

Part 1:

Integrated Study Report

Improving the Institute Capacity
of Higher Education under Globalization:
Joint Schools among APEC

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I. Executive Summary

1.1 Background and Objectives

1.1.1 Background

The economic globalization will exert tremendous influence on politics, cultures, science & technology, and education of every economy/region in the world. Education will be faced with unprecedented challenges and shouldered great tasks under the circumstances of globalization of talents flow, internationalization of talents standards, and the need of national development.

- Education is one kind of service trade on terms of WTO, and WTO members have made commitment on education service. So the transnational flow and international cooperation will be an important feature of future education.
- The role of government has been changed continuously, and its power has been decentralized under the circumstances of globalization. The key element of educational decentralization is to improve the schools' capacity, that is to say, the internal capacity of self-running and sustained development step by step.
- The traditional schooling system has been facing new challenges derived from the fast development of information technology and the continuously improvement of electronic-transferred learning methods which have resulted in transnational online university and distance education.
- As a trade, educational service will be provided beyond the national/regional border, especially in higher education.

1.1.2 Objectives

It's an important mission for APEC to carry out regional cooperation in higher education in order to meet the needs of globalization. So the joint schools running in higher education among APEC members is a good approach to empower the APEC. As a result, we have the

responsibility to research the higher education institutions capacity of joint schools through the network of APEC so that there are more effective joint schools in APEC. There are 4 objectives in this project:

- To share the past experience of joint schools in higher education among APEC economies;
- To analyze the present barriers and difficulties in joint schools of higher education among APEC economies;
- To explore the possible better ways of joint schools in higher education in future among APEC economies;
- To improve capacity of higher education institutions in running joint schools through this study and following-up training activities.

1.2 Methodology and Contents

This project was undertaken in two steps and composed by two components, case studies and integrated comparative study.

1.2.1 Case studies by participating economies

Main contents of case studies focused on the topics as following:

- To introduce the up-date educational policies on joint schools (commitment in WTO) ;
- To review the state of joint schools of higher education in each participating economy;
- To select 2 or 3 sample institutes in higher education in each participating economy;
- To collect related data of joint schools of these sample institutes;
- To describe the content of joint schools of these samples;
- To sum up the experiences and lessons of running joint schools of these institutes;
- To analyze the advantages and disadvantages of each institute at present;
- To map out cooperative prospect for running joint schools in higher education among APEC economies.

1.2.2 Integrated comparative study

The integrated study was conducted by Shanghai Institute of Higher Education, P. R. China. The purpose and main contents of the integrated study included as following:

- To collect and process the related data from participating economies
- To compare the policies and practices in running joint schools of APEC members' higher education institutes, based on all case studies
- To find out the lessons and experiences in running joint schools of higher education institutes
- To put forward special suggestions on running joint schools of higher education institutions for APEC in future

1.3 Progression

- May 2002, Human Resource Development Working Group, APEC considered, approved and ranked the project proposed by Shanghai Institute of Higher Education at Viet Nam Meeting;
- July 2002, BMC (Budget and Management Committee) Meeting in Singapore Approved the project proposal formally;
- September 2002, proposal defence ceremony of the project held at ACEC steering meeting in Guangzhou;
- September-December 2002, contact with APEC economies and finally 6 countries expressed their intention to participate in case study, they are USA, Australia, New Zealand, Viet Nam, Thailand, Papua New Guinea and P. R. China;
- December 2002, some research members of the project visited some higher education institutions of Australia and New Zealand, such as RMIT University, Sydney University, Queensland University, Griffith University, Waikato University, University of Canterbury, Auckland University, etc, and got some information concerned policy and practice of joint schools;
- November 2003, New Zealand finalized case study report and

- submit it to the project overseer;
- April 2004, Australia finalized case study report and submit to the project overseer;
- July 2004, P. R. China finalized case study report;
- September 2004, P. R. China finalized the integrated comparative study report;
- October 2004, exchange main findings of the project at UNESCO/ OECD-Australia forum on education service trade.

** Two points of explanation :

1. Originally, Viet Nam, Thailand, Papua New Guinea made their confirmation as participant of the project case study, but regrettably they were beyond our contact afterward. And the USA retread at the last minute owing to some understandable reasons. As a result, there left three countries, Australia, New Zealand and P. R. China undertook case studies. The integrated comparative study was based on three case studies report but not confined to them.
2. According to the original proposal, there should have an international seminar on joint schools given the project report finalized with the intention to
 - exchange the information of joint schools of higher education among APEC
 - share the experiences of joint schools of higher education among APEC
 - explore more and better approaches of joint schools among APEC higher education institutions
 - strengthen the connection and cooperation of higher education institutions among APEC, especially on joint schools.

So the task group of the project and I personally want to express thanks to Ms. Kristie van Omme for her effort making main findings of the project presented at the OECD-Australia Forum.

1.4 Scope: definition of joint school

The core terminology of *joint school* used in this project is extracted from the WTO's official document of Protocol on the Accession of the People's Republic of China. There is a sentence written in the Schedule of Specific Commitments on Services: Joint school will be established, with foreign majority ownership permitted.

In China, owing to the rigid legal regulation of denying foreign countries set up schools independently, so when the commercial presence of education service in China was referred to, it just means collaborative arrangements or *joint schools*. Certainly, as part of education export, or in another word, China's commercial presence of education service in other countries could be collaborated or independently based on the legal prescription of host economy, and currently almost all of them are cooperated with foreign partner.

To some degree, what the terminology of joint school referred to is a major part of the third type of education service providing, commercial presence in consumption economy. One points should be stressed is that commercial presence could be exist either through collaborative arrangement with host economy education institutions or independently setup as an overseas branch of the original institution. But in this study, most of our attention was paid to the former kind of commercial presence, and only include the latter kind when necessary.

Another point should be emphasized is that commercial presence of education service could be of part of either education export or education import or both as to a specific economy, because any economy may located at one point on the line with one end of entirely export without import and the other end of completely import without export. Take participants of this project for instance, Australia is so a typical nation of education export, and China just on the contrary.

Just as showed in the case study reports of Australia and New Zealand, there are various words and expressions describe the topics of this project, such as transnational education, offshore education, twinning arrangements, collaborative programs, franchise, joint venture, joint venture school, and etc, and everybody has different understanding of these terminology mentioned above. For the sake of confined to the original proposal document, we selected to use the terminology of *joint school* in this study report.

There are two points need to be stressed especially at last as following:
(1) *joint school* in this project mainly pointed to higher education,

- either formal higher education leads to degree awarding or training with a description certificate as a proof;
- (2) *joint school* in this project has a wide range in scope, either as a corporation with an independent legal status or as one component of a higher education institution focused on one course, program or subject.

II. Joint schools of Australia higher education

2.1 A rising nation of education export

Education export is a new terminology when internationalization of higher education developed in to the stage of trade of education service. In the General Agreement on Trade in Services (GATS), education export means such activities as accept international students, set campuses overseas independently or collaborated with aim to earn economic interests.

Historically, Australia was a nation of education import, and so many Australian completed their higher education in America or Europe. But since mid-1980, Australia found its status in education export and rose as a new nation of exporting education service. Statistics revealed that the amount of trade in education service of Australia in 2000 is 2155 million USD, 11.8% of that of the whole world. Take 1970 in contrast, the amount was 6 million USD, 0.6% of that of the whole world then.

2.2 Offshore education service: important part of Australia education export

As a strategy of education export, Australia use its unique geographic location and language advantage, stick to the principal of value for money and focused on Asia market, make great effort to develop new type of education export and establish overseas programs to extend offshore education service beside the traditional method of attract international students come to Australia.

After the General Agreement of Trade in Services issued in 1995,

Australia government and higher education institutions grasped the opportunity of commercial presence and began to extend their overseas education service institutions. To 2001, Australia has set up two official organizations, Australia Education International and Austrade to promote its overseas education development.

Under the encouragement of government, universities and higher education institutions make great effort to develop offshore education service while admit more and more international students. According to the investigation report of AVCC in 2001, 38 Australia universities established 1009 offshore education programs in total with an enrollment of near 350 thousand. The table below reveals change of learning pattern of international students enrolled by Australia universities and other higher education institutions.

Learning pattern change of international students enrolled by Australia IHEs

Year	Study in Australia	Study in overseas campus of Australia	Study through distance online
1996	75.9	18.3	5.9
1997	72.4	21.3	6.3
1998	69.8	24.0	6.2
1999	67.4	27.4	5.2
2000	63.2	28.3	8.5
2001	63.5	27.6	9.0

Source : OECD (2002): Education Policy Analysis. Paris: OECD. P. 115.

III. Joint schools of New Zealand higher education

3.1 Related regulation

In New Zealand, education export activities were a lesser part of education activity when its Education Act was introduced in 1989, so there is no article concentrated on it. While the provisions of the Act can potentially be extended to apply to offshore provision, the New Zealand Government is much more concerned the reputation maintaining of New Zealand qualifications, regardless of whether they

are delivered in New Zealand or overseas. Any courses leading to approved qualifications overseas as either stand-alone or joint ventures must obtain separate, site-specific accreditation in addition to normal requirements for approval and accreditation for on-shore delivery and assessment.

Specifically speaking, NZQA required any New Zealand-based provider operating overseas must provide evidence to the NZQA that the overseas operations:

- are covered by the provider's quality management system;
- are consistent with the standards of the provider's New Zealand operations;
- comply with legal requirements in the particular economy; and
- are acceptable to the relevant educational authorities in the particular economy.

And additional information required for New Zealand providers offering approved courses leading to qualifications overseas as collaborative, 'twinning', franchise or joint venture activities with an overseas provider, such as a statement on the standing of the overseas provider and evidence that they meet appropriate quality and course management requirements, a formal memorandum of cooperation between the New Zealand provider and the overseas provider, and details of the quality assurance processes applying to the overseas provider, etc.

In addition, the New Zealand Government is also concerned with management of the risks involved in the provision of offshore education and provides advice to tertiary education providers on effective risk management approaches, in order to ensure a New Zealand education provider's financial resources and its equity are not subject to undue financial risk and possible loss, thus safeguarding the interests of the provider and its students.

As to offshore education in New Zealand by foreign providers, owing

to the New Zealand's Education Act 1989 sets the requirements for establishment as TEIs and for the use of protected terms such as 'university', 'college of education' or 'polytechnic', and the terms 'degree', 'bachelor', 'master' or 'doctor', and the statutory restraints through Ministerial approval for applicants to use a protected term in their name in New Zealand, the ability to establish an institution which uses the term "university" is protected by law (and the establishment of a new university must be approved by government). Foreign service providers cannot automatically assume they can operate in New Zealand using the status they have in their home countries, however, a foreign providers can and do establish:

- tertiary (including degree-granting) programmes in NZ in partnership with a NZ university, school or PTE (private tertiary establishment); or
- entire schools or colleges, in the form of PTE's, in New Zealand.

New Zealand makes no distinction between providers on the basis of whether ownership is foreign or NZ-based, and this is reflected explicitly in New Zealand's GATS commitments regarding private education. All providers, whether foreign or NZ-owned, must go through the same quality assurance processes.

New Zealand has a number of public Australian universities which offer programmes (including whole degree programmes) in New Zealand in cooperation with local providers, both public and private. New Zealand also has wholly or partly foreign-owned schools - for example, the Australian owned Taylors College branches in NZ, or International Pacific College, a Japanese-owned degree-granted PTE.

3.2 Joint schools in operating

An initial stocktake of offshore activity by New Zealand's TEIs by the Ministry of Education was completed in 2001. An analysis of results shows that:

- 17 of the 36 TEIs offered offshore programs alone or in conjunction with offshore partners with a total of 63 programs

and enrollment of 2200 in 2001, increase from six and 380 separately in 1997;

- most offshore programs commenced recently (ie. 2000 or 2001) and one has been offered offshore since 1986;
- Subject matter varied – Business and Administration, Commerce, Management and Science courses featured often, but vocational/ professional programs in the fields of Nursing or Medicine, Teaching and the Trades were also delivered offshore;
- Level of involvement varied greatly – three institutions accounted for 35 program and many providers offered just one program offshore;
- New Zealand’s offshore programs in 2001 were concentrated in South-East Asia, China/Hong Kong and the Pacific. Malaysia accounted for the largest number – 15 programs.

IV. Joint schools of China higher education

4.1 Related regulation and policy

In China, with the development of joint schools operated by foreign providers and domestic higher education institutions cooperatively, related regulations and policy consummated step by step.

- June 30 1993, then National Education Commission made an internal Circular Letter on Chinese-Foreign Cooperative Education in China;
- January 26 1995, Interim Provisions for Chinese-Foreign Cooperation in Running Schools issued by then National Education Commission;
- January 1996, Office of Degree Commission issued a Circular Letter on Reinforce Degree Awarding Management in Chinese-Foreign Cooperated Education;
- By the end of 2001, China entered WTO and made commitment in education sector, include “joint school will be established, with foreign majority ownership permitted”.
- March 1 2003, the State Council promulgated the Regulations on Chinese-Foreign Cooperation in Running Schools, and effective as of September 1 2003;

- June 2004, the Ministry of Education issued Instruction on Implementation of Regulations on Chinese-Foreign Cooperation in Running Schools, and effective as of July 1 2004.

Both of the Regulations on Chinese-Foreign Cooperation in Running Schools and its Implementation Instruction:

- Encourage China's higher education institutions introduce high-quality foreign educational resources and cooperate with well-known foreign higher education institutions;
- A permit printed in a standard format and numbered in a unified way shall be granted if a joint school application is approved;
- An application for establishing a joint school offering higher education for academic qualifications at or above the regular university education shall be subject to examination and approval of the education administrative department of the State Council;
- An application for establishing a joint school offering specialized higher education or higher education for non-academic qualifications shall be subject to examination and approval of the people's government of the province, autonomous region or municipality directly under the Central Government where the proposed school is to be located;
- The enrollment by joint schools offering higher education for academic qualifications shall be incorporated into the national enrollment plan for institutions of higher learning;
- Certificates of academic qualifications or certificates of academic degrees of a foreign educational institution granted by a joint school shall be identical with the certificates of academic qualifications or certificates of academic degrees issued by the foreign educational institution in its own economy and shall be recognized by that economy.

As to overseas programs provision by China's higher education institutions, a Provisional Management Method on Overseas Programs Provision by China's Higher Education Institutions was issued in

December 2002 and effective as of 1 February 2003. The Provisional Management Method encourages domestic higher education institutions provide programs at subjects with Chinese characteristics and comparative advantages based on consideration of host economy's requirement of development.

4.2 Joint schools in operation

After more than 10 years' development, joint schools of various level in China has amounted to 712 in total by the end of 2002. Among of them, there were 82 items focused on sub-degree level, 69 items belonged to bachelor degree, and 74 items concentrated on postgraduate level.

Owing to the reality that joint schools offering sub-degree programs and training programs were subject to examination and approval of local government of the province, autonomous region or municipality directly under the Central Government, it's difficult to collect updated accurate and adequate statistics. While joint schools offering foreign degrees subject to examination and approval of the education administrative department of the State Council, so it's easy to get statistics concerned. Up to June 30 2004, 164 items of joint programs with approval offering foreign or Hong Kong special administration district degrees are in operation. An analysis of these joint programs shows that:

- The first joint program offering foreign degree started in 1995, and from 2001 on, the number of new approved programs doubled that of the year before.
- There are 94 China's higher education institutions, 15% of the total institutions conferring degree offering joint programs of foreign degree. 30 of them have more than 2 joint programs. The top 5 in the ranking are Fudan University (7), Beijing Science and Technology University (6), Shanghai Jiaotong University (6), Tsinghua University (5) and Zhejiang University (5).
- The foreign partners of 92 items of joint programs, 56% of total programs came from Australia and USA. Hong Kong special

administration district, Canada and France ranked third to fifth.

- More than 60% (100) joint programs were cooperated with 35 foreign higher education institutions. Among of them, there are 13 foreign higher education institutions running more than 3 joint programs in China.
- Most of these joint programs (68%) focused on master degree, and more than a quarter focused on bachelor degree.
- Almost 65% of the total programs belong to administration and management field, and a quarter focus on information technology and engineering, the others scattering at social work, education, language, account, law, medicine and health, nursing, economics and psychology, etc.

While more and more foreign higher education institutions entering China, the domestic higher education institutions also start their step in extending overseas education market. For example, Shanghai University of Chinese Medicine, Shanghai Jiaotong University, Shanghai Television University, Beijing Language University and Beijing University of Chinese Medicine are all pioneers in open overseas campus or programs jointly or independently.

V. Main characteristics of three countries

5.1 Far beyond balance and with different develop priorities

It's so evident that the condition and priority of Australia, New Zealand and P. R. China differed from each other greatly and was far beyond balance.

- Australia has climbed to the top ranks of nations of education export. Offshore education service, especially offshore joint program has emerged as the most important type of education export in Australia.
- In New Zealand, almost all joint schools are located in foreign countries. Joint schools as higher education import still never appeared in university, colleges and other higher education institutions.
- In contrast, joint schools of China mainly concentrated on

education resources introduction, while some pilot overseas joint schools have been under exploration and practice.

Main reasons resulted at this unbalance and different are mixed, including various elements such as impact coming from national higher education system, influence by national education develop strategy and education service trading strategy, etc.

5.2 Great attention to legal and regulation construction

Anyway, Australia, New Zealand and P. R. China shared much experience during develop joint schools, the most important one is that great attention paid to legal and regulation construction to protect the interests of nation, institutions and students and keep social stability.

- In Australia, Act on Overseas Student Education Service was passed in 2000, prescribed that the government has legal power of monitoring international education service, national accreditation and registration system of international education service institutions should be established, etc. Then made further detailed Regulation of Overseas Student Education Service in 2001.
- The New Zealand Government concerned the reputation maintaining of New Zealand qualifications, regardless of whether they are delivered in New Zealand or overseas. Any courses leading to approved qualifications overseas as either stand-alone or joint ventures must obtain separate, site-specific accreditation in addition to normal requirements for approval and accreditation for on-shore delivery and assessment. For example, NZQA required any New Zealand-based provider operating overseas must provide evidence on quality, standard and legal requirement of the overseas, and required New Zealand providers offering approved courses leading to qualifications overseas as collaborative, ‘twinning’, franchise or joint venture activities with an overseas provider, provide additional information formal memorandum of cooperation, etc.
- In China, an Interim Provisions for Chinese-Foreign

Cooperation in Running Schools issued by then National Education Commission as early as 1995. After China entered WTO and made commitment as “joint school will be established, with foreign majority ownership permitted”, on March 1 2003, the State Council promulgated the Regulations on Chinese-Foreign Cooperation in Running Schools, then in June 2004, the Ministry of Education issued Instruction on Implementation of Regulations on Chinese-Foreign Cooperation in Running Schools. During this period, a Provisional Management Method on Overseas Programs Provision by China’s Higher Education Institutions was issued in December 2002.

VI. Implication of joint schools in higher education

A comparative study of various types of international education exchange and cooperation and trade in education services revealed that joint school is one of the most important ways to accelerate the internationalization of higher education at various levels.

To a nation of education import, the implications of joint school of higher education are multifaceted as following:

- To understand, introduce and practice experience of internationally successful school running models, programs and courses, teachers training, and quality assurance;
- To cultivate balanced international culture view of students;
- To laid a consolidate foundation of foreign language;
- To decrease economic pressure and opportunity cost.

And to a nation of education export, what it could attain is beyond economic benefits from education service trade, such as internationalization of education and human resource, exchange and cooperation in science and technology, cultural understand and respect, social progress and prosper, and even increase of comprehensive competitive capacity are all could be resulted from it.

VII. Prospect and suggestion on development of joint schools among APEC

7.1 Prospect

A topic report of OECD on trade of education service has pointed out that there would have a further increase in institutions and investment of commercial presence in trade of education service, and more and more universities and other higher education institutions were seeking establish offshore campuses and teaching equipments. The taskgroup of APEC project on joint schools also has a basic estimation: joint schools of higher education among APEC would have a further development in the near future.

From point of possibility, accelerating elements for joint schools of higher education among APEC include the unique advantages of joint school itself, neighboring location, cultural identity and history accumulation, pioneering participation and experience in trade of education service, and limitless possibility created by information technology.

From point of necessity, joint schools of higher education among APEC could accelerate international exchange and cooperation of higher education, regional human resource development, improve regional competitive capacity and prosper of regional economics, society and culture.

7.2 Suggestions

The taskgroup of APEC project provide some suggestions on further development of joint schools of higher education among APEC as following:

7.2.1 Give sufficient play of government in constituting regulation and monitor public education.

Joint school is one of the most important ways to accelerate the

internationalization of higher education at various level, regardless of it is a nation of education import or export. In order to make full use of the unique advantages of joint schools, each economic member should give sufficient play of government in constitute regulation and monitor public education, set down rigid, systematical and substantial manage regulations, set legal norm and confinement, to ensure high level, high quality of joint schools, eliminate economic and social risk of learners and nation utmost.

In the negotiation proposals for a new round of trade in education service negotiation, both of Australia and New Zealand pointed out that while seeking eliminate obstacles of higher education cooperation, the role of government in constitute regulation and monitor public education should be give full respect, and a strong government was expected in education matters.

7.2.2 Summarize and dredge up experience and lessons among APEC and beyond for reference.

Although most joint schools are still in their infant stage, but more than ten years' exploration and practice, they have accumulated much experience and lessons for extensive reference and need to be summarized and dredged up earnestly. We believe that the APEC funded project on joint schools undertaken by Australia, New Zealand and P. R. China could contribute much to the practice and policy improvement of joint schools among APEC.

7.2.3 Participate in regional and international policy research and constitution.

Under the framework of General Agreement on Trade in Services which concerns on market-oriented trade and investment of higher education, joint school is a kind of commercial presence in higher education service trade. Beyond all doubt, international rules and policy will exert direct impact on the interests of nation and higher education institutions, so every economic member should participate in research and constitution of regional and international trade in

education service for the sake of co-development. A good example is that 4 APEC members of Australia, New Zealand, Japan and USA have submitted proposals for next round negotiation of trade in education service.

7.2.4 Make full use of location, language, culture and history shares in this region.

Owing to the neighboring location of APEC members, trade in education service of commercial presence will be certainly more active, regardless of it for the sake of domestic economic development, foreign trade or diplomacy, or for full usage of limited resources.

As to language, now English is the first international language, and many member of APEC, such as Australia, New Zealand, Singapore, Malaysia, India, Pakistan, etc were all belong to British Federation at some period of history, so convenience of language in joint schools development in this region should not be ignored.

In addition, Japan, Korea, Singapore, and P. R. China and many other APEC members sharing traditional culture of Confucianism in history and have natural link and identity in education for each other.

Beside that, owing to some historical reasons, there are many universities and colleges of high internationalization in this region. They succeeded in absorbing school-running models and management experience from British, France, German, etc, then developed them based on local conditions. Through them, some new and more international trend could be easily understand and grasp.

7.2.5 Pay great attention to potential influence of distance online education.

A Canadian scholar, Jane Knight summarized some new trends of trade in education service and mentioned the influence of information

technology development.¹ Prompt development of Internet technology has resulted that cross-border distance education becoming so easy, virtual universities aimed at education export emerged like bamboo shoots after a spring rain, traditional universities also employed internet to extend international courses. As estimated, distance education will be an important part of international trade in higher education. And on the other hand, cross-border supply will definitely combined with consumption abroad and commercial presence. From this point, joint schools have limitless develop potentiality as a result of information technology development. So great attention should be paid to it.

7.2.6 Pay close attention to the trend of joint schools opened at secondary education.

The last but not the least important, some joint schools have established at secondary education, especially at high school. For example, New Zealand's Marlborough Boys' College has opened its new Changzhou International Campus in China, a joint program between Group Colleges Australia and Zibo Middle School No. 18, Shandong province commenced in 2001. To some degree, development of joint school at secondary education shifted joint schools of higher education to an earlier stage and will exert tremendous influence on national secondary education and international higher education. We should pay close attention to it.

¹ Jane Knight, Trade Creep: The Implication of GATS for Higher Education Policy, International Higher Education, The Boston College Center for International Higher Education, Number 28 Summer 2002, P5.

