



# The International Education Industry: Trends and Issues

Presentation to IFC Global Practice Group for Social Sectors,  
Rio de Janeiro, Brazil, 11 May 2001

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# Approach

- Volumes on global trends available, IFC is well served with information resources, superb professionals, global intelligence
- Q: what can a practitioner of international education add here?
- A: perhaps
  - a changing view of trends from a university perspective
  - a moving focus on E Asia
  - a brief wrestle with the strategic issues that arise
- We will cover
  - higher education
  - vocational education and training
  - e-learning
  - but not R&D, community service, consultancy, project management etc

# A snapshot of RMIT

- Founded 1887 as Working Men's College
- Australian university under Victorian State legislation
- Dual-sector: apprenticeships to post-doctorate, strong vocational / applied mission
- 7 faculties – comprehensive but for western medicine, law, agriculture
- 55,000 students
- 13,000 international students, of which 5500 are offshore and 7500 onshore
- Multiple metropolitan campuses, regional & international sites



# Engaging with E Asia in the 1950s & 1960s

- Massive post-war reconstruction and national independence but pre-independence higher education systems remain: universities in E Asia as elsewhere - elite, tiny demographics; voc-ed traditional & not organised
- Domestic private investment in some tertiary (eg Philippines), multilateral aid mainly training
- Student international movements tiny, to USA (eg IEI >1919), USSR, European on postcolonial lines (eg British Council >1934, France, Netherlands)
- 1950 Australia's Colombo Plan of development aid via in-bound HE and VET places included the then Melbourne Technical College (Royal from 1953)
- Many trained offshore this way – sews the seed for later leadership interest in Australian tertiary education
- End of 'white Australia', multicultural society grows



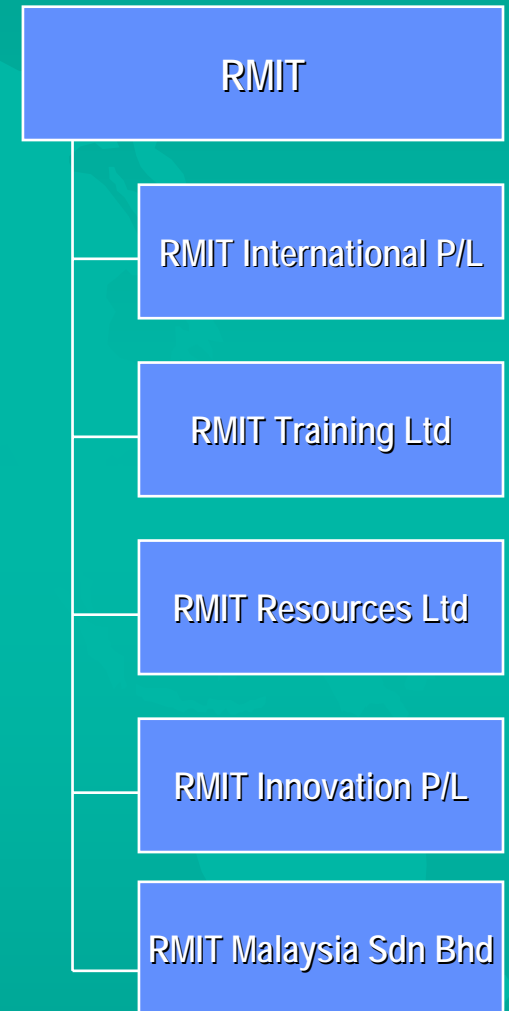
# Engaging with E Asia in the 1970s & 1980s

- RMIT a company limited by guarantee with one main commercial subsidiary
- Some Voc Ed workplace-based development assistance to SE Asia region by distance ed and visits to RMIT
- But inbound international students restricted by national quota and fee caps
- Public vocational sector regulated, state-wide accredited curricula in Australia
- Australian Voc Ed systems not yet export-oriented
- Late in decade - creation of Australian unified national system for HE – new universities, M&As
- RMIT experiment with first Malaysian 'twinning program' (2+2) 1988
- National training systems formed in E Asia esp. the tiger economies; little RMIT engagement though RMIT a regional UNEVOC centre
- RMIT well placed to add HE credential to local SE Asian technical credentials esp. where (eg Singapore) national HE policy still elitist
- Corporate education and training contracts not international






# Engaging with E Asia in the 1990s

- Commercialisation of RMIT businesses: set non-government revenue targets to 50% including 25% international
- Onshore international student market opened up by government deregulation in Australia and Asian countries' scholarship programs + new wealth
- Thus strong growth in international HE and VET markets
- RMIT emerges as a leader, marketing handled by subsidiary company under a services agreement
- Transparent pricing and overhead recovery - average (not marginal) costings assisted cultural acceptance – ie no cross-subsidies



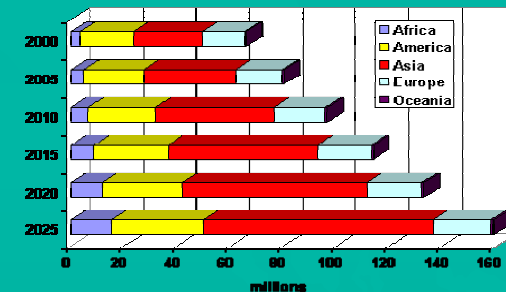
# Huge demand seen for international higher education

(Source IDP 1995)

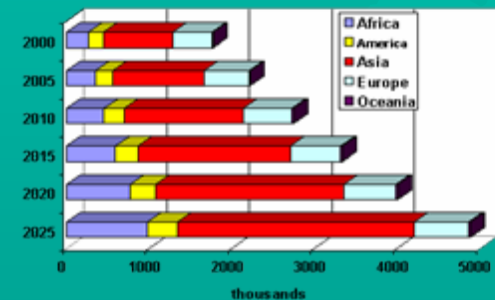
- Low participation rates (  ) mark high latent demand for higher education, especially in Asia
- Thus Asia (  ) dominates growth in global demand for HE esp. China and India
- Asia (  ) even more dominant in *international* HE demand



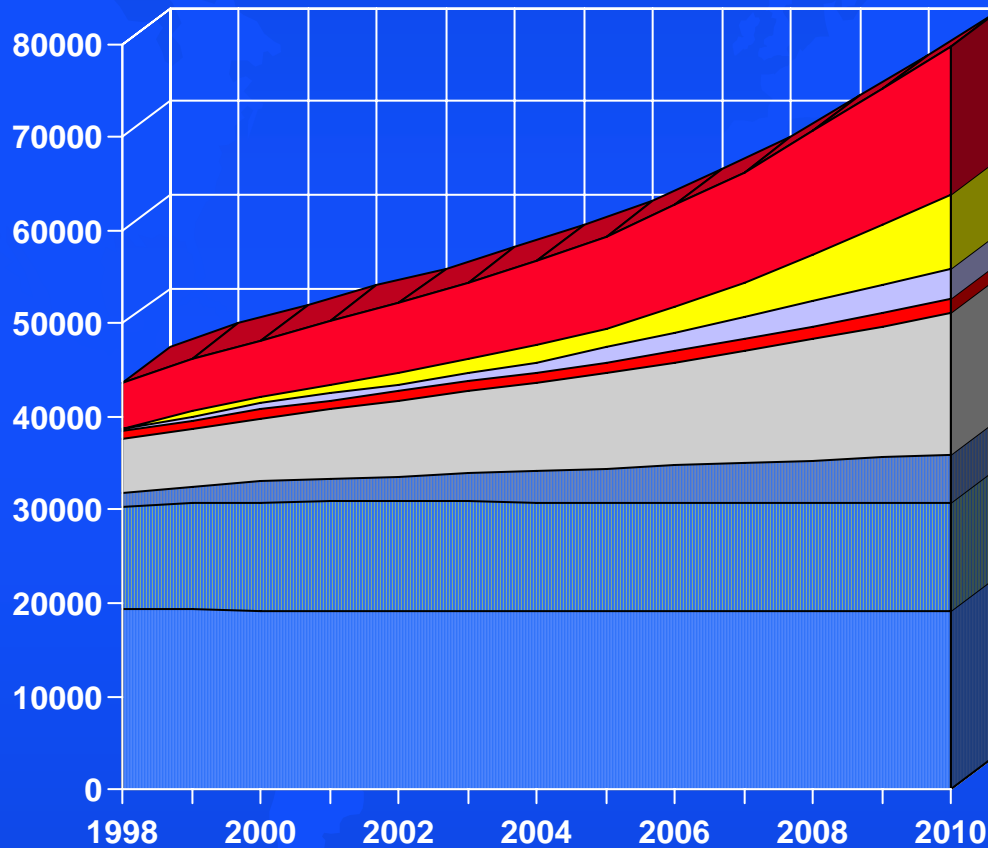
Global Demand for Higher Education 2000 to 2025



Global Demand for International Higher Education 2000 to 2025



# Thus, the view from 1998: seek international growth to top up domestic stasis

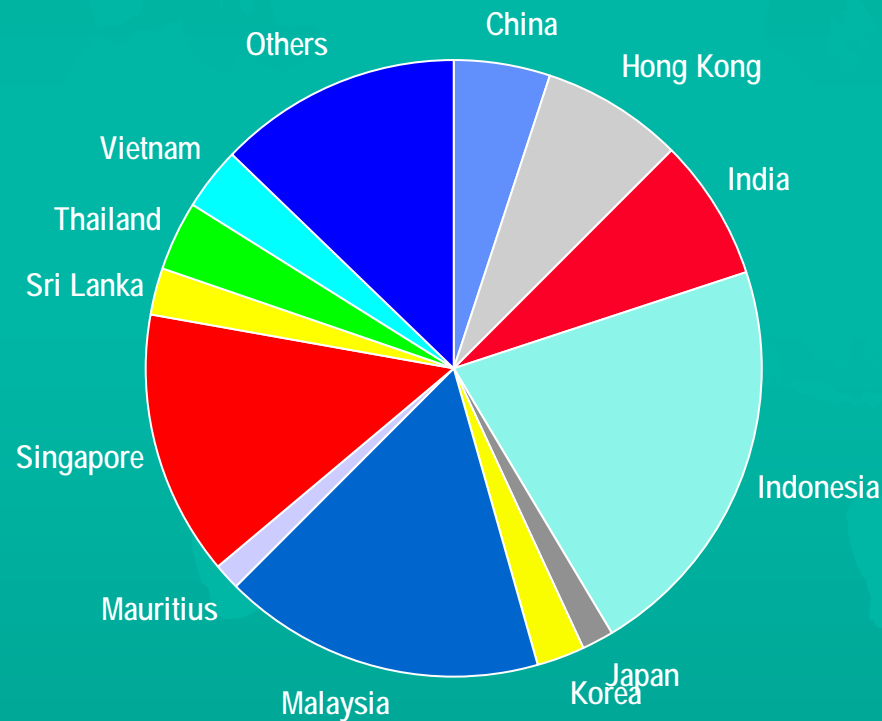


- Offshore award
- Offshore on-line
- Study abroad
- English language
- Onshore international
- Domestic PG/UG fee
- Domestic govt-VET
- Domestic govt-HE

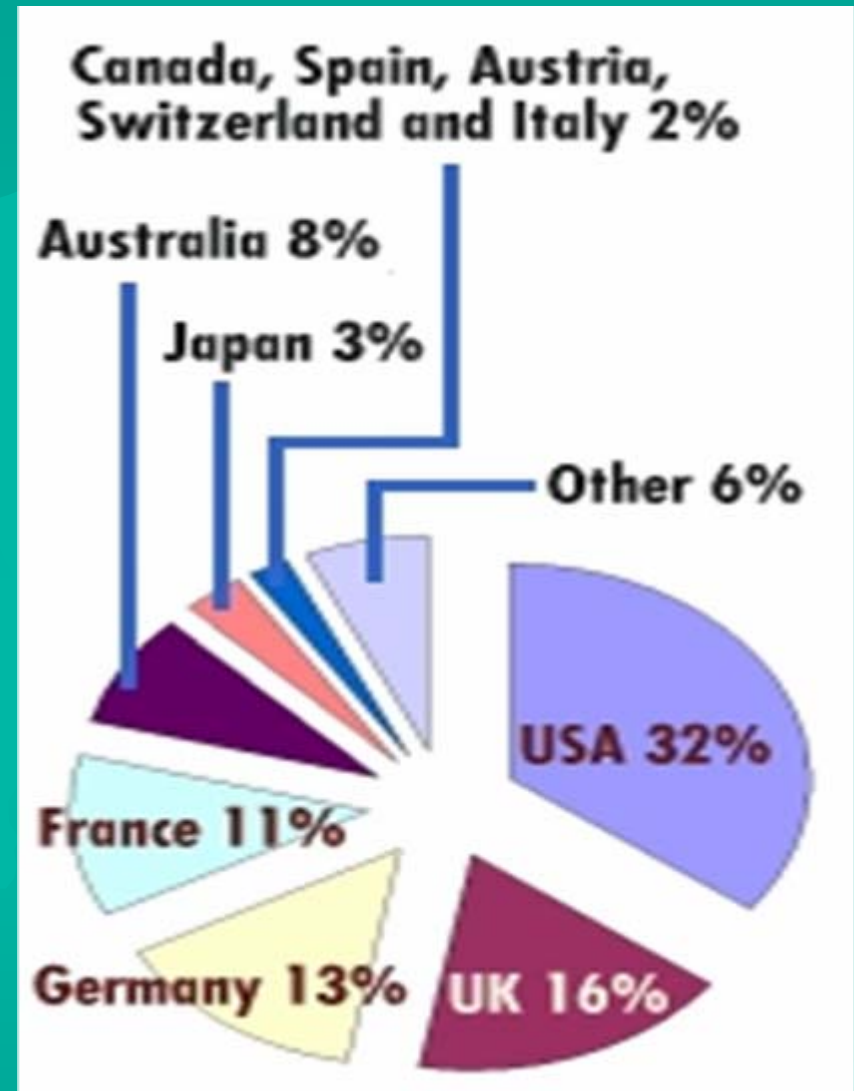


# So trade in educational services grew rapidly in the 1990s, diversifying after the Asian 'meltdown'

- Offshore twinning agreements via limited franchise fee for service contracts multiply – low margins, high impact on institution
- Entry into offshore projects market, typically in consortia – low margins, high positive impact on RMIT
- Onshore programs now more diverse (data yr 2000)



In this, Australia ate into US market share in international higher education but still small worldwide ( $\approx$ wine)<sub>(Source UNESCO)</sub>

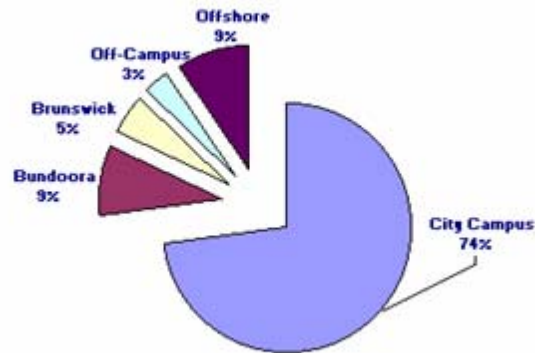


By 2000, international students were 30% of RMIT's equivalent enrolments in HE and 16% in VET. Off-campus still small

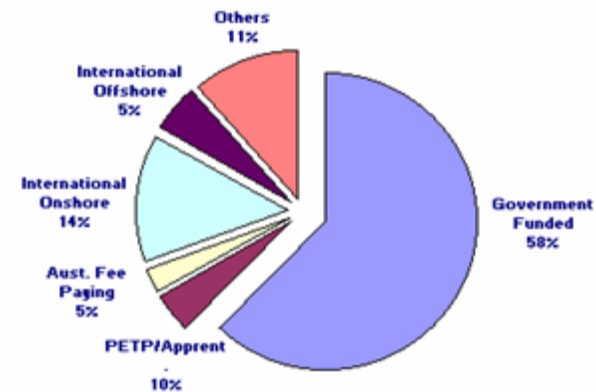
EFTSU BY FUND SOURCE - HIGHER ED



COURSE ENROLMENTS BY CAMPUS



SCH BY FUND SOURCE - VET



# This also caused cultural and educational change at RMIT, which reflected and also contributed to social change nationally

## International students at RMIT

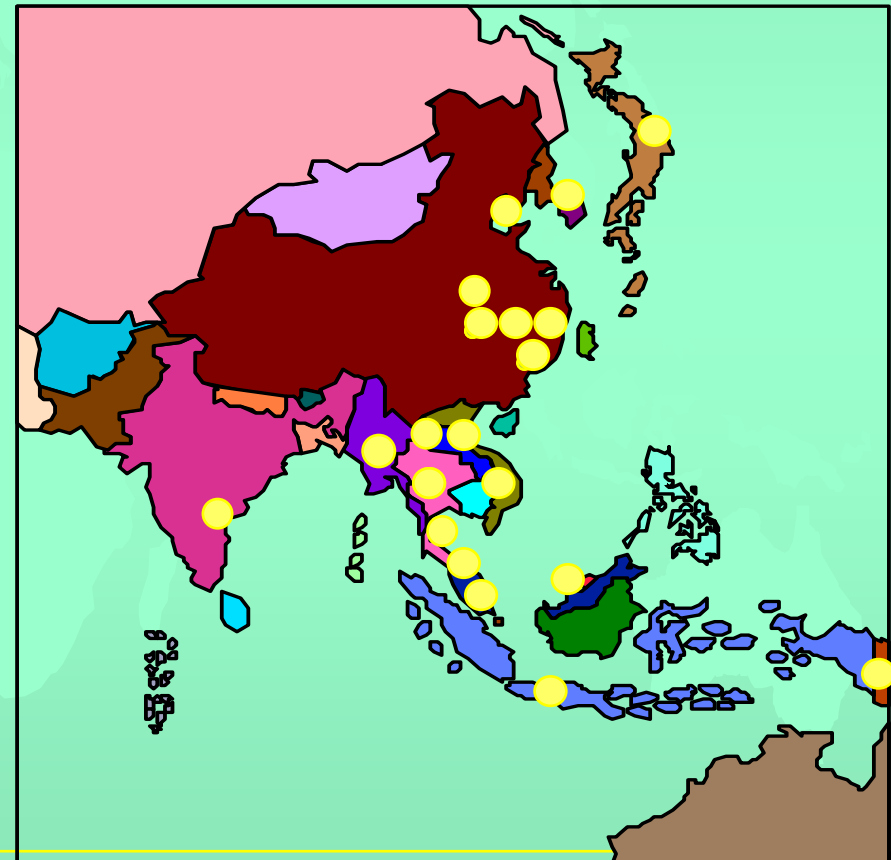
- Internationalisation of the curriculum necessary; big effort needed
- Major staff development challenge: cross-culturalism, teaching and learning
- Students including international make up c 25% of the residents of the City of Melbourne
- University-led movements to oppose racism and affirm E Asian regional engagement
- Inbound study abroad exceeded limits of many exchange agreements

## Meanwhile, incoming President, Professor Ruth Dunkin, key trends:

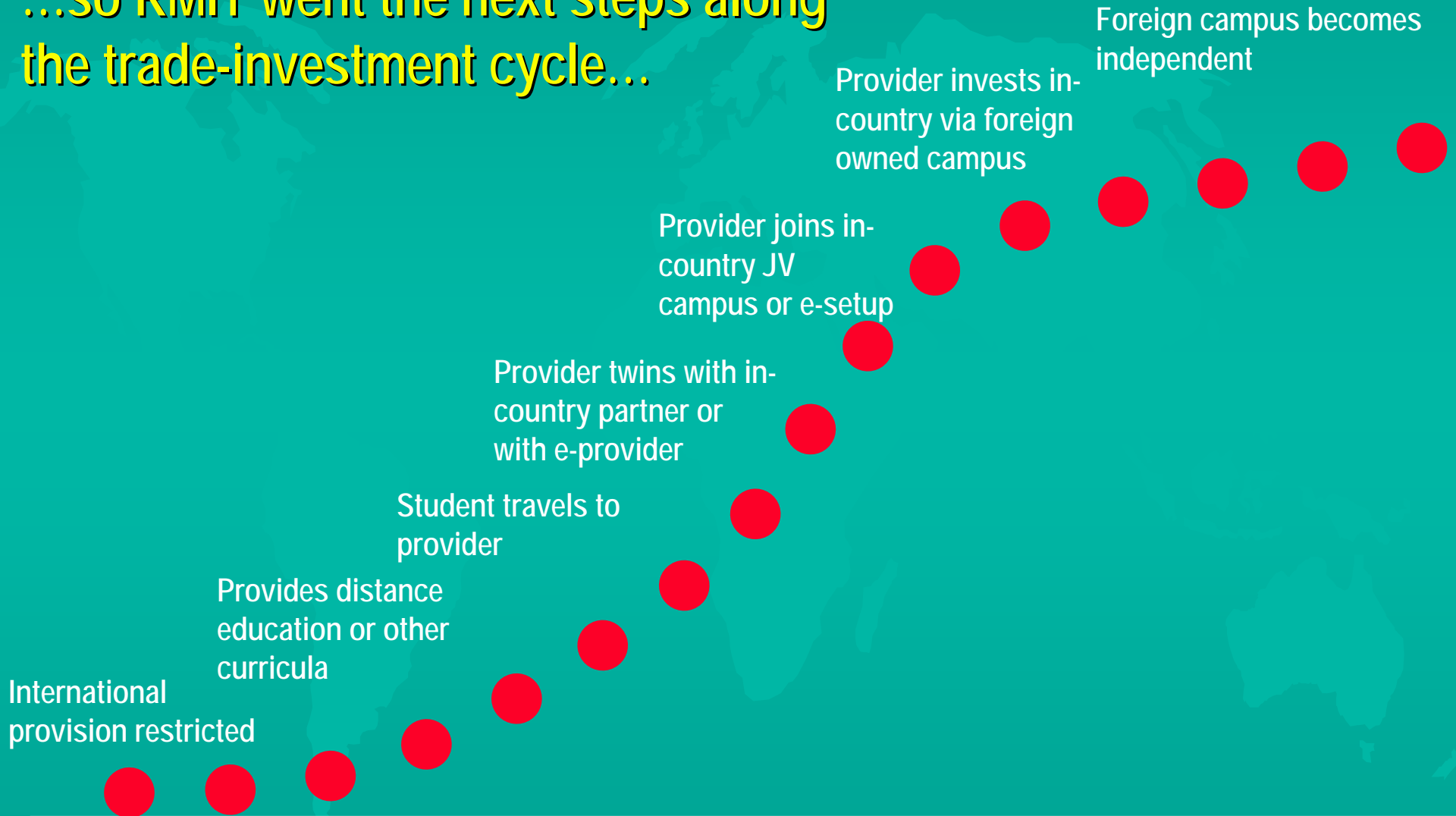
- Basis of competitive advantage and wealth creation is knowledge and innovation
- Growing alienation, backlash to globalisation
- Widening income inequality could be compounded by access to knowledge
- Universities have lost their traditional monopoly over knowledge generation, dissemination, storage
- University as a place for networks and communities of learning and practice – a learning space whether physical or virtual

## *Growth onshore led to provision through twinning partnerships offshore, but partnerships multiplied and QA and program controls became issues...*

- RMIT early to twinning helps meet local demand
- Multiple partners, locations, contracts, QA in delivery
- Big task to maintain twinning partnerships; move to multinational partners e.g. Informatics, AAMO, ?IFC
- Performance driven: priority countries; all faculties
- Targets exceeded each year: 5500 students 2000, target now 8214 by 2003
- Sites for Australians and third countries to study abroad but in small numbers only



# ...so RMIT went the next steps along the trade-investment cycle...



# ...towards campus developments...

- Several dedicated sites or buildings but small e.g. Wuhan, Tokyo, Hanoi
- Proponents come to RMIT for campus developments whether for RMIT programs or sponsorship of others' startups eg RIT, UniTech
- Aware of failure of US 'island' campuses (essentially for US students) esp. Japan
- International campuses in university development plan but only 1 every 2 years
- Took 20% of a JV in Penang, campus built, majority owner hit by economic crisis
- Responded to invitation from government of Vietnam for campus development

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# ...and towards e-learning capacity...

- RMIT has leading IT groups, but neither onshore nor offshore were programs e-ready, despite big demand and techno-savvy new students
- Big investment in learning infrastructure committed, but led by teaching and learning strategy not technical groups
- Re-usable learning objects
- 'Course renewal' for over 200 award programs and 5000 courses entails complete reprogramming of learning design, academic & admin job redesign, training
- International and virtual delivery drives choice of flagship programs for online development, particularly for RMIT Vietnam, Global University Alliance
- Course data warehousing, academic management system (PeopleSoft); enterprise system (SAP); learning resource centres – bases for the new providers
- Preference is for hybrid mode (clicks *and* bricks) and, anyway, atomised demand is for having choice



# ...via a distributed learning system...

**Level C – at a distance**  
(Course-specific)

Online @ RMIT

Full courses offering quality learning accessible by students whether on- or off-campus

**Level B – mixed mode**  
(Unit-specific)

Learning Resources

Multiple choice and problem-based progressive assessment; moderated discussion groups; models of excellent student work; lecture presentations using various media; links to related web sites, digital library resources.

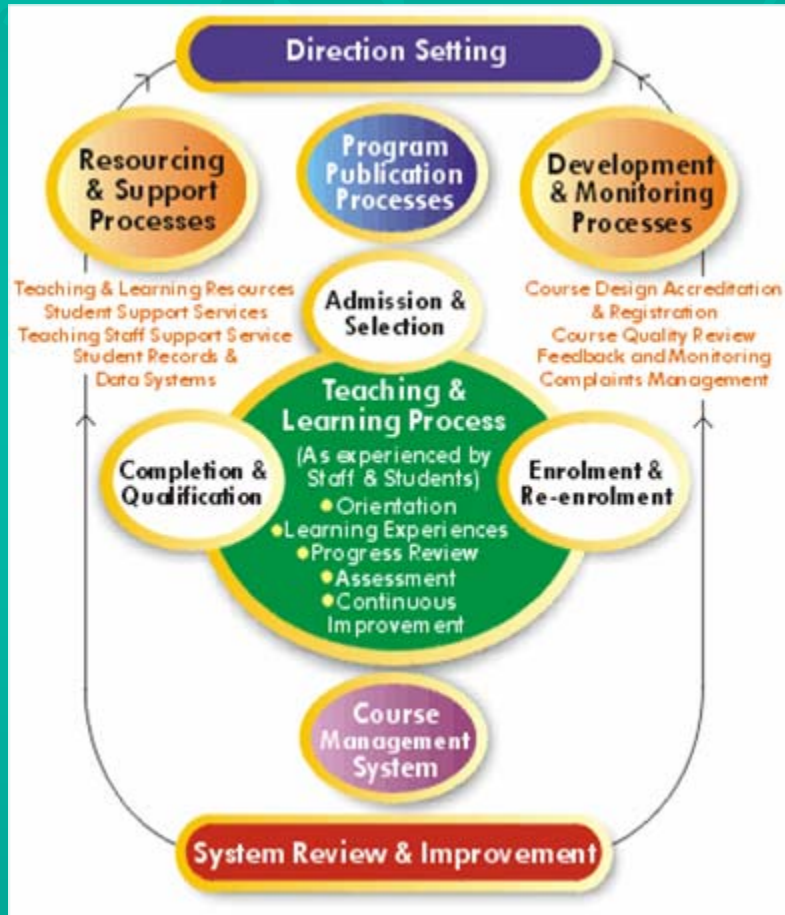
**Level A – common systems**  
(University-wide)

Information and Access

Online self service (AMS) enrolment; timetable, schedule and location, class booking; change of address/personal information, disabled status; feedback and results; assessment/exam schedule; Approved Subject and Student Learning Unit guides (CIDW) email access to tutor and peers; on-line library catalogues and reservation; on-line bookshop; student loans, scholarships, payment of fees, electronic funds transfer, credit/debit cards; account details; student card; housing, recreation, health information; learning/study skills assessment; career planning/advice; resume building; jobsearch; Student Union Council services/activities

# ...supported by rigorous QA systems.

## Teaching and Learning Program QA System



- Less-visible learning process design and its infrastructure are the key, not content

- Process design assurance: eg DoTQs and DoITs in each faculty

- Australian Quality Award framework

- ISO9001 certification

- IMHE review of international programs

- New Australian university quality authority includes online and offshore

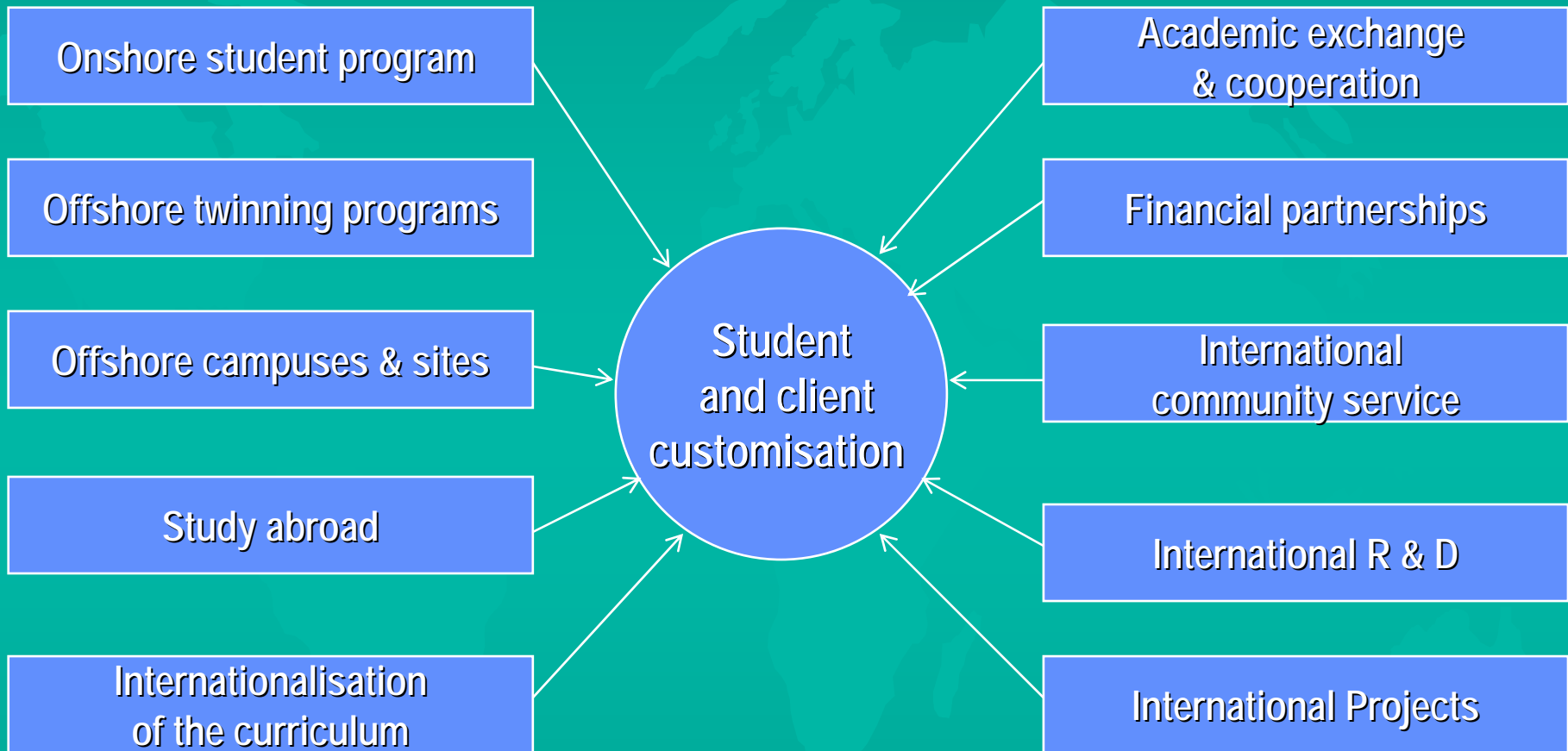


# RMIT strategy for the 2000's (the noughties)

- From entrepreneurship to innovation: wider scope
- Investment in course renewal, online development and I T infrastructure maturing into e-learning product and margins off 'reusable learning objects'
- Attention to return on investment including at faculty level
- Internationalisation and global outlook the relative priorities vs international growth for its own sake
- Higher priority for R&D (including international R&D)
- Alliances with other content providers (via ATN, GUA) and platform providers (OLA, NextEd) and e-learning clients (eg AusTrade Institute)
- Convergence: offshore/onshore/online distinctions disappearing for students & clients



# Convergence of international programs



# Issues for international delivery 2000s

- Teaching and learning still the driver of technology via support systems
- Ubiquity of online content whether or not FTF, on-campus/off-campus
- Rise of new HE and VET providers:
  - corporate universities (e.g. Sun, Motorola)
  - virtual universities (e.g. NTU) whether 'empty' content-providing
  - conversion / upgrade of traditional distance ed providers
  - for-profits (e.g. U Phoenix, DeVry)
  - Mega-universities (mainly distance) upgrading
- Convergent strategies – e.g. multicampus RMIT or Monash cf. Sylvan's chain of universities. Globalism and its discontents
- Address equity, knowledge economy haves and have nots, the digital divide
- Philanthropic engagement rising across region in HE + VET sector
- International certification maze (GATE)
- WTO-related reduction of trade barriers but QA- and immigration-driven re-regulation from some countries
- Language translatability will reduce hegemony of English

# e-Learning trends with the digital economy

- Blurred boundaries between universities, corporates, virtual universities and private training providers
- Content is becoming free if not cheap to produce (eg MIT) – value adding will be learning management with QA and branding
- Shakeout and consolidation in the industry but new patterns among content providers, learning managers, platform providers and marketing outlets
- Atomisation of markets, radical customisation
- Clicks and bricks together: towards networks of learning centres eg RMIT LRCs in Vietnam
- Disintermediation of supply despite new provider consortia
- Problem of channel conflict for complex providers: different prices for the same courseware and same award offshore, online, onshore, franchised

# E Asian region surging & sputtering

- Pent-up scale of demand esp. China and India is massive, fuelled & funded by diasporas
- Capacity gap still driving deregulation / reduction of trade and investment barriers (eg India, Vietnam, Malaysia, R of Korea)
- Some dramatic opening eg Vietnam
- But QA- and migration-based limits re-imposed (eg HK, UK)
- South-south movements and marketing growing but centre-periphery pattern still rules
- International providers even reputable are operating in regulatory grey zones – eg China non-compliers, breaches of distance / FTF rules
- IT takeup strong (eg Korea, China), if with varying but severe connectivity bottlenecks
- Massive IT skills shortage as elsewhere; regional IT industry volatile
- Countries in crisis eg Indonesia still generates high demand for international education

# Some issues for IFC Social Sector Group

- Key position to support exploding HE, VET and e-learning sectors
- What does the 'private' of IFC's mission now mean: the ventures? the sponsors? the finance source? For-profits?
- Sector characterised by public/private interweaving
- An innovative IFC group needed for innovative human service industries
- Financing innovative components as you are doing eg education portals (Perkinson WEM paper)
- Alliances with philanthropic foundations encouraged where otherwise some foundation aversion to ODA sector
- Continue excellent dissemination and sponsorship of market intelligence and deal brokering
- Find 'templates' for prospective sponsors eg with universities, local VET providers, multinational trainers

