riots, Malaysia introduced affirmative action policies to help the Bumiputra (Malays and indigenous people) achieve economic equality with the wealthier Chinese. Preferential university entry for Bumiputra made it harder for ethnic Chinese to enter Malaysian tertiary institutions. As a result, many left for higher education overseas, and some came to New Zealand universities (Te Ara website and Butcher, 2008). Within the New Zealand institutions, there was "a sense in which New Zealand was giving an opportunity denied at home, ..., something government-to-government programmes like the Colombo Plan could not do" (Tarling, 2004:31).

If the Colombo Plan was following the realist approach of pursuing *national political power*, the liberal dressing it used to disguise this motive had worked its way into the psyche of the society that New Zealand had a role to play in assisting its less

fortunate neighbours. The characteristics of the private overseas students at the time and their relationship to New Zealand were summed up by Tarling as such:

The perhaps somewhat paternalist sympathy and the goodwill that the Colombo Plan evoked and developed were extended to categories of students it hardly covered: in that sense characterising the period with the words 'Colombo Plan' is justified. Overall numbers were relatively small, by contrast to those of today's full fee-payers. Given the then patterns of migration, also very different from today's, the students were seen as a distinctive addition to New Zealand society as well as to its universities" (Tarling, 2004:31).

Little wonder Butcher observes that many of the Asian students who studied in New Zealand during this period "appreciated the social and educational opportunities they were given. Their experiences in New Zealand were genuinely life changing and set them on a path to influence in their home countries" (Butcher, 2008:237).

At the state level, although not officially recognised as aid, this movement pattern of Malaysian Chinese students was acknowledged by the governments from both sides. During an official visit to New Zealand in 1975, the Malaysian Prime Minister Tun Razak, "expressed appreciation for the education and training New Zealand had provided"; and New Zealand Prime Minister Wallace Rowling "assured him that it had been pleased to assist and had itself benefited" (Tarling, 2004:59-60). By then, about half the overseas students in New Zealand were Malaysian, and the demand was rising (ibid).

The inflow of Malaysian Chinese from the early 1960s was an unintended spinoff from the actual Colombo Plan. The benefits enjoyed, in terms of mutual understanding and internationalisation, were more of a side effect rather than the result of the government's active pursuits. Operationally, there was an absence of government involvement. For the private overseas students at the time, there were relatively few bureaucratic obstacles to entering New Zealand's education system. The "open entry" and "common entry"¹⁸ that New Zealand students enjoyed also applied to this group of students. It is this liberal goodwill of a society which

¹⁸ "Open entry" refers to the policy that all those qualified for entry to university had a right to go to university, except for some 'special schools' where provision was especially expensive, and restriction in numbers were allowed with University Grants Committee (UGC)'s approval; "common entry" refers to the policy that the same qualification for entry, set by the Universities Entrance Board, such as UE, UEB and ad Eundem, was required at each of the institutions (Tarling, 32-33).

assumed responsibility to protect the vulnerable that greatly enhanced New Zealand's reputation during the Colombo Plan period.

As the domestic participation in higher education grew, New Zealand universities started to feel the strain of the "open entry" policy, one that Tarling describes as "a provision politically impossible to abandon, and only economically feasible provided that not everyone exercised their right" (ibid). In solving this problem, attention had turned to overseas students (particularly the Malaysian Chinese, which stood out as the single largest group) from the late 1960s and triggered a debate that lasted for almost two decades.

Summary

In summarising the history of internationalisation, Knight and de Wit observe that, after World War II, and particularly during the 1960s and 1970s, the third world had unwittingly become the "battlefield of international academic cooperation". The USSR, the US, followed by Western Europe, Canada and Australia, "saw the developing countries as an important region for expanding their political and economic power", and moved large development funds into higher education in Asia, Latin America and Africa. North-South relations dominated internationalisation strategies in higher education. This relationship was a "one-way relationship with different aspects: student flows from South to North, faculty and funds from North to South; and with great impact, both negative (brain-drain) and positive (better understanding and knowledge) (Knight & de Wit, 1995:8-9).

The Colombo Plan was established first and foremost for the pursuit of national interest. Underpinned by a power struggle between the two camps of the Cold War, the purpose of New Zealand's international education during this period was largely to serve *national political power* through alliances with other western democracies with an interest in the Asia-Pacific. However, the close contact between the East and the West at a personal level accompanied by the flow of international students romanticised international education. The novelty of an Asian presence (at this stage still small in number) in the previously isolated New Zealand institutions and a migration society adhering to a white New Zealand immigration principle had made international students "objects of interest, sympathy and curiosity, not of resentment or fear" (Tarling, 2004:13). As a British official put it in 1959, the Colombo Plan "was not merely 'popular' in South and Southeast Asia, but has now acquired some

kind of emotional response, and the same is true of many Western countries” (ibid, 12). The execution of the Colombo Plan’s in the 1950s and 1960s and the hospitality extended to private overseas students reflected the liberal idealistic spirit of the time.

During this period, the roles of key actors in the field of international education were very different from the norms of today. There were two active advocates for international education: one was the state (in the case of the Colombo Plan scholarship scheme) that pursued international education for the purpose of national political power; and the others were the private overseas students (mainly the Malaysian Chinese), who sought opportunities that they had been denied in their home countries. Another actor in the field of international education, the education institutions (mainly universities at this stage), were the executors of the educational programmes, although enjoying (the diversity of cultures in campus) as well as enduring (extra effort required in conducting the programmes) the process, they were operators, not decision makers.

By travelling to New Zealand to study, the international students and New Zealand (including the education providers and the communities) were bound by a guest/host relationship (Jakubowicz and Monani, 2010:12).¹⁹ The hospitality offered by the host was conditional as the intention was that the students would come and learn then go back to serve their home countries.

Derrida argues that the guest/host relationship requires arrangements of reciprocity. However, this reciprocity does not mean equality - the host has more power than the guest: he lays out the acceptable circumstances, while the person who wishes to become a guest accepts them; the host can withdraw or modify his hospitality, but the guest can only really overwhelm the host, or leave. In proposing hospitality, the host is assumed to have the power and capacity to uphold the conditions of the reciprocal agreement first encountered when the hospitality was initially negotiated (ibid). International students during this era, both scholarship recipients and private students, were “expected to be grateful for the gift bestowed, and to take the gift as the giver has intended, within the giver’s protocols, and return to their own countries where they will implant the values and the capacities they have gained” (ibid). The only difference is that the scholarship students were officially chosen and invited under an established programme with clearly stated conditions; whereas private students were something of “party crashers”, making their own way here and getting

¹⁹ Quoting the work of French Social philosopher Jacques Derrida.

in when the door was open. When there was still enough room at the party, it did not bother the host; however, when space became an issue, the hospitality could be modified or withdrawn all together. And the first target would be these “party crashers.”

The next phase in New Zealand’s international education started when the economy slowed; the generous hospitality that was on offer quickly came under question.

To charge or not to charge? (The cost recovery debate)

The post World War II compromise of welfare states and the moderate liberal international economic policies was successful until the early 1970s. The Bretton Woods order had achieved the goals of its architects; however, over time, economic integration challenged national demand management. The import-substitution industrialisation (ISI) had led to periodic crises and greater inequality. After 1973 these accumulated tensions come to a head. Growth in the advanced capitalist countries slowed to half its post war rate for over a decade; unemployment doubled then tripled; inflation went to three or four times the post war average, and the price of oil, the industrial world’s lifeblood, rose ten-fold (Frieden, 2006:363). In 1974 and 1975, the world plunged into the deepest recession since the 1930s and as the situation continued, governments everywhere faced insistent demands that something be done (ibid).

The global economic slowdown was felt in New Zealand; this, coupled with the British decision to end protection for New Zealand exports, contributed to a situation Capie describes as such: “the prosperity of the 1950s and 1960s was replaced with a deteriorating balance of payments, high inflation and unemployment” (Capie, 2009:591).

In the meantime, the post war policy of government subsidies to encourage higher education participation had succeeded. Between 1965 and 1970, the growth rate in domestic participation in higher education was over 50 percent.²⁰ The growth in the number of international students, however, was even more significant. For the same period, the number of both aided and private overseas students had grown by close to

²⁰ According to Tarling’s statistic, in 1965, there were 20,269 students at New Zealand universities; in 1967, 24,431 and in 1970, 31,500 (Tarling, 2004:35).

120 percent.²¹ At the institutional level, signs of strain started to appear in the latter part of the 1960s.

The warm welcome extended to overseas students began to wane at the end of 1960s. The concerns initially stemmed from the growing shortage of accommodation that had led to restrictions in enrolments by qualified New Zealand students. The discontent regarding overseas enrolment was clear in the University Grants Committee (UGC)'s annual report in 1969:

They (universities) "may well be compelled to consider how far they can go in admitting private overseas students if qualified New Zealand candidates have to be refused places. The New Zealand taxpayer meets most of the cost supporting the universities and it would not be unreasonable for him to insist that, if what he pays for is in short supply, it should be made available to his own children before being offered to overseas students who wish to come here at their own expense and without any official sponsorship. It need hardly be pointed out that these students and their families contribute virtually nothing as taxpayers toward the cost of our universities" (Tarling, 2004:35).

The philosophy at the time was that, domestically, higher education was a public good and was the right of every New Zealander. When it came to educating foreign students, the purpose was to serve foreign policy goals and New Zealand's developmental obligations. This attitude towards overseas students was evidenced in Cabinet's vote against a substantial reduction in Colombo Plan aid in 1968 (Tarling, 2004:33). However, the private overseas students had since come into the spot-light as they did not directly fit into either category. Furthermore, as mentioned earlier, the majority of this group of students were from one single country and one single ethnic group – the Malaysian Chinese. Many of them did not return to Malaysia after completing their study, hence the grounds for taking them as indirect aid were also shaky (ibid:58).

The way forward was initially one of attempting to contain the growth of student numbers.

²¹Tarling's data indicates that, in 1965, there were 1019 overseas students, accounted for 5.02% of the total university population; in 1967, 1316 and 5.5%; and, 1970, 2229, 7.07% (ibid).

Ways of containment

As a first step, universities started to tighten up entry requirements for private overseas students on the grounds of academic as well as English language ability, “both to control the numbers ... and to improve the success rate” (Tarling, 2004:34). In 1970, an English language test²² was introduced as part of the entry requirement; and in the subsequent year the University Entrance Board set out the requirements in the Cambridge Higher School Certificate and the General Certificate for Education (ibid, 35). Growth, however, continued. In 1972, there were 3,400 overseas students in New Zealand.

The notions of charging private overseas students fees at an economic level appeared on a number of occasions during this time.²³ Although not receiving general support, the view was expressed and would re-surface from time to time throughout the 1970s.

Around the same time, the paternalistic view of higher education also started to be questioned. The increases in higher education participation challenged the conventional wisdom of the 1950s and 1960s; it cast doubt on the need in practice for public subsidies to encourage the uptake of higher education, when the private benefits had out-weighed the private costs. The increasing number of students in higher education put a huge strain on government budgets. Opponents to free tertiary education also argued that this publically subsidised arrangement risked leading to a regressive redistribution of income, as university graduates are disproportionately drawn from the higher socio-economic groups of society, and “helping the well-off obtain a higher education when many of them already manage to do so without government help does not make sense economically” (Healey, 2008:345). However, the “user-pays” advocacy was met by the government’s insistence on the ‘open entry’ policy. Tarling recounts an Educational Priorities Conference in 1972, where A.D. Brownlie advocated “user pays”; however, the then new Prime Minister John Marshall opened the conference by invoking “open entry”, citing his own educational experience despite having neither money nor influence (Tarling, 2004:48).

²² Language Achievement Tests for Overseas Students (LATOS).

²³ In 1969 and 1970, Tarling’s record shows that this appeared at meetings at Victoria University of Wellington; New Zealand Vice Chancellors’ Committee; and the Press. Suggested amount of the fees varied from two to four times the domestic fees. The Treasury had also persistently pursued cost saving, one of the approaches it recommended was to charge foreign students higher fees (Tarling, 2004).

In the 1970s, challenging the established norms that domestic education was a public good and international education was a form of aid was not easy. So when participation numbers in both cases unexpectedly increased, and the government's capacity to accommodate both was found to be unsustainable, the response the government chose was a quota based system both to contain overall numbers and to control the distribution of international students by source countries.

This quota system was eventually introduced in 1976, with an unpublicised reason: concerns regarding the dominance of Malaysian Chinese in the overseas student population. This concern was shared by the governments on both sides. From the New Zealand perspective, the containment of overseas student numbers needed a starting point, and this group of students, almost all private with a significant proportion remaining in New Zealand after their study,²⁴ did not neatly align with New Zealand's foreign policy and developmental goals. Limiting the size of this cohort would certainly bring down the overall number of overseas students, hence reducing government expenditure on higher education. From the Malaysian government's point of view, it was a mixture of concerns of brain drain and a conscious effort to ensure that the Malay population caught up with the professional stratum of the society. Bilateral meetings between the Prime Ministers took place in the mid 1970s, and in 1976, the Muldoon Cabinet approved a policy to restrict the entry of private overseas students from any one country to no more than 40% of the total intake in any year. Malaysia was in mind, but it would not be openly stated (Tarling, 2004:60).

The introduction of this quota was effective, but deeply controversial. Institutions and students, who had enjoyed the diversity and internationalisation accompanied by the presence of the overseas students, repeatedly called for the quota to be dropped.

The government's efforts to cut spending in higher education had resulted in the unease in dealings with overseas students and fuelled the heated debates on education subsidies.

From cost recovery to full fee with profit

In May 1979, almost out of the blue, Prime Minister Muldoon announced that from 1980, private overseas students would have to pay a fee of NZ\$1500 a year (Tarling,

²⁴ 42% of Malaysian students completing in 1974 were granted permanent residence (Tarling, 2004:58).

2004:76). This caused another outcry from students, universities, the diplomats and the public. Up to this point, although New Zealand had not opted to raise the fees for overseas students, countries including Canada and the UK had and, although Australia did not charge a differential fee, it imposed a visa fee of up to AUS\$2000 in 1979. This was all for the purpose of limiting numbers to manage costs (Tarling, 2004:76 and Harman, 2004:17).

Unpopular as it was, the \$1500 fee was not without success from the Government's perspective. Student numbers fell and the government did recover part of the cost associated with the higher education subsidy (although not as much as it hoped). But in terms of the international goodwill evoked during the Colombo Plan period, the \$1500 fee was accompanied by negativity, as the 40% quota had been.

Domestically, the implementation of the \$1500 fee was a turning point from which government agencies' attitudes started to depart from the international education for aid ideology. The fact that private overseas students did not stop coming altogether after the introduction of the fees, coupled with the revelation from the institutions, (while arguing against the effort to limit student numbers) that there was spare capacity, had prompted considerations to sell these at full cost.

While the protests against the \$1500 fee continued,²⁵ the Muldoon government had taken up the quest for full fees. In the early 1980s, as the Minister of Immigration, Aussie Malcolm picked up this economic argument and proposed to "open the New Zealand education system to all-comers on a full cost recovery basis" (Tarling, 2004:105). The proposal, although presented as "cost-recovery" and selling only "spare capacity", was not received well in the sector. Universities opposed "using our education system as a commercial asset" (ibid), and warned that the commercialisation would damage, amongst others things, foreign relations and academic research that benefited New Zealand. The Cabinet, however, pressed on and approved the full cost proposal. Ironically, before the legislation could be passed, the Muldoon parliament was dissolved. In its election campaign, the Labour Party committed itself to abolishing the \$1500 fee; however, when it came into power, Prime Minister David Lange confessed to have had second thoughts (ibid: 129).

²⁵ The opposition was so strong that, at the end of 1983, the NZ University Students' Association (NZUSA) complained to UNESCO on the ground that the \$1500 fee was discriminatory and contravened international agreements that New Zealand government had signed. (Tarling, 2004:128)

In the following years under the Labour government, the debate on “who is to pay” and “how much” in international education, and indeed on higher education in general, intensified. Different views were held between the government and the sector, and also among different agencies within government. In 1984, the \$1500 fee was lowered to \$1000 and, in 1986 it was abolished all together. For a window between 1986 and 1990, overseas students were back to paying domestic fees. However, all the while in the background, the government was busy working on the consensus to pursue education as a service export. Meetings, memoranda, studies and reports were rampant.²⁶

These debates contested both the “education for public good” and “international education for aid” norms that had until that time been well-established. The notion that the admission of private overseas students was at least informally a form of aid was sustained not only by the fact that they paid only domestic fees, but also by the fact that they could come only from a limited number of countries, none of them developed. In New Zealand, up to this time, the focus was mainly on how to best utilise the existing resources, including funding for education, university capacity, and New Zealand’s international obligations in the form of education provision to developing countries. Australia, although not charging overseas students differential fees at the time that New Zealand imposed the \$1500, had gone ahead and implemented the full fee.

In 1983 and 1984 a number of committees in Australia were established to examine the aid, trade, foreign affairs, developmental and educational considerations involved in providing education to overseas students. These were 1) the Committee to Review the Australian Overseas Aid Program (the Jackson Committee), 2) the Committee of Review of Private Overseas Student Policy (the Goldring Committee), and 3) the Joint Parliamentary Committee on Foreign Affairs and Defence. They each reported to the Federal Government on this complex issue. After a long period of deliberation on the recommendations of the Jackson and Goldring Reports, the Australian government announced on 22 March 1985 the new “Policy on Overseas Students” which introduced full fees for private overseas students (Williams, 1989:ix).

In New Zealand, Mike Moore, the then Minister of Overseas Trade and Marketing was annoyed that “Australia launched a policy while New Zealand discussed a

²⁶ For details refer to Tarling’s account of official documents and scripts in “Marshall Plans”, and “MDB” (Tarling, 2004, 130-177)

framework”. He believed that Australia had stolen his policy and was “achieving results we should be achieving were it not for the inertia within our system” (Tarling, 2004:149). Under his direction, the New Zealand Market Development Board commissioned a study which resulted a report entitled “Directions in Foreign Exchange Earnings: Educational Services” (known as the “Hugo Report”) in 1987.²⁷

The Hugo Report addressed head on New Zealand’s hesitation to follow the trend of commercialising international education. It separated the debate on the domestic education system from the idea of earning foreign exchange by exporting education services. It summed up the objectives for export education as being ‘the promotion of increased foreign exchange earnings from educational services on a basis that is not subsidised by domestic taxpayers and does not conflict with access by New Zealanders to education or policies on overseas aid’ (Tarling, 2004:151). The report argued for decentralisation, claiming that “institutions had to be empowered to charge full cost fees”; and by “reinvesting the earnings from foreign students, institutions could improve facilities available for all students’ (ibid). The report called for entrepreneurship and innovation to be encouraged in New Zealand’s education institutions. The report was embraced by the Government. As Tarling sums up, “sweeping earlier reservations aside”, its rhetoric was an overhaul of the discourse in international education of the previous era.

In August 1989, the Ministers of Education (Goff) and External Relations and Trade (Moore) announced details of the full-fee scheme. Legislation (the 1989 Education Act) followed in December of the same year.

Summary

The introduction of a full fee to private overseas students signified the end of the Colombo Plan era. The norm in New Zealand’s approach to international education had shifted from aid to trade.

After two decades of encouraging higher education participation, state funding for tertiary education for both domestic and overseas students became financially unsustainable. Politically, with the recognition of the People’s Republic of China in the early 1970s, the conclusion of the Vietnam War and the rapid economic growth of Malaysia and Singapore, the international context in which the norm of “education

²⁷ Other reports during this period include the Watts Report (NZVCC commissioned, Oct 1987) and the Hawke Report (Sept 1988).

for aid” had developed had changed dramatically. In broad terms, New Zealand’s economic and social development stages matched the global conjuncture (Bertram, 2009:561). Moving away from this approach therefore seemed natural as the political-security drivers of the Cold War became less salient. However, the move towards international education for trade was a choice shaped by the influence of neoliberal globalisation in the 1980s. This choice was not the result of a lack of alternative, as neoliberal discourse may suggest, but a choice to conform to the global norm. Why this happened in 1989 also needs to be explained within New Zealand’s domestic politics throughout the 1980s.

Capie argues that political leaders play important roles in constructing the New Zealand identity in world affairs (Capie, 2006). He describes Norman Kirk, in office from 1972-74, as idealistic and sought to base New Zealand foreign policy on “moral principles” (ibid, 22). During Kirk’s reign of the Labour government, although university capacity issues had emerged, questions had been raised about whether New Zealand should continue to extend the government subsidy to private overseas students and a review on student visa policy was conducted,²⁸ admission of private overseas students continued to be seen predominantly as a form of aid. Tarling comments on that occasion as such (Tarling, 2004:53):

Certainly there was no sense that it was a source of revenue for the institutions or expansion for the economy. Only marginally was it seen as a source of worthwhile migration. At the institutional level it was valued partly again because of a sense of obligation to developing countries, diversifying the student population and adding to the experience of domestic students.

If Kirk was an idealist, Muldoon (in office 1975-84) was deeply pragmatic. He was best remembered for his claim that “our foreign policy is trade” and focused foreign policy on what he saw as New Zealand’s economic interests (Capie, 2006:23-4). While in office, his government introduced the 40% quota on students from any single country in 1976 (primarily targeting Malaysia Chinese) and the \$1500 differential fee in 1979, both of which were announced abruptly and were hugely unpopular (Tarling, 2004:60 & 76).

The fourth Labour government’s election promise to abolish the \$1500 fee and its equivocation during its first term delayed the process of selling education services.

²⁸ This refers to the review of Immigration Policy 1973-74.

During this time, countries including the UK and Australia moved on and started reaping the economic benefits.

Economically, Lange's Labour government (in office 1984-89) was a reformist one driven by the then Finance Minister, Roger Douglas' enthusiasm for neo-liberalism. It promoted policies of, among others, rapid deregulation, making the economy more responsive to external events and pressures. The eventual introduction of the full fee surpassed the previous National government's principle, or the notion in principle, of selling only "surplus capacity", and "spelled out that a full-fee student would in effect be creating a new place" (Tarling, 2004:193).

Bertram describes the 1980s in New Zealand as a "decade of policy debate and experiment" (Bertram, 2009:541). The economic reform was largely a state-led radical reorientation of the economy, the previous reliance on commodity exports had started to be replaced by the export of services such as tourism and education as a vital source of foreign exchange income.

Under the directional change induced by fiscal constraint, the educational institutions, the overseas students, and the government of major student source country (Malaysia) all contributed to the shaping of the policy development trajectory. The fees that overseas students paid, and the way they were treated, were in a constant state of flux and debate in the decade or so leading to the 1989 legislation (Tarling, 2004). The new norm and the relationships between key actors were to be built when the new legislation started to be implemented in the 1990s.

Education for trade (from 1990s to present)

After the decline of socialist and welfare-state models, neoliberal regimes have become hegemonic in many parts of the world. Torres and Schugurensky observe that, in most countries, "changes in financial arrangements, coupled with accountability mechanisms, have forced universities to reconsider their social missions, academic priorities and organizational structures. Concerns about equity, accessibility, autonomy or the contribution of higher education to social transformation, which were prevalent during previous decades, have been overshadowed by concerns about excellence, efficiency, expenditures and rates of return" (Torres & Schugurensky, 2002). The notion that higher education is primarily a citizen's right and a social investment – which had been taken for granted

previously – has been seriously challenged by a neoliberal agenda that places faith in the workings of the market.

In New Zealand, during the 1970s and 1980s, few years were marked by a stable or consistent approach to international education. The National government of the 1990s sought to consolidate the new policies. However, although the framework had been established, its implementation was not straight forward.

As globalisation intensified in the 1990s, the importance of English language escalated as it became the language used in international business, politics, science, and, particularly, information technology. The popularity of learning English soared. At the same time, the end of the Cold War and the economic success of East Asian countries had prompted New Zealand to re-prioritise its international economic and political ties. In October 1990 the Secretary of Foreign Affairs, Graham Ansell, concluded that “New Zealand’s long-term future is inextricably linked with the economies of East Asia” (Capie, 2009:594). Foreign Minister Don McKinnon called for the country to make “a great, dramatic leap into Asia” (ibid). Under this global and regional climate, New Zealand pressed for access to markets in the ‘tiger’ economies and looked to entice tourists and fee-paying international students to the country’s language schools and universities.

Encouraged by legislative change and government rhetoric, many entrepreneurs got into the language school business, and targeted the “huge China (PRC) market” (Tarling, 2004:201). After the 1989 Tiananmen Protest, many Chinese sought to leave the country; the short term visa to study English abroad was therefore frequently used as a means to achieve this end - a significant proportion of applicants were deemed not “genuine students” by New Zealand Immigration Service (ibid, 202). To mitigate this risk, strict visa application criteria were introduced to ensure that only bona fide students were let in, including the requirement to provide evidence of the prepayment of fees. This policy backfired when the Immigration Service was unable to cope with the flood of visa applications and was forced to call a temporary halt in 1990. Not receiving the expected number of students, some schools went out of business; and on the China side, affected students lost money due to declined visa applications and school closure. Protests were staged against the New Zealand government and the bilateral relationship became strained (ibid, 213).

The striking feature of the first few years of the export education era was the dramatic growth in the private English language sector. Growth in tertiary

enrolments, however, was slow, despite universities being key players in the wider process of the education reform. These early years in export education industry were marred, internally by uncoordinated government functions and an immature market with little regulation; and externally by an unexpected surge in interest from mainland Chinese students with intentions wider than just coming to New Zealand for English language courses. These factors also affected other countries, including Australia. In the case of Chinese language students, the Australian government swiftly refunded the lost fees under the pressure from the Chinese government (ibid, 198). The New Zealand government, however, initially refused to reimburse the students as the schools concerned were private. As the situation worsened, a one-off compensation payment to the Chinese government was eventually made to limit the damage done to New Zealand's reputation as an education destination (ibid).

Developing any new industry is no easy task. The arrangements to implement the new legislation were made more difficult by “exaggerated hopes and impatience, by differences of interest, by the Tiananmen crisis” (ibid, 218). The rocky start of New Zealand's export education industry was followed by quiet and mostly unremarkable growth in the 1990s. Initially, numbers of international students reduced as New Zealand became less attractive to families from Southeast Asia struggling to afford the high fees, the numbers from the previously largest source country, Malaysia, were in steady decline. Figure 5 shows the number of foreign fee paying student enrolments in the public education system in the 1990s after the implementation of the new legislation. The turning point at the end of the decade indicates a rapid and unexpected change. This again, was associated with one single group of students – those from the People's Republic of China.

Figure 5: International student enrolments, 1989-2001 (MOE)

The rise of China

John Ikenberry has described China's economic and geopolitical ascent as "one of the great dramas of the twenty-first century" (Ikenberry, 2008:89). This has had a ripple effect on New Zealand's international education – indeed it has transformed New Zealand's export education industry.

Along with abolishing subsidies for international students, the limits on numbers of places and the countries from which students could be drawn were also lifted. In 1999, New Zealand removed the quota on the number of students from China, and at around the same time was endorsed by the Chinese government as an acceptable education destination (Ho, et al, 2007). Accordingly the number of Chinese international students in New Zealand increased dramatically. Figure 6 shows the change in proportion of Chinese students in New Zealand's public schools and tertiary institutions in the years immediately before and after the removal of the quota.²⁹ Malaysian students, previously the largest group of "private overseas students" are included in this graph as a point of reference.

Figure 6: International students in public education system, 1998-2001 (MOE, 2002)

This happened as a result, not only of New Zealand's policy changes, but of China's as well.

In 1978, as part of his on-going drive to reform China and open it up to the outside world, Deng Xiaoping decided to send a great number of students and scholars overseas. A little over two decades later, the flow of Chinese students studying overseas went from being a steady stream to a tsunami. China became the largest

²⁹ The data used in Figure 6 include only students enrolled in public education system. Statistic on international students in private training establishments (PTEs) and English Language Schools is incomplete prior to 1999. These are therefore excluded in this graph so as not to skew the trend.

source country of international students for many countries. In 2010, it accounted for 19% of all international students enrolled in the OECD area (not including an additional 1.2% from Hong Kong), representing, by far, the largest group of international students in the OECD countries (OECD; 2012:369-70). In 2011, around 350,000 Chinese students left the country to study abroad (People's Daily Online, 2011). By the end of that year, the number of Chinese nationals that had studied abroad since 1978 totalled 2.25 million (Thomas, 2012).

Figure 7 illustrates the trend of outbound students from China from 1978 to 2011.³⁰

Figure 7: Number of Chinese Nationals Studied abroad from 1978 – 2011

Even though China's reform started in the late 1970s, study abroad did not take off immediately for a number of reasons. First, it took time to accumulate the wealth needed to afford an overseas education. Moving on from the Cultural Revolution that ended in Mao's passing in 1976, China's economy developed from a very low base. Deng's mantra of allowing a small proportion of the population to get rich first³¹ started to take effect a decade on at the end of the 1980s, and it took another decade for a middle class to be formed in the coastal provinces. Secondly, it also took time for operational policies to truly reflect Deng's political ambition. Most of the initial students were sponsored by the Chinese government; however, many did not return to serve the country after their study, let alone the self-sponsored (*zifei*)

³⁰ Figures from 1978-2006 are from Cao, 2008 (p.337). 2007-2011 figures are extracted from two articles from People's Daily Online, both quoted the Chinese Ministry of Education statistics:

<http://english.peopledaily.com.cn/203691/7681454.html>;

<http://english.people.com.cn/90782/8036671.html>; (accessed 30 Dec, 2012)

³¹Rang yi bu fen ren xian fu qi lai(让一部分人先富起来)

ones that followed a few years later.³² Suffering from “brain drain”, particularly after the 1989 Tiananmen Square crackdown on students and political dissidents, the government imposed further restrictions on overseas study.³³ These regulations were gradually loosened after 1993, but were only entirely abolished in 2003 (Cao, 2008:333).

After years of isolation and poverty, the social expectation of those who managed to leave China was to stay offshore and only return when he/she “makes it” overseas. A 1994 survey of Chinese students in the US builds the profile of a typical student from mainland China as such:

(He) is likely to be a 29-to 33-year-old childless husband pursuing a doctoral degree in the natural sciences or in engineering; ...; and he lives with his wife, also a Ph.D. aspirant. He has graduated from one of the most prestigious universities in China and was a college teacher prior to his departure. Once he finishes his studies, he is likely to seek employment in the United States. This is because he does not trust his government to let him move freely in and out of the country, and he values the opportunities to compete that are available to him in the United States, but not yet in China. Privately he cherishes the thought of returning to his homeland in the not-so-distant future as a visiting professor, a consultant, or even as a permanent resident (Lin, 1994).

The US may have received the best and the brightest of the Chinese students because of the prestige of its universities, and not all students in the US have the opportunities described in the profile above, however, it was a general mentality in the 1980s and 1990s for students to seek better lives abroad (ibid). New Zealand’s 1991-2 policy focusing on mitigating the risk of overstaying was not entirely unfounded.

At the end of the 1990s, the continuous economic growth had resulted in a sizable middle class in China. As the Chinese culturally place a strong emphasis on

³² Self-sponsored study abroad was permitted from 1981 (Cao, 2008:333).

³³ A significant measure was to impose a service period (fuwuqi), that is, only those who fulfil a certain number of years of service to the country (five years for undergraduates and two more years for graduate students) would be allowed to go abroad as private (zifei) students. The rationale behind this might be the view that after working several years in China, these graduates would lose interest in studying abroad, or that foreign universities would be reluctant to admit those who are not fresh out of schools. Those students with relatives residing abroad were allowed to be exempted from the service period if they paid back to the government the tuition cost of their education. As a result, both the number of students who went abroad and the number of returnees dropped (Cao, 2008).

education, growth in the domestic education system's capacity was very quickly out paced by the demand for higher education. Although a private tertiary education sector had started to emerge, it would take time to mature. Many people were also put off by the elitist and rigid university entrance examination system. This supply and demand imbalance coupled with the success stories associated with the study abroad returnees in the past,³⁴ those who could afford it, or were able to secure funds, looked offshore.

New Zealand's lifting of the China quota in 1999, coupled with the increasing ease with which the Chinese government allowed its citizens to leave the country, opened a flood gate. The number of Chinese students in New Zealand quadrupled in the 1998/9 financial year. The growth continued until it eventually peaked in 2003. The overall student numbers in New Zealand reflected this trend, which saw export education grow into a lucrative industry. Tarling concludes that "New Zealand's success in export education was dependent on the transformation of Chinese society, economy, government and ideology" (Tarling, 2004:225). Figures 8 and 9 capture the growth of this industry and the dominance of Asian students, particularly those from China, in the international student population.

Figure 8: Foreign Fee-Paying Students in New Zealand, July 1999 - July 2004 (MOE, 2005:6)

³⁴ Since the first Chinese student went to the United States to study in 1847, studying abroad has been an aspirational for many young Chinese. Some were sent to the West by various government regimes, and some to the Soviet Union under the Communist rule. The majority of these returned to serve the country, some played important roles in science, technology and politics. In politics alone, many prominent figures had the experience studying abroad, these included Sun Yat-sen (孙中山); Chiang Kai-shek (蒋介石); Liu Shaoqi (刘少奇), Deng Xiaoping (邓小平); Jiang Zemin (江泽民), just to name a few (Wang, 2001; Zhang, 2011).

Figure 9: New Zealand's Top Ten Source Economies in 2004 (MOE, 2005:8)

Boom and bust in the early 2000s

The arrival of the Chinese students was good news for New Zealand's export education industry at a time that student numbers were in decline after the 1997 Asia financial crisis. However, what was to come was not the outcome expected of this "good news".

The dramatic increase in the number of Chinese students took place in a wider context of demographic change in New Zealand – the expansion of Asian migration. The "white New Zealand" policy had given way to an active recruitment of Asian business migrants. The Asian population in New Zealand more than trebled from around 100,000 in 1991 to over 350,000 in 2006 (DOL, 2010:10). Figure 10 shows the growth in New Zealand's population of Asian ethnicities from 1991-2006.

Figure 10: Growth in New Zealand's Asian population, 1991-2006 (ibid)

Source: Census of Population and Dwellings 1991-2006, Statistics New Zealand.
Note: Prior to the 1991 Census, Asians were classified under Other Ethnicity.

Asians had never before been so visible in New Zealand, particularly in Auckland. Some migration debates that followed were racially based and did not differentiate new citizens, permanent residents or international students. The spill over effects were “damaging not only to the student ‘market’, but to the relationships with Asia that New Zealand has set out to foster fifty years earlier” (Tarling, 2004:226-7).

New Zealand’s education system was unprepared for the sudden increase in the Asian student population. Institutions started to be wary, some considered that international students, although a source of profit, had added to the tension created by the presence of large numbers of recent migrants from Asia. At universities, both recent migrants and international students tended to cluster in a limited number of faculties and subjects, and both needed additional educational support. Lecturers found themselves facing “a sea of Asians” and some fee paying students were “surprised to find so few non-Asian students in the class and feel that a dimension of their international education was missing” (ibid). Feeling the strain being put on the education system and wider community, the Education Minister at the time, Trevor Mallard, had spoken of “capping” the number of foreign students in 2002 in order to maintain New Zealand’s reputation as the provider of quality education (ibid).

By the early 2000s, almost half of the Asian students were Chinese. These students came so readily and with so little effort and expense in marketing that it was tempting for agents and entrepreneurs to take undue advantage of it. The number of private training establishments (PTEs), some catering predominately for Asian students, soared, particularly English language schools. Recalling the previous experience with the Chinese students, Tarling comments that “(e)arly in the 1990s, when the framework was still being elaborated, some of these providers had been shown to be speculative and under-capitalised. That this was still the case ten years later was suggested when a further collapse – that of Planet English – was prompted in part by SARS, and perhaps affected, too by the talk of caps and the negative publicity on racialism and violence” (ibid, 228-9).

Two large PTEs, Modern Age Institute of Learning and Carich New Zealand, went into receivership in early 2000s, affecting hundreds of Asian students. The perception of New Zealand as a good international education destination was challenged, particularly in China. The Chinese government openly voiced its concerns, and later refused to include New Zealand private providers in its list of approved institutions on its study abroad website. The number of students from

China declined as dramatically as its increase. This trend continued until finally stabilising in 2008 at less than forty percent of the number at its peak. Figure 11 illustrates this trend.³⁵

Figure 11: New Zealand's international student enrolments from China, 2002-2011 (MOE)

The decline in the number of Chinese students was commonly attributed to the combination of the rising New Zealand dollar, escalating fees, increased competition from Australia, Canada and the UK, as well as negative media publicity (Ho, et al, 2007: 2; Education New Zealand, 2004). An Education New Zealand commissioned research in 2007 entitled “The Experiences of Chinese International Students in New Zealand” studied the Chinese views towards New Zealand as a study destination and had noted considerable changes before and after 2003:

Prior to 2003 the views were predominantly positive and New Zealand was regarded as one of the PRC's overseas study hotspots. From 2003 this perception has changed. One area of concern is about institutional capacity, the management and protection of students, particularly following the closing down of two language schools. Further, there are concerns about safety issues and host reception of international students, and these concerns are particularly strong in centres with high concentrations of Chinese students (Ho, et al, 2007: 6).

New Zealand's education relationship with China again entered into a difficult phase. This time round, the impact in the export education industry was more severe than the episode ten years before. In 2003, the economic contribution of the international education sector amounted to over NZ\$2.2 billion (Education Counts, 1999-2004).

³⁵ Figures compiled from MoE 2012 and Education Counts stats 2002-2008.

When this billion dollar industry came under threat, the government stepped in to intervene.

Externally, a number of education diplomacy initiatives were adopted, including frequent high level visits to China,³⁶ and the establishment of an Education Counsellors Network, with New Zealand's first Education Counsellor appointed to be based in Beijing in 2003 (MFAT, Country Paper – People's Republic of China).

Internally, recognising the lack of regulation in the export education industry as the Chinese students flooded in, the Education Standards Act, which had as part of its mission the regulation of international education, was passed into law in 2001 (Lewis, 2005; Tarling 2004). The "Code of Practice for the Pastoral Care of International Students" (the Code) was introduced under this legislation on 31 March 2002. The Code required all education providers to be its signatories to enrol international students (MOE, 2003). In the few years that followed, the focus of the industry was on ensuring quality to reduce the rate of decline, recovering New Zealand's reputation and rebuilding the education relationship with China.

Summary

The 1990s and the 2000s saw the implementation of the neoliberal reforms undertaken in the 1980s. In the case of international education, the belief in the power of the free market was manifested in the government's deregulation, which delegated more financial responsibilities to education institutions. At the state level, while international education was still pursued for the purpose of national interest, the focus had moved from pursuing *political power* to *economic benefit*. The norm that international education is for trade and that international students are primarily a source of revenue became firmly established.

In practice, however, the free market approach during this period was marked by a number of state interventions. These usually started with political changes/events (internal or external), such as the 1989 legislation in New Zealand; the Tiananmen protest in China; and the removal of the quota on Chinese student numbers. Unprepared for the impact, the market failed to manage the consequences and as a result, government intervention was required to control the damage to the industry through regulatory and diplomatic means. Tarling describes this as "an unrealistic

³⁶ Minister of Education, Trevor Mallard, visited China in 2002, and again in 2003, accompanied by education leaders from both government agencies and the industry; Minister of Foreign Affairs, Phil Goff also visited in 2003 (MFAT, Country Paper – People's Republic of China).

application of the ‘free market concepts to the education field’ (Tarling, 2004:229). Under the free market principle, it is assumed that providers which offer poor quality services will go out of business and the best survive. Export education, however, is a “national venture” (Tarling, 2004; Lewis, 2005), and a poor provider could damage the prospects of good providers, particularly for a small country like New Zealand. Before market forces have a chance to take effect, the whole country’s reputation suffers and, as was the case with China, bilateral political relationships are also put on the line. This risk was eventually recognised and acted on, but not before a substantial share of the China market had already been lost.

The government’s deregulation placed the responsibility for staying financially viable in the hands of the institutions. Under this approach, the institutions, particularly the public education providers, were made to change role from the practitioners of internationalisation in education to those of active pursuers of international education, particularly in terms of recruiting full fee paying students in order to compensate for ongoing funding cuts. In addition to the usual core business of teaching and research, institutions set up administrative functions to conduct marketing activities and explore education business, such as those outlined by Nigel Healey using the “Uppsala internationalisation model”.³⁷ Lewis describes the initial relationship between the state and the institution in these terms: “The risks and responsibilities were relocated to the institution and the authorities largely left the developing industry, in which the state was the primary capitalist, to develop undirected” (Lewis, 2005:25).

In the 1990s, the relationship with fee paying students was a far cry from the warm and welcoming relationship fostered during the Colombo Plan era. The “host/guest” relationship was replaced by a “service provider/customer” model. Even so, the focus was initially more on financial benefits than quality assurance. The Code of Practice for the Pastoral Care of International Students, a quality assurance mechanism, was not established until 2002. Doubts, particularly at the earlier stages, also existed as to whether the students were actually assuming the role of customers for education services, and bringing in the foreign exchange they were supposed to (i.e. international students using the opportunity to come to New Zealand for work

³⁷ The Uppsala internationalisation model was described in Chapter two of this thesis. Applied to international education, the four steps are: 1) exporting education (enrolment of international students); 2) licensing production (franchising); 3) joint ventures (the third wave-offshore branch campuses), and less so 4) sole ventures (Healey, 2008:335).

or, worse still, for illegal migration purposes). At times, this fuelled tensions between the providers and consumers of international education, affecting the bilateral relationships between New Zealand and key student source countries (notably China). The lesson learned was that rapid growth in international student numbers in the late 1990s and early 2000s needed to be handled with much greater care. An over emphasis on financial gains from this industry can be counterproductive if the students feel that they are treated as tradable commodities only. Importantly, fee paying students also have the potential to generate considerable good will having spent their formative years in New Zealand.

After “rebuilding” the industry following the boom and bust cycle in the 2000s, the export education industry matured towards the end of the 2000s. New Zealand, as a small country, could arguably be said to have achieved some impressive results: in 2000, New Zealand took up 0.4% of the global share of international students; this grew to be 1.72% in 2010. The OECD considers New Zealand one of the “new players in the international education market” (OECD 2012:363). Figure 12 shows the trend in market shares across OECD and other G20 countries.

Figure 12: Trends in international education market shares (2000, 2010) (OECD 2012:364)

New Zealand is among the OECD countries that have the highest proportion of international students in their tertiary sector. Currently, 14.2% of tertiary enrolments are international students (see Figure 13, *ibid*).

Figure 13: OECD Percentage of international students in tertiary enrolments (OECD 2012:368)

The history of New Zealand’s international education seems to suggest that, although the transition from “aid” to “trade” was not entirely smooth, international education norms eventually conformed to the neoliberal doctrine. Was this shift from “aid” to “trade” inevitable? The first part of the shift – the shift *away* from education for aid was effectively inevitable as the reasons for pursuing political power through international education development ceased to be relevant from the 1970s. Furthermore, the economic downturn at the time was the trigger that led to the old model being challenged as financially unsustainable. The length of time taken to break this norm and complete the move to education for trade shows that norm breaking activities face considerable resistance and can be difficult to implement. During the two decades of debate, several different options surfaced as possible ways forward: 1) limiting the number of international students to reduce state subsidy; 2) selling the “surplus capacity” in domestic education to recover costs; and lastly, 3) embarking on building an export education industry, thereby creating new capacity to generate profit. The second part of the shift - the shift *towards* international education for trade, was made based on the consideration of these three options, with a final choice made primarily based on economic imperatives.

Why did New Zealand choose this profit generating commercial path, as opposed to the alternative approaches adopted by countries such as Germany and France? The final chapter of this thesis studies the current export education industry as a social structure to identify the factors that shaped the formation of this new norm.

Chapter Four: Constructing the Export Education Industry

Having provided a brief history of New Zealand's international education, this chapter explores the export education industry in its current state. I use Wendt's framework of three elements of social structures: "shared knowledge, material resources, and practices" (Wendt, 1995:73) to construct New Zealand's export education industry. In doing so, I identify the critical factors affecting the future development of this important industry, and answer the questions posed in the first chapter on whether the transition from aid to trade has gone too far, and where the balance of foreign policy and the commercialisation of this industry should lie.

Shared knowledge

Under the prevailing force of neoliberal globalisation, the notion that education is an international tradable commodity, although not favoured by everyone, no longer raises eyebrows. Back in the 1980s, the sale of university places had to be carefully framed as "cost recovery" and the governments at the time felt obliged to stress that only "surplus capacity" would be used to generate income. This tentative approach towards commercialising education was part of the process of breaking with established traditions. An indication that a new set of ideas and practices have now been established lies in the fact that the state openly labels international education as an export industry and imposes ambitious targets to achieve greater economic benefits from this industry.

Internationally, the discussions carried out at fora such as the G8 International Education Summit (mentioned in Chapter two of this thesis) serve as evidence that the commercialisation of international education at the state level now constitutes shared understanding globally.

A sub current underlying globalisation is the force of regionalism. Knight and de Wit observe that, in recent years, "the rationales focusing on creating a common regional identity have also become more important" (Knight & de Wit, 1995:9). In education, an example of this is the Bologna Process, which led to the construction of the European Higher Education Area (EHEA). The Bologna Process facilitates intra-regional student mobility by providing common tools (such as a European Credit Transfer and Accumulation System – ECTS and the Diploma Supplement) to

ensure that periods of study and qualifications awarded in one country are understood and recognized in another (Olds & Robertson, 2011:2).

The Bologna Process triggered efforts in other parts of the world to construct regional higher education cooperation areas. Developments in Asia, Africa, the Persian Gulf, and Latin America, albeit uneven in nature, point to the desire to frame and construct regional agendas and architectures (ibid). The OECD also makes the following observation:

The growth in the internationalisation of tertiary enrolment in OECD countries, as well as the high proportion of intra-regional student mobility, show the growing importance of regional mobility over global mobility. Furthermore, student flows in European countries and in Eastern Asia and Oceania tend to reflect the evolution of geopolitical areas, such as closer ties between Asia-Pacific countries and further co-operation between European countries beyond the European Union (OECD, 2012:369).

This regional dynamic and the subsequent intra-regional student mobility have distorted the simple demand/supply business model. China, for instance, considers establishing itself as a leading Asian state to be part of its great power strategy. In order to build people to people relationships and to spread its soft power (Gill & Huang, 2006; Healey, 2008:348), China has become increasingly involved in the recruitment of international students, despite the fact that its own students continue to leave for education abroad in increasing numbers. Regionalism manifesting itself in this way shows that the structure of international education is not merely determined by material capability; a shared belief in a common/similar identity creates this sub-flow of regional mobility which exists concurrently with global mobility.

Material resources

Not all countries base their pursuit of international education wholly on economic benefits. The reason for this is that, in addition to ideological preferences, material resources are also an important element of social structure.

Material resources in business include two aspects: on the demand side, the consumers' purchasing power and on the supply side, the providers' products: goods or services offered for sale. In the field of international education, as mobility occurs predominately from South to North, this concept translates into the increasing

financial capability of people in developing countries and the desirability of Western education systems.

Globalisation, in addition to influencing changes to norms, has also seen the English language become the *lingua franca* in business, politics, science, and particularly, information technology. English speaking countries, compared to other developed countries with advanced education systems, have a competitive advantage in their material resources. A summary of tuition fee structure collated by the OECD (Figure 14) indicates that all English speaking countries in the OECD and G20 exploit this opportunity to some extent by imposing higher tuition fees for international students.

Figure 14: Tuitions fee structures for OECD and G20 countries (OECD, 2012 :367)

Tuition fee structure	OECD and other G20 countries
Higher tuition fees for international students than for domestic students	Australia ¹ , Austria, ² Belgium, ^{2,3} Canada, the Czech Republic, ^{2,4} Denmark, ^{2,4} Estonia, ² Ireland, ⁴ the Netherlands, ² New Zealand, ⁵ the Russian Federation, Turkey, the United Kingdom, ² the United States ⁶
Same tuition fees for international and domestic students	France, Germany, Italy, Japan, Korea, Mexico, ⁷ Spain
No tuition fees for either international or domestic students	Finland, Iceland, Norway, Sweden

1. International students are not eligible for government subsidised places in Australia and therefore are full-fee paying. While this typically results in international students having higher tuition fees than domestic students (who usually attend subsidised places), it should be noted that some domestic students in public universities and all students in independent-private universities are full-fee paying and pay the same tuition fees as international students.

2. For non-European Union or non-European Economic Area students.

3. In Belgium (Fl.), different tuition allowed only if institutions reach 2% of students from outside the EEA area.

4. No tuition fees for full-time domestic students in public institutions.

5. Except students in advanced research programmes, or students from Australia.

6. In public institutions, international students pay the same fees as domestic out-of-state students. However since most domestic students are enrolled in-state, international students pay higher tuition fees than most domestic students, in practice. In private universities, the fees are the same for national and international students.

7. Some institutions charge higher tuition fees for international students.

New Zealand is fortunate, in this sense, to be an English speaking country with a relatively advanced liberal education system, and is located within the economically booming Asia Pacific region. All factors place it in a position to turn its education into a profitable commodity.

Practices

Norms exist, “not in actors’ heads nor in material capabilities, but in practices” (Wendt, 1995:74). “Education for aid” was a structure of shared understanding in the field of international education for a number of decades, but once the government subsidy of international students ceased, this was no longer the case. Under the increasingly dominant global norm (shared knowledge) of treating education as a tradable commodity, states have prioritised their national interests based on the “material resources” they possess, making decisions on appropriate policies and practice to pursue these interests.

The OECD observes that countries which charge international students for the full cost of education reap significant economic benefits. “Australia and New Zealand have successfully adopted differentiated tuition fees for international students, and this has not hampered some of the strongest growth in foreign students the past years. This shows that tuition costs do not necessarily discourage prospective international students, as long as the quality of education provided is high and its likely returns make the investment worthwhile” (OECD, 2012:367). Commercialisation, it seems, has brought economic benefits for the states that have chosen to follow this path. The key to this success, according to the OECD, is the quality of education that ensures a worthwhile investment for its consumers.

New Zealand’s decision to build an export education industry was based on the alignment of a number of factors: firstly, the dominance of neoliberalism and its doctrines, both globally and in domestic politics; secondly, the possession of the relevant material resources (English language and an advanced liberal education system); and lastly, being in a position to benefit from the economic development of countries in the neighbouring Asia Pacific region. Although other approaches to international education exist, export education is associated with significant economic benefits, and as such appears superior to the alternatives. Commercialising international education is therefore a natural choice given New Zealand’s circumstances.

In practice, the New Zealand government has set targets to increase the economic value of the export education industry (MOE, 2011); and has established a crown entity, Education New Zealand, to market New Zealand’s education internationally, and to lead the market development of New Zealand’s export education. At the institutional level, international marketing functions have been established to explore channels focussed on increasing revenue via student recruitment.

Conclusion

This thesis has studied the developmental trajectory of New Zealand’s export education industry first by researching and defining the key concepts related to international education; examining the discourse in this field and the global environment within which New Zealand’s export education industry has developed;

then by canvassing the history of New Zealand's international education from the 1950s, identifying the factors which influenced the formation and transformation of norms in this field; and finally, by constructing the industry in its current state, exploring the implications that the past and the present have for the future development of this industry.

New Zealand's international education has come a long way from its origins as a developmental scholarship programme for countries in South and Southeast Asia under the Colombo Plan. This thesis focuses on the transition of the purpose of international education from "aid" to "trade", and discusses whether this shift was inevitable, and whether the commercialisation of the export education industry has gone "too far" (Butcher, 2008).

International education means different things to different people (Arum, 1987:5). At the state level, what international education entails depends on the goals the state is seeking to achieve. The present focus on export education involves a narrow interpretation of international education whereby economic benefit is pursued and international education is commercialised.

The development of New Zealand's export education industry is studied in three stages over the past 60 years: 1) the international education for aid era; 2) the cost recovery debate era; and 3) currently, the export education (education for trade) era. The difference between the initial stage and the current one is profound in terms of the goals the state has pursued and the types of relationships that have bound the primary actors together. The transition between these stages involved a transformation in political ideology and international relations.

Employing a constructivist approach, I have argued that although the fundamental shift from "education for aid" to "education for trade" took place within the context of neoliberal globalisation, the commercialisation of international education was a choice the state made based on normative influences as well as material resources that New Zealand possesses. These involve the alignment of a number of factors: firstly, the dominance of neoliberalism and its doctrines, both globally and in domestic politics; secondly, the possession of the relevant material resources (English language and an advanced liberal education system); and lastly, being in a position to benefit from the economic development of countries in the neighbouring Asia Pacific region.

Using Wendt's framework of three elements of social structure: shared knowledge; material resources and practice, I have analysed the structure of the current export education industry. Assuming that the neoliberal norm persists, material resources, from both the supply and demand sides, are the determinant variables in the stability of this structure. As such, three critical factors that have the potential to affect the future development of this industry: 1) the quality and reputation of New Zealand's international education; 2) the continued economic growth in key student source countries and the ongoing demand for overseas education; and 3) the willingness of people from these countries to purchase education services from New Zealand.

The third factor is linked to the first, it goes without saying that consumers are more willing to purchase a well known product of good quality; however, in the field of international education, domestic politics (in both providing and consuming countries) and foreign relations also play an important part in influencing consumers' "willingness" to use the services offered by a particular provider. As Healey argues, international education does not strictly follow the internationalisation model for business (Healey, 2008), as politics plays a more dominant role than is the case for other industries. Examples of this impact can be seen at each of the key turning points in the developmental trajectory of this industry: in the 1960s, the inflow of Malaysian Chinese students was strongly influenced by Malaysia's discriminatory treatment towards students of Chinese ethnicity; the boom of the industry in the early 2000s was the result of China's as well as New Zealand's policy changes in lifting restrictions on the movement of Chinese students out of China and into New Zealand; and the subsequent bust not only led to financial losses for the industry, but also a period of difficult bilateral relationship with China.

Both the study of key turning points in the history of New Zealand's international education and of export education as a social structure indicate that politics and international relations have played a prominent role in this industry. As has been shown, the significant rises and falls in international student numbers that have occurred were the result of policy changes at a state level, either in New Zealand or the student sending countries. It is also the government's decision to cut funding that drove the increasing commercialisation of the New Zealand education sector.

The economic success of Asian countries has had a direct impact on New Zealand's export education industry. This external factor has contributed to New Zealand's success; and as an external factor, it is also a reminder of the vulnerability of this

industry to outside forces. New Zealand's foreign policy approach in identifying itself as a part of the Asia Pacific region in recent years has brought it in closer contact with key countries in the region. While the continuing economic growth in key student source countries is not guaranteed, a stronger regional identity and closer bilateral relationships will increase the willingness of these countries to continue to work with New Zealand, if it does.

Butcher's concern that international education's shift from "aid to trade" has gone too far is a valid one as during the formative stages of the export education industry, an over emphasis on financial gain at the expense of quality damaged New Zealand's international education reputation. The risk of over commercialising international education is ever present. As Welch's recent analysis of Australia's experience warns, "the adoption of an opportunistic entrepreneurialism has the capacity to damage the quality and reputation of both systems and institutions of higher education" (Welch, 2012). The "capacity to damage", however, does not necessarily assume a direct correlation between commercialisation and actual damage to education quality and reputation. All businesses have risks to manage. For export education, one of the key challenges is balancing commercial activities with the efforts required to maintain education quality and reputation.

Commercialisation also does not necessarily imply a detrimental effect to foreign relations. They can, in fact, be mutually reinforcing in the same way other bilateral trade relations are. The question, therefore, is not whether the commercialisation of education can go "too far", but how the economic benefits can be realised without negatively impacting on the quality and reputation of New Zealand's education, while at the same time achieving its overall foreign policy objectives.

Bibliography

- Altbach, P. G. and Knight, J, *The Internationalization of Higher Education: Motivations and Realities*, Journal of Studies in International Education 2007, 11: 290
- Altbach, Philip G. and Welch, Anthony, *The Perils of Commercialism: Australia's Example*, International Higher Education, Number 62, Winter 2011: 21-23
- Arum, S. "*International Education: What Is It? A Taxonomy of International Education of U.S. Universities*." CIEE Occasional Papers on International Educational Exchange, 1987, 23, 5–22.
- Australian Education International (AEI); *International Education Snapshot*, 2012; [https://aei.gov.au/IEAC2/Consultation\(IEAC\)/Documents/DataSnapshot.pdf](https://aei.gov.au/IEAC2/Consultation(IEAC)/Documents/DataSnapshot.pdf) (accessed 12 Nov 2012)
- Bertram, Geoff, *The New Zealand Economy, 1900-2000*, in Giselle Byrnes (ed.) *The New Oxford History of New Zealand*, Oxford University Press, Oxford, 2009, Page 537-572
- Brandenburg, U and de Wit, H, "*The End of Internationalization*", International Higher Education, Number 62: Winter 2011, 15-17
- British Council, *Students rate UK as the safest place to study as concerns over security abroad grow*; 11 October 2012; <http://www.britishcouncil.org/press/students-rate-uk-safest-place-study> (accessed 29 Nov 2012)
- Bryne, Caitlin and Hall, Rebecca, *Australia's International Education as Public Diplomacy: Soft Power Potential*. Discussion Papers in Diplomacy, Netherlands Institute of International Relations "Clingendael", 2011.
- Butcher, A. & McGrath, T., *A sin of omission: New Zealand's export education industry and foreign policy* in C. Holden, M. Kilkey and G. Ramia (eds.), Social Policy Review: Analysis and debate in social policy, 2011, 23: 257-280
- Butcher, Andrew, *Friends, Foreign and Domestic: (Re)converging New Zealand's Export Education and Foreign Policies*. Policy Quarterly, Volume 5, Issue 4, November 2009: 64-70.
- Butcher, Andrew, *International students and international relations: bridging the gap between education and foreign policies*. 2009, in 20th ISANA International Education Association conference proceedings.
- Butcher, Andrew, McGrath, Terry and Stock, Paul, *Once Returned, Twice Forgotten? Asian Students Returning Home After Studying in New Zealand*, 2008, New Zealand Population Review, 33 & 34: 235-248.

- Cao, Cong, “CHINA’S BRAIN DRAIN AT THE HIGH END, Why government policies have failed to attract first-rate academics to return”, Asian Population Studies, Vol. 4, No. 3, November 2008
- Capie, David, “New Zealand and the World: Imperial, International and Global Relations” in Giselle Byrnes (ed.) *The New Oxford History of New Zealand*, Oxford University Press, Oxford, 2009, Page 573-598
- Capie, David, *Constructing New Zealand in the World*, in Raymond Miller and Michael Mintrom (eds.) *Political Leadership in New Zealand*, Auckland University Press, Auckland, 2006.
- Capie, David, *Representing New Zealand: Identity, Diplomacy and the Making of Foreign Policy*, in Teresia Teawia and James Liu (eds.) *New Zealand Identities: Belonging and Longing to Be*, Victoria University of Wellington Press, Wellington, 2005.
- Checkel, Jeffrey T, *The Constructivist Turn in International Relations Theory* World Politics, Vol. 50, No. 2 (Jan., 1998), pp. 324-348
- Deloitte, *Broader implications from a downturn in international students*, 2011, for Universities Australia
- Department of Labour (DOL), “The Asian workforce: A critical part of New Zealand’s current and future labour market” 2010.
<http://www.dol.govt.nz/services/LMI/workforce2020/asian-workforce/asian-workforce.pdf> (accessed 21 Dec, 2012)
- Education New Zealand, “Our role”, <http://www.educationnz.govt.nz/about-enz/our-role>, (accessed 20 July, 2013)
- Finnemore, Martha and Sikkink, Kathryn, *International Norm Dynamics and Political Change*, International Organization, Vol.52, No.4 (Autumn 1998), p251
- Frieden, Jeffry, *Global Capitalism, Its Fall and Rise in the Twenty Century*, 2006, W.W. Norton & Company, Inc., NY.
- Friedman, Thomas L. *The world is flat: a brief history of the twenty-first century*. New York : Farrar, Straus and Giroux, 2007
- Fukuyama, F. *The End of History and the Last Man*. Hamilton, London. 1992.
- Gill, Bates & Huang, Yanzhong, “Sources and limits of Chinese ‘soft power’”, Survival: Global Politics and Strategy, (2006) 48:2, 17-36
- Gürüz, Kemal, *Higher Education and International Student Mobility in the Global Knowledge Economy*, Revised and Updated Second Edition, State University of New York Press, Albany, 2011
- Hansen, Holly Moran, “Defining International Education”, New Directions for Higher Education, no. 117, Spring 2002

- Harman, Grant, *New Directions in Internationalizing Higher Education*, Higher Education Policy, 2004, 17, (101–120)
- Healey, Nigel M. *Is higher education in really 'internationalising'?* Higher Education (2008) 55:333–355
- Ho, Elsie S., Li, Wendy W., Cooper, Jenine and & Holmes, Prue. “*The Experiences of Chinese International Students in New Zealand*” 2007, Report for Education New Zealand, <http://www.educationnz.org.nz/secure/eeidfReports/R3.pdf>; accessed 14 October 2012
- ICEF, *Australian International Education Sector Braces for a Long Hard Recovery*, <http://monitor.icef.com/2012/10/australian-international-education-sector-braces-for-a-long-hard-recovery/>, 17 Oct 2012, accessed 29 Nov 2012
- IIE G8 Conference website, <http://www.iie.org/Who-We-Are/News-and-Events/Events/2012/G8-Conference-2012> (accessed 12 Nov 2012)
- Ikenberry, John, ‘*The Rise of China: Power, Institutions, and the Western Order*’, pp. 89–114 in Robert Ross and Zhu Feng, eds., *China’s Ascent: Power, Security, and the Future of International Relations* Cornell University Press, 2008.
- Jakubowicz, Andrew and Monani, Devaki, *International Student Futures in Australia: A Human Rights Perspective on Moving Forward to Real Action*, The Academy of the Social Sciences in Australia, Occasional Paper, 2010
- Juan Ignacio Martínez de Morentin de Goñi, *What is International Education? UNESCO Answers*, San Sebastian, UNESCO Centre, 2004
- Knight, Jane & de Wit, Hans, *Strategies for internationalisation of higher education: historical and conceptual perspectives*, in de Wit (ed) *Strategies for internationalisation of higher education, a comparative study of Australia, Canada, Europe and the United States of America*. Published by the European Association for International Education (EAIE), 1995
- Knight, Jane, *Internationalization Remodeled: Definition, Approaches, and Rationales*, *Journal of Studies in International Education*, 2004 8: 5
- Knight, Michael, *Strategic Review of the Student Visa Program*, 2011 Report, Australian Government, (The Knight Review)
- Kubalkova, Vendulka; Onuf, Nicholas; and Kowert, Paul (ed) *International relations in a constructed world*, Armonk, N.Y.: M.E. Sharpe, c1998
- Lewis, Nicolas, *Code of practice for the pastoral care of international students: making a globalising industry in New Zealand*, *Globalisation, Societies and Education*, 2005, 3:1, 5-47
- Lewis, Nicolas, *Political projects and micro-practices of globalising education: building an international education industry in New Zealand*, *Globalisation, Societies and Education*, 2011, 9:2, 225-246

- Lin, Chong-Pin, “*China's students abroad: Rates of return*” The American Enterprise 5. 6 (Nov 1994): 12.
- Ministry of Business, Innovation and Employment (MBIE), *Building Export Markets progress report*, August 2012, <http://www.mbie.govt.nz/pdf-library/what-we-do/business-growth-agenda/building-export-markets-bga-progress-report-august-2012.pdf> (accessed 24 Oct. 2012)
- Ministry of Education (MOE) *Code of practice for the pastoral care of international students*, 2003
- Ministry of Education (MOE) *Export education in New Zealand: a strategic approach to developing the sector*” 2001
- Ministry of Education (MOE), *Education Statistics of New Zealand 1989-2007* http://www.educationcounts.govt.nz/publications/ece/2507/edstats_nz_04, 2008, (accessed 13 Dec 2012)
- Ministry of Education (MOE), *Export Education Levy Statistics 2003-2011* <http://www.educationcounts.govt.nz/statistics/international/international-students-in-new-zealand>, 2012 (accessed 25 Oct 2012)
- Ministry of Education (MOE), *Foreign fee-paying student statistics to 2001* <http://www.educationcounts.govt.nz/publications/series/15260>, 2002, (accessed 20 Dec 2012)
- Ministry of Education (MOE), *International Students Trends Reports* (webpage) <http://www.educationcounts.govt.nz/publications/series/15260> (accessed 20 Dec 2012)
- Ministry of Education (MOE), *Leadership Statement for International Education*, 2011
- Ministry of Education (MOE), *The International Education Agenda, a Strategy for 2007–2012*, 2006
- Ministry of Education (MOE), *The New Zealand International Education Sector Trends from 1999 to 2004*, http://www.educationcounts.govt.nz/__data/assets/pdf_file/0004/14827/nz-ie-trends-report--1999---2004.pdf, 2005, (accessed 20 Dec 2012)
- Ministry of Foreign Affairs and Trade (MFAT), *The Colombo Plan at 50, A New Zealand Perspective*, 2001, Wellington
- Ministry of Foreign Affairs and Trade (MFAT), *People's Republic of China* <http://www.mfat.govt.nz/Countries/Asia-North/China.php>, (updated August 2012, accessed 21 Dec, 2012)
- Ministry of Foreign Affairs and Trade (MFAT), *What are NZ Inc strategies?* <http://www.mfat.govt.nz/NZ-Inc/1-About/index.php>, (updated August 2012, accessed 21 Dec, 2012)

- New Zealand Market Development Board, *Directions in Foreign Exchange Earnings: Educational Services*, (the “Hugo Report”) 1987, Wellington
- Nye, Joseph and Donahue, John D (ed), *Governance in a Globalizing World*, Brookings Institution Press: Washington DC. 2000
- Nye, Joseph, *Power in the Global Information Age, From Realism to Globalisation*, 2004, Routledge
- Nye, Joseph, *Soft Power: The Means to Success in World Politics*, New York: Public Affairs, 2004
- OECD, Education at a Glance 2012, OECD indicators, Indicator C4, *Who Studies Abroad and Where*, http://www.oecd.org/edu/EAG%202012_English_100912.pdf; (accessed 6 Oct 2012)
- Olds, Kris and Robertson, Susan, *Regionalism and Higher Education*, Trends and Insights for International Education Leaders, October 2011, © 2012 NAFSA: Association of International Educators
- Olsen, Alan, “*Modelling of Education as an Export for Australia*”; 2012, <http://www.spre.com.au/download/IEAAModeling2012.pdf> (accessed 18 Nov 2012)
- People’s Daily Online, *350,000 Chinese students to study abroad in 2011*, 19 Dec 2011, <http://english.peopledaily.com.cn/203691/7681454.html> (accessed 17 Dec 2012)
- Reus-Smit, C “*Imagining society: constructivism and the English School*”, British Journal of Politics and International Relations 4 (3) 2002
- Rogers, Marvin L., *Malaysia and Singapore: 1971 Developments*, Asian Survey, Vol. 12, No. 2 (Feb., 1972), pp. 168-176
- Scholte, Jan Aart, *The Sources of Neoliberal Globalization*, United Nations Research Institute for Social Development, October 2005
- Smart, Reginald, *The Goals and Definitions of International Education: An Agenda for Discussion*, International Studies Quarterly, Vol. 15, No. 4 (Dec., 1971), pp. 442-464
- Tarling, Nicholas, *International Students in New Zealand, the making of policy since 1950*, 2004, New Zealand Asia Institute, the University of Auckland
- Te Ara, The Encyclopedia of New Zealand, <http://www.teara.govt.nz/en> (accessed 2 Dec, 2012)
- Teichler, Ulrich, *The changing debate on internationalisation of higher education*, Higher Education 48: 5–26, 2004.
- The Colombo Plan website, <http://www.colombo-plan.org/> (accessed 2 Dec, 2012)

- Thirkell-White, Ben, *Globalisation and Development*, in “Issues in International Relations”, (2nd Revised Edition), Trevor Salmon, M. F. Imber (ed), (London: Taylor and Francis, 2008).
- Thomas, D *Number of returning Chinese students up 38%*, 21 March 2012, The PIE News, <http://thepienews.com/news/number-of-returning-chinese-students-up-38/> (accessed 17 Dec 2012)
- Tong, Caroline Haiyan, & Wang, Hongying, *Sino-American Educational Exchanges and Public Administration Reforms in China: A Study of Norm Diffusion*, Chapter 7, p155-175, from Li, Cheng, (ed) “Bridging Minds across the Pacific: The Sino-U.S. Educational Exchange 1978–2003”, Lexington Books: US. 2005
- Torres, Carlos & Daniel, Schugurensky, *The political economy of higher education in the era of neoliberal globalization: Latin America in comparative perspective*, Higher Education 43: 429–455, 2002.
- van der Wende, Marijk, *Internationalization of Higher Education in the OECD Countries: Challenges and Opportunities for the Coming Decade*, Journal of Studies in International Education, Vol. 11 No. 3/4, Fall/Winter 2007 274-289
- Wang, Qisheng (王奇生), *Study Abroad-A Century Old Dream for the Chinese* (中国人的百年留学梦)” 2001, <http://jds.cass.cn/Item/439.aspx>, (accessed 21 June 2012)
- Welch, Anthony, “*Opportunistic entrepreneurialism and internationalisation of higher education: lessons from the antipodes?*” Globalisation, Societies and Education, Vol. 10, No. 3, September 2012, 295-315
- Weldes, Jutta, *Constructing National Interests*, European Journal of International Relations, 2:3, 1996, pp. 275-318
- Wendt, Alexander, *Constructing International Politics*, International Security, Vol. 20, No. 1 (Summer, 1995), pp. 71-81
- Wendt, Alexander. *Anarchy is What Stakes Make of It: The Social Construction of Power Politics*, International Organization 46 (2), 1992
- Wesley, Michael, *Australia’s Poisoned Alumni: International Education and the Costs to Australia*, August 2009, Lowy Institute for International Policy
- Williams, Bruce (ed) *Overseas Students in Australia, Policy and Practice*, 1989, International Development Program of Australian Universities and Colleges Ltd.
- Yang, R. *Globalisation and Higher Education Development: A critical Analysis* International Review of Education, 2003, 49(3-4): 269-291
- Yang, R. *University Internationalisation: Its Meanings, Rationales and Implications*. Intercultural Education, 2002, 13(1), 81-96.
- Zhang, Junmian; *Top 10 overseas study waves in Chinese history*, China.org.cn, Dec 24, 2011, http://www.china.org.cn/top10/2011-12/24/content_24220658.htm; (accessed 18 June 2012)