

Australia in India

Commodification and Internationalisation of Higher Education

If the 1990s marked an intensification of the process of 'globalisation', within the policy discourse of the higher education sector that process has manifested itself through the idea of the 'international university'. In part, internationalisation implies a redefinition of higher education as a globally marketed commodity or as an export oriented 'industry'. These developments are examined by means of an analysis of the internationalisation of Australian education, and the operational procedures, strategies, and expansionist market objectives of Australian higher education institutions in India. It is argued that, under the hegemony of neo-liberal ideology, these international linkages are emerging as a result of the transformation and restructuring of the higher education sector in both nations.

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I Introduction

A familiar refrain, at least with Australian policy-makers engaged with south Asia, is the need for relationships to extend 'beyond cricket'. In the case of the Australia-India relationship, there are obvious pre-existing links between them as colonial subjects (under, of course, vastly different historical-political circumstances), and, as a result, a number of similarities in terms of basic institutional structures. Overall, however, the degree of real engagement between the two countries has been relatively limited. During the 1990s, although at times operating at a largely rhetorical level, there appears to have been greater interest in expanding linkages between the two nations under the neo-liberal imperatives of 'free trade' and the internationalisation of domestic capital in terms of trade and investment in commodities and services.

In this respect, since 1991, when the Indian government embarked on a policy of economic 'reforms', an increasing number of Australian companies have begun to seek market and investment opportunities in India. Although significant, the extent of this engagement is relatively limited in comparison to Australian corporate investment and trade linkages with south-east and east Asia. The Australian government has also developed linkages between Australia and India by launching diplomatic, cultural, and trade initiatives, such as the establishment of AUSTRADE offices and the 'New Horizons' Australian cultural/trade/institutional showcase, which travelled around major Indian capitals in 1996.¹

Among other developments, Australian policy-makers have sought to strengthen institutional linkages in the form of knowledge, technology, and training transfers as well as trade linkages between Australia and India in education. For the most part, however, structural imperatives within the education sector in Australia have determined that these activities are focused on attracting fee-paying students from India to Australia. Indeed,

this focus forms part of a larger strategic objective of establishing Australia as a pre-eminent 'exporter' within education services globally, and particularly within Asia owing to Australia's geographical proximity and increasing trade linkages in other export related sectors. In addressing the 'commodification' of education and the internationalisation of Australian higher education institutions, this paper will examine the operational procedures, strategies, and expansionist market objectives of Australian educational institutions and marketing agencies in India. It also notes how, under the hegemony of neo-liberal ideology, these linkages are emerging as a result of the transformation and restructuring of the higher education sector in both nations in the 1990s.

If the 1990s marked the intensification of the process of 'globalisation', within the policy discourse of the global education sector that process has manifested itself through the idea of the 'international university'. This objective is represented, on the one hand, as the development and extension of an entrepreneurial, market oriented approach on the part of education providers in response to declining levels of state revenue allocations to publicly funded institutions and, on the other, as a means of exposing education management and administration, academic staff, students, and curricula to international competition and 'best practice', knowledge and technology transfers, and deepening (and, critically, mutually advantageous) transnational institutional linkages. The assumption that both goals are complementary, indeed, that they necessarily generate each other, must be examined in a critical manner. Certainly, in the case of Australia, as a result of a strong neo-liberal ideological commitment within state policy to immediate, market oriented 'shock therapy' for the higher education sector, it can be argued that the degree to which it has become necessary to pursue revenue raising activities by promoting Australian education as a global commodity could, in fact, impact negatively on the development and extension of meaningful and appropriate transnational linkages within the education sector.

II Indian Students in Australia

There is little doubt that in the 1990s there has been remarkable growth in the number of Indian students who have chosen to study in Australia. Overwhelmingly, these students are paying full international student fees and charges for their Australian education. Many have chosen to pursue vocational or technical courses, primarily within Australia's Technical and Further Education (TAFE) system or within private vocationally oriented colleges such as hospitality training institutes. In recent years, a growing number of students are also taking their place in courses within the Australian university system. In 1990, prior to the introduction of a package of economic reforms by a Congress government in July 1991, the number of Indian students studying in Australian institutions, across all education sectors (school, vocational and Higher) was 378. Significantly, within a few years, the number of Indian students within the Australian education system had increased to several thousand. By 2000 the total number of Indian student enrolments exceeded 10 thousand (see Table 1).

Yet, while the vocational education sector has had the greatest success in attracting fee-paying Indian students, the Australian higher education sector has nonetheless attracted a significant proportion of these students (see Table 2). The relatively high proportion of Indian students in the vocational/technical education sector, mainly in business, administration and information technology diploma courses, runs counter to trends from other 'source' countries for foreign students studying in Australia, the majority of whom opt for courses within the higher education sector. This can be partially explained by an apparent preference among Indian students for applied, less generalist, skill-based vocationally oriented courses. The bias towards the vocational education sector is also related to the somewhat aggressive marketing strategies of Australian vocational education providers, as well as the particular demographic and educational profile of the students. Many of these students are attracted to diploma level courses within the vocational education sector because of easier entry requirements and lower course charges than university degree programmes.

In the higher education sector alone, there were, from a very small initial base of students, dramatic overall increases from the mid-1990s on. In the late 1990s this growth stabilised but between 1999 and 2000 there was another sharp increase. As shown by Table 3, in total, the number of Indian students in the higher education sector in Australia grew from 802 in 1994 to around 2,800 by early 1998. By 2000, the number of student enrolments stood at near 4,500 an increase of some 33 per cent from the previous year.

The extent to which Australian education has succeeded in making a major impact upon the market for foreign education in India over a very short period of time is especially notable given pre-existing preferences on the part of students for studying in the US and in the UK. As with students all over the world, Indian students favour the US as their preferred destination, with over 33,000 Indian students enrolled at higher education institutions in that country in 1997-1998 [AEI 1999]. In the case of the UK, the second most favoured destination for Indian students, there is a much higher 'recognition' factor among prospective students in terms of educational institutions. Indeed, the UK, which has a significant ethnic south Asian population,

along with the historical legacy of colonialism, is, in many ways a 'traditional' destination for Indian students seeking to pursue overseas education. During the 1990s, a shift in this pattern has occurred with a growing number of Indian students choosing to study in Australia, so much so that Australia is threatening to overtake the UK in terms of student numbers. In fact, by early 1998, within the higher education sector alone, it was estimated that Australia had 2,789 Indian student enrolments as compared to 2,934 in the UK [AEI 1999].

What then are some of the key factors that account for the increasing preference for Australia as a study destination? Indeed, how has this market expansion been achieved and what are the particular structural imperatives in both Australia and India that are driving this process? The answers to such questions are shaped, in part, by the broader global transformations that have conditioned the education sector over the course of the last decade.

III Globalisation and Commodification of Education in 1990s

This is not intended to suggest, however, that the international or "globalised" dimensions of the provision of education are, in fact, 'new' phenomena characteristic only of the 1980s and 1990s. Over a long period, education, particularly higher

**Table 1: Number of Indian Students in Australia
(Across All Educational Sectors), 1995-2000**

1995	2,673
1996	4,180
1997	5,690
1998	8,073
1999	9,581
2000	10,572
Percentage change between 1998 and 1999	+18.7
Percentage change between 1999 and 2000	+ 10.3

Source: Australian Education International, *Overseas Student Statistics, 2000*, Commonwealth Department of Education, Science and Training, Canberra, 2001.

**Table 2: Indian Students in Australian Education Institutions
by Sector in 2000**

Education Sector	Number of Students	Total (Per Cent)
Higher education	4,467	42.3
Vocational education	5,932	56.1
School/language education	173	1.6

Source: Australian Education International, *Overseas Student Statistics, 2000*, Commonwealth Department of Education, Science and Training, Canberra, 2001.

**Table 3: Indian Students in Australian Higher Education
Sector, Number and Percentage Increase from 1994-2000**

Year	Number	Increase from Previous Year (Per Cent)
1994	802	N/A
1995	1249	54.9
1996	1910	52.9
1997	2367	23.9
1998	2789	17.7
1999	3354	20.3
2000	4467	33.2

Source: *Overseas Student Statistics, 1998*, Department of Education, Training and Youth Affairs Canberra, 1999; Australian Education International, *Overseas Student Statistics, 2000*, Commonwealth Department of Education, Science and Training, Canberra, 2001.

education, has involved, and in many ways has been founded upon, a great deal of international exchange in terms of students seeking to study overseas, staff transfers (on short-term exchange programmes or by recruiting for academic positions on a global basis) and the global sharing of knowledge, whether through conferences or internationally accessible publications.

Nonetheless, there has been a marked shift within this sector in many nations over the last two decades. This shift has perhaps been most evident in regard to the state funding of public universities and colleges. It is also evident that there have been contesting ideas as to the form and function of educational institutions in meeting 'market' demand and simultaneously fulfilling a 'public good' in providing a semi-autonomous institutional realm in which critical teaching and research could be undertaken and disseminated. In short, education is redefined as a commodity to be traded as any other, and public educational institutions are seen as profit maximising corporations, 'brands' or entrepreneurs, scholarly worth is measured as market value. For David Noble (2002), the 'commodification' of education as a process implies that:

...instruction has here been transformed into a set of deliverable commodities, and the end of education has become not self-knowledge but the making of money. In the wake of this transformation, teachers become commodity producers and deliverers, subject to the familiar regime of commodity production in any other industry, and students become consumers of yet more commodities. The relationship between teacher and student is thus reestablished, in an alienated mode, through the medium of the market, and the buying and selling of commodities takes on the appearance of education. But it is, in reality, only a shadow of education, an assemblage of pieces without the whole. Again, under this new regime, painfully familiar to skilled workers in every industry since the dawn of industrial capitalism, educators confront the harsh realities of commodity production: speed-up, routinisation of work, greater work discipline and managerial supervision, reduced autonomy, job insecurity, employer appropriation of the fruits of their labour, and above all, the insistent managerial pressures to reduce labour costs in order to turn a profit.

Although such shifts could not yet be said to be universal, the number of countries, 'developed' and 'developing', which have been faced with a "crisis" of reform and restructuring within their education sectors suggests that there is indeed a strong global dimension to this process. In the case of 'developing' nations, the policy prescriptions of the IMF-World Bank, in encouraging programmes of 'structural adjustment' and fiscal restraint, have emphasised the need for private investment and initiative within state supported education systems, particularly in regard to higher education. Their institutional influence represents a further impetus towards the re-definition of higher education as a 'private good' on a global scale [Tilak 1998; Reddy 1995]. Moreover, the policy agenda of the World Trade Organisation (WTO) is now focused on extending neo-liberal measures towards deregulation and market access in global service industries. In effect, the WTO has signalled an intention to develop a binding policy regime that will facilitate the unrestricted flow of educational services across borders [Altbach 2001]. As a result, over the next decade higher education is likely to be a major testing ground for the ability of national governments to retain a degree of control over economic activities (such as education), that are so closely identified with social and/or 'national' interests.²

Although more applicable to several countries which have pursued an agenda of market oriented and 'internationalised'

education for several decades, the following factors have begun to characterise higher education:

- (1) A move to viewing students as 'customers' who must fully or partially contribute the costs of their education and thus, who require and demand improved levels of service, efficiency and 'market value' in relation to degrees;
- (2) Emphasis upon accessing funding by engaging directly with the private sector, whether through applied research contracts and consultancy opportunities and formal linkages with industry and business sectors;
- (3) A shift towards a more vocational and 'skill based' orientation in terms of undergraduate education;
- (4) Supply of short course training for business and the public sector and 'tailored' postgraduate full fee paying degrees for professionals seeking to extend or maintain their skill base;
- (5) Emphasis upon domestic and international competition between educational institutions in terms of quality of staff, student numbers and research output;
- (6) Investment in marketing an institution as an international education provider and collaboration with foreign 'partner' institutions in providing off-shore education;
- (7) Use of information and communication technologies in the provision of fee-paying 'distance learning', a mode of 'delivery' designed to maximise flexibility and minimise labour costs.

This paradigm shift has, of course, encountered some political and internal institutional resistance. The aggressive commercialisation of all aspects of higher education often conflicts with pre-existing liberal ideals of such institutions as disinterested players within public discourse, or as providers of a public 'good' with a necessary degree of autonomy from the dictates of both state and market in generating teaching and research agendas. In terms of the increasing international competition and collaboration between higher education institutions, a question can also be raised as to real, rather than rhetorical, long-term outcomes in terms of productive and mutually beneficial linkages in research, teaching and the maintenance of general academic standards. More specifically, the 'commodified' nature of global education generates the question as to which countries, or educational institutions within a country (recognising that there are often vast differences in institutional capabilities and opportunities), will stand to benefit the most from the 'globalisation' of education.

IV

Restructuring of Higher Education: Australia

The place of Australian higher education institutions within a restructured international system of education provision is a result of substantial internal transformations which have taken place from the mid-1980s onwards. During this time, successive Australian governments have pursued policies directed towards the monetarist de-regulation of the financial sector, privatisation of formerly publicly controlled assets, restructuring within industrial relations and labour relations, reduction of tariffs and other import entry barriers and a related push for export oriented growth and foreign investment inputs within the domestic economy. A commitment to exposing all sections of the economy (public and private) to the 'discipline' of the market and international competition has been evident throughout the last decade – a policy consensus which has conditioned the process and

pace of restructuring the Australian higher education system.

In 1987-88 the Hawke Labour government restructured the Australian higher education system. Under the leadership of the then commonwealth education minister, John Dawkins, a number of institutions (primarily vocational or institutes of technology) throughout the country were awarded 'university' status and re-constituted in both name and in terms of their operational parameters. The official rationale behind this move was to introduce an increased level of competition in terms of the provision of higher education and to increase access in terms of student places to university degrees and training. A critical component of the 'reform' agenda, however, was to shift the system away from the ideal of 'free' higher education, a policy implemented by a previous Labour government in the early 1970s, towards one where students would partially fund the cost of their degrees. In this case, partial funding was to be achieved by implementing a Higher Education Contribution Scheme (HECS) whereby students would either contribute by an 'up-front' payment or by means of a progressive tax on income at a later time.

Similarly, the move towards introducing partial student fees was designed to reduce the level of financial responsibility of the Australian government for funding the higher education sector, with the established universities and the 'new' universities encouraged to seek new methods of generating funding outside of commonwealth operating grants. As a result, the university as 'entrepreneur' and a business entity in itself, with consultancy arms and direct linkages with industry has become prevalent over the course of the 1990s. Given that the fee contributions of Australian students remain partial, although rising dramatically under the Howard coalition government and via the introduction of full fees for a range of postgraduate degrees, a critical priority for Australian higher education institutions from the onset of the 'reform' process has been to seek increasing numbers of full fee-paying international students. This has been necessary in order to supplement falling levels of commonwealth funding, and, in some cases, to allow for the extension of an institutions capacity to invest in its internal and external capabilities for further growth in the arena of 'international education.' As Table 4 demonstrates, during the 1990s Australian universities have become increasingly reliant on non-government sources of funding such as Australian student contributions, private sector collaboration, and, very notably, income from predominantly foreign fee-paying students.

V

'Internationalisation' of Australian Universities

The self-evident objective of the agenda for 'internationalising' Australian universities is to transform the Australian higher education sector from a domestic (and thus, by definition, contained to a limited market) to an internationally competitive provider of quality education and research. In pursuing this goal there is something of an axiomatic assumption of the immediate benefits of internationalising Australian universities and colleges in terms of forging mutually beneficial international institutional collaborations; related positive 'spin-off' effects of deepening economic and cultural ties between Australia and other Asian nations through increased student and institutional linkages; the extension of research capabilities; and maintaining and extending the quality of teaching and academic standards at Australian institutions by means of exposure to international competition.

In spite of such rhetoric, and recognising that there may well be a number of positive outcomes in deepening and broadening Australia's global educational linkages, it must also be noted that, given the immediate necessity of supplementing rapidly decreasing commonwealth operating grants, the direct financial returns from foreign student fees is of much greater priority than idealised projections of international research or cultural/institutional exchanges. In turn, given the necessity of raising revenue via education 'exports', the rapid growth of foreign student numbers has created concerns as to maintaining academic standards at Australian institutions in terms of student levels of language competence and educational qualifications and the 'tailoring' and modification of academic programmes to suit market-driven demand.³

Moreover, given that in many cases revenues from overseas and domestic students have not been able to meet government funding cuts, there are indications that such shortfalls have had a highly detrimental effect on staffing levels, teaching resources, staff workloads, and research output. While many institutions appear to be dealing with this problem by eliminating or reducing internal funding allocations to those sections of the institution deemed to be no longer 'viable' in purely economically 'rational' terms, there is nonetheless a real fear that Australian institutions will be increasingly reliant upon marketing the 'quality' of Australian education at the very moment in which maintaining teaching and research standards is becoming increasingly difficult. Finally, it must be recognised that the higher education sector within Australia is internally differentiated. A strata of institutions, which include a number of Australia's 'established' universities and a select group of the 'new' universities created in the late 1980s, are in relatively advantageous position in relation to the opportunities offered by domestic deregulation and international education. Other institutions may well be trapped within a self-perpetuating cycle of declining financial resources and general academic standards.⁴

Regardless of such wider debates as to the long-term consequences of the restructuring of Australian higher education and the degree to which internationalisation will benefit the sector, the international activities of virtually all Australian universities and vocational colleges are intensifying. Most Australian universities have established international offices in order to market their respective institutions, recruit fee-paying students, process

Table 4: Australian University Funding in 1990s

	1992		1995		1999	
	\$m	Per Cent	\$m	Per Cent	\$m	Per Cent
Federal government						
Teaching funding	3926	56	4383	52	3341	37
Federal government						
Research funding	677	10	761	9	923	10
State and local government						
Research funding	41	1	60	1	80	1
Industry and other						
Research funding	141	2	240	3	307	3
HECS income (Australian student contributions)	928	13	1011	12	1728	19
Fee-paying students	368	5	577	7	1045	12
Other fees and charges	358	5	418	5	498	5
Other income	570	8	996	12	1155	13
Total	7008	100	8447	100	9077	100

Note: Price levels at 2001 constant prices).

Source: Australian Vice-Chancellor's Committee, 'Fact Sheet 2: The Sources of University Income', September 2001, Available at <http://www.avcc.edu.au/>

enrolments and fee payments, and meet the social support needs of foreign students while studying in Australia. Similarly, most of Australia's leading institutions in the area of international education have developed extensive 'off-shore' capabilities in delivering courses whether by collaboration with local partner institutions or by establishing foreign campuses of the university itself.

In marketing and promoting Australian education on an international basis, the Australian higher education sector has been able to draw upon institutional support from the Australian government. Australian Education International or AEI (formerly the Australian International Education Foundation) acts as a co-ordinating government body in gathering and publishing market research on international education, liaison with other government agencies, and organising promotional activities for institutions on a cost recovery basis. In light of the growing importance of fee-paying student revenues, one key aspect of industry-government relations relates to entry requirements for appropriate foreign students from major markets. Although student visa conditions are constantly under review and the process of gaining a visa has been streamlined for many nations, concern as to instances of students overstaying visas and breaching student visa work conditions, which limit students to a maximum of 20 hours part-time work during semester periods, have led to the maintenance of fairly tight entry conditions. In particular, entry conditions have been very strict for selected Asian nations such as China and India.

Beyond government agencies, the international marketing of Australian institutions, infrastructural support, and the processing of student applications, has been facilitated by means of establishing an autonomous education agency, IDP Education Australia, which acts on behalf of all Australian universities and colleges. IDP has established branches throughout the world, especially within major markets for Australian education in Asia, and regularly organises travelling education exhibitions in urban areas throughout the region in order to promote participating Australian institutions. While almost all Australian universities and vocational colleges make use of private education agents, working on a commission basis, in order to recruit and process prospective students, IDP also acts as an agent for Australian institutions in processing student applications and visa submissions.

VI

Education as an 'Export Commodity'

Alongside a significant degree of policy consensus as to the necessity and desirability of creating an internationally 'competitive' Australian education sector, these structural transformations are reflected in the increasing importance of education services as an 'export commodity' in relation to other service/industry sectors. As Table 5 demonstrates, in 1999/2000 and in 2000/2001 'education services' represented one of Australia's most significant and expanding 'exports'. In 1999/2000 education 'exports' were estimated to be valued around AUS \$3.4 billion. In 2000/2001, reflecting a consistent series of annual increases, they were valued at around AUS \$4.1 billion. Until a recent sharp improvement in world prices for many of Australia's 'traditional' export commodities such as minerals and wheat, 'education services' was included among the top 10 of Australian export sectors/commodities. Certainly, the regular appearance of

Australian education on such export 'league tables' stands in contrast to its relatively inconsequential contribution to export income in previous decades. Indeed, this fact that has not escaped the notice of the 'champions' of the higher education sector, who call on the Australian government to facilitate and stimulate further growth in an 'industry' where Australia is held up as a paragon of success and international 'competitiveness' [Australian Vice-Chancellor's Committee 2001].

In total, the number of international students enrolled in Australian institutions by 2000 stood at some 188,277 of which 107,622 were within the higher education sector. Within this sector, most students (72,717) were undertaking their studies on-campus in Australia – a very large number that accounts for the associated 'multiplier' return in terms of 'in-country' goods and services expenditure. Notably, there was rapid growth in the number of students enrolled (34,905) in 'offshore' campuses or affiliated colleges of Australian universities in their respective home countries [Australian Education International 2001]. The popularity of 'offshore' enrolment is related to convenience and considerably reduced fees and associated costs. As indicated (Table 6), the great majority of students within the Australian education system have come from a select group of Asian countries – often with a geographical proximity to Australia, which allows for easier movement of students and of Australian teaching staff delivering 'off-shore' education.

VII

India as an Export Market for Australian Education

The source country composition of foreign students within the Australian education sector has begun to shift. As indicated by Table 6, although Australian institutions remain reliant upon established markets in Asia such as Indonesia, Singapore, Hong Kong and Malaysia, there has also been rapid growth in student numbers from both India and China. In the case of the latter nation, recent growth has been, in part, achieved through the provision of 'off-shore' Australian education (in partnership with local 'partner' institutions). In the case of India, growth in student numbers has primarily taken place by means of 'on-shore',

Table 5: Australia's Most Important Exports, 1999/2000 and 2000/2001
(In Australian \$ Million)

Commodity	1999/2000	2000/2001
Metal ores and minerals	11760	15273
Other manufactures	11529	13495
Other mineral fuels	9082	13443
Coal, coke, briquettes	8336	10825
Metals	8810	10153
Tourism services	8677	10127
Machinery	7133	8802
Transportation services	6865	8073
Other non-rural	5236	7428
Meat and meat preparations	4467	5777
Cereals	4941	5333
Non-monetary gold	5164	5229
Transport equipment	4597	5046
Education services*	3422	4083

Note: * The value of 'education exports' incorporates education fees and the estimated expenditure of students while in Australia.

Source: IDP Education Australia, Market Intelligence Report, (all figures provided to IDP by the Australian Bureau of Statistics), Accessed: 6/5/2002; Available at <http://www.idp.edu.au/research>

student enrolments in Australian universities and vocational colleges. Clearly, in terms of overall student growth in 'onshore' enrolments, India has been one of the fastest growing markets for Australian education over the last four years.

The rapid growth in student numbers from so-called 'emerging' markets for Australian education services such as China and India has assumed further significance in the wake of the Asian financial crisis in 1997-1998. Although many of the established markets for Australian education in south-east Asia remained relatively stable in terms of overall student numbers, with some key markets recording small increases in student numbers, rates of growth in comparison to previous years had slowed perceptibly. Notably, as with any other profit seeking enterprise, the crisis created concern as to the potential for major markets to collapse unexpectedly. Given the structural dependency of many Australian universities on income from fee-paying students there were even fears of an imminent funding crisis.

In light of these results and as a direct reaction to market fluctuations, Australian education institutions have focused upon the need to diversify and extend the base of foreign student enrolments. It is likely, therefore, that India, along with China, the European Union and North America, will figure as a strategic priority for Australian institutions and education agencies in their often aggressive marketing and promotional campaigns, and in seeking to enter into 'offshore' collaborative ventures over forthcoming years. Indeed, according to one industry forecast, by 2015, demand for Australian higher education services was expected to exceed 36,000 students from/in India [Bohm and Chaudhri 2000].

Restructuring Higher Education – India

In terms of identifying the broad structural conditions that have characterised the higher education sector in India over the last decade, it is necessary to recognise that there is an established debate as to the state funding of the Indian higher education sector. A common argument has been to highlight the need for devoting scarce state resources to the 'basic education' needs of the majority of the population, given insufficient levels of literacy and inadequate access to educational infrastructure, particularly in rural areas. In this critique, the higher education sector is regarded as being excessively developed and subsidised as compared to the lower tiers of education in India, an imbalance sometimes interpreted as emerging from the political/class dominance of the urban middle class who form the primary constituency of higher education institutions. Similarly, there has been a severe critique of state financial support for elite higher education institutions, such as the Indian Institutes of Technology (IIT's), in light of an ongoing process of so-called "brain drain" of skilled professionals to developed nations such as the US and the UK.

Such critiques, allied with the aforementioned new international paradigm of self-funding, entrepreneurial higher education institutions, can be seen to have generated something of a systemic 'crisis' within Indian higher education in the 1990s and may yet lead to a fundamental restructuring of the sector. By 1997, plan allocations for higher education in India had declined to 8 per cent of the total education budget (after a high point of 25 per cent in 1974), while policy recommendations signalled that colleges should generate up to 25 per cent of their funding base from private sources.⁵ With declining public financial support, and a gradual shift of the burden of funding on to individual

institutions, particularly at the most 'elite' level, there is a strong compulsion to raise dramatically student course fees (in some cases set at comparatively low levels) and generate supplementary funding via consultancy activities, industry linkages, private investment and voluntary donations.⁶ However, dramatic hikes in student fees within the university sector, especially within many overburdened institutions with huge student loads, have proven to be generally politically sensitive with real concerns expressed as to maintaining social equity and access [Tilak 1998:233-34]. While this is an impasse which is yet to be resolved, there appears to be a degree of consensus that without renewed investment, whether through public or private means or a drastic shift towards student generated funding, many institutions within the Indian higher education sector will confront an ongoing structural crisis.

There have been some very limited attempts, largely among the 'elite' section of publicly funded institutions, to supplement declining state revenues by means of attracting fee-paying foreign students. However, in relation to education 'market leaders' such as the US, UK and Australia, India's existing capacities as a provider of 'international education' would seem to be somewhat limited. Similarly, while the ministry of human resource development has announced its intention to establish a new arm, along the lines of the Foreign Investment Promotion Board, for promoting Indian education abroad and regulating and inviting 'constructive' foreign participation in the education sector, there is as yet a lack of necessary government or institutional infrastructural support for the successful large-scale international marketing of Indian education as a service 'export'. Coupled with this are significant problems related to infrastructure and the fact that individual institutions are positioned differently in relation to their ability to attract and sustain income from international student fees. It may be that the proposed privately funded Indian School of Business in Hyderabad will emerge as perhaps one of the first Indian institutions with the capacity to market itself successfully as an 'international' study destination within Asia in general.⁷ Other institutions could become important providers of 'international' education within the region of south Asia itself.⁸ Even over the longer term, however, it is highly unlikely that marketing Indian education to international students will

Table 6: Major Source Countries for Australian Education 1997-2000*

Country	1997	1998	1999	2000	Per Cent Change 1998-1999	Per Cent Change 1999-2000
Singapore	13,534	16,509	19,207	20,866	16.3	8.6
Hong Kong	16,155	18,161	18,833	20,739	3.7	10.1
Malaysia	15,709	16,485	16,544	19,602	0.4	18.5
Indonesia	18,224	17,715	19,172	17,868	8.2	-6.8
China	3,776	5,273	8,859	14,948	68	68.7
South Korea	18,369	11,150	9,633	11,485	-13.6	19.2
India	5,610	8,073	9,581	10,572	18.7	10.3
Japan	11,768	10,739	9,828	10,220	-8.5	4.0
Thailand	7,348	6,299	6,709	8,179	6.5	21.9
Taiwan	7,450	6,403	5,912	6,104	-7.7	3.2
Others	33,216	34,637	38,587	47,694	11.4	23.6
Total	151,159	151,444	162,865	188,277	7.5	15.6

Note: *Across all Australian education sectors including offshore and onshore students; Ranked by total number of students in 2000.

Source: '1999 Final International Student Numbers', *Australian Education International* <http://aei.detya.gov.au/>; Australian Education International, *Overseas Student Statistics, 2000*, Commonwealth Department of Education, Science and Training, Canberra, 2001.

solve structural funding difficulties. Indeed, the evidence suggests that even in Australia, with all of the apparent recent success of some institutions in this regard, international student revenue is failing to meet public funding shortfalls.

VIII Student Demand in India for Foreign and Australian Education

Perhaps the single most important factor behind the growth in Indian fee-paying students pursuing study options abroad has been the decision of the government of India to free up exchange regulations in regard to the export of currency which has allowed for students to pay for course fees and related cost factors involved in studying abroad. In addition to this, a number of student loans have recently been made available by Indian commercial banks, further increasing the capacity of some students/families to opt for overseas study. Nonetheless, the cost of international education remains prohibitive, so much so that the market for foreign-based education is predominantly an option seriously considered only by a small section of the urban, English medium educated middle and upper middle class, outside of, to a certain extent, limited overseas study scholarships awarded purely on the basis of academic merit.

One of the prime causal factors behind student demand for overseas education is, undoubtedly, intensified competition to gain entry into a select group of 'elite' colleges and the numerically overburdened and generally underfunded nature of lesser-ranked and/or non-metropolitan educational institutions. Given the general policy drift towards reducing public allocations to higher education, the situation in many institutions, in terms of resource pressures and the maintenance of academic standards, is only likely to deteriorate over the next decade and this may intensify demand for international education.

Among other factors driving the demand for foreign education is the perception that a comparative advantage in terms of 'market value' and employment prospects, in relation to employers in India and overseas, can be gained by some degree of international exposure at a historical moment where globalisation is the catch-cry du jour. Another factor for prospective students is the expectation of gaining temporary or long-term work in the course of their studies or even residential status. This factor would appear to be especially significant in light of worldwide demand for skilled workers, particularly in the area of information technology in developed nations. In this latter respect, however, the US would appear to have a decisive advantage over other 'education exporting' nations such as Australia, where visa conditions relating to employment after the completion of studies remain prohibitive.

In the case of Australian education perhaps one of the most significant factors is relative cost. As compared to both the US and the UK, Australian education, in terms of both living expenses and course fees, is significantly cheaper. In fact, among leading English-speaking countries which market international higher education only Canada is comparable to Australia in terms of cost. Australia has also fared reasonably well in regard to recent currency fluctuations, as the rupee has remained steady in relation to the Australian dollar while depreciating against the US dollar and the pound sterling. However, it is important not to exaggerate the relative estimated cost differentials between countries, or to attribute destination preferences solely to the factor of comparative advantage on the question of cost.

In relation to other, perhaps more intangible motivating forces, Australia, as with the US and UK, has benefited from a certain degree of familiarity as a country destination. It has a fairly high level of general recognition among students and families, a comparable educational system, and a significant and growing south Asian community, particularly in Sydney and Melbourne. Moreover, there is also something of a general perception of Australia as a 'safe' and attractive (in terms of lifestyle and economic development) destination compared to many other nations. This factor could be said to be particularly pertinent given the family-based nature of decision-making in choosing an appropriate study destination.

Finally, the rapid growth in Indian students studying in Australia can be attributed to the successful establishment of an infrastructure for Australian education in India. There are supportive agencies like IDP Education Australia, AEI, AUSTRADE, and state government trade offices. These agencies are also involved in extensive marketing and promotional activities, as are individual Australian higher education institutions in India. It is, therefore, necessary to critically consider the nature and implications of Australian promotional and marketing strategies in India.

IX Australian Universities in India: Strategies, Student Preferences and Institutional Linkages

In terms of an infrastructure for the promotion of Australian education and the processing of student enquiries and applications (to particular institutions and for student visas) the key agencies are AEI-India and IDP Education Australia. The former is based at the Australian High Commission in New Delhi, where it acts as an information gathering and distribution agency (information services for students and placing press releases on Australian education), and organises specific promotional events. It also liaises in an official capacity with Indian government ministries and educational regulatory bodies such as the UGC and AICTE. IDP India, which has established offices in New Delhi, Chandigarh, Mumbai, Bangalore, and Chennai, plays a much more active role in terms of handling everyday student enquiries. It also provides logistical support to individual Australian universities and colleges during their visits to India, facilitating student academic and visa applications, and organising bi-annual travelling promotional exhibitions, typically to metropolitan cities with significant levels of student demand.

Alongside these official agencies, private education agents are employed by most Australian vocational colleges and higher education institutions operating in India in order to identify and recruit potential students and process student applications for academic admission and student visas. Working on a commission basis, there has been a proliferation of such private agents throughout India over recent years representing Australian institutions (or claiming to do so). While most agencies work at a local or regional level, a number of large-scale, national education agencies have now begun to emerge. Although such agents have allowed Australian institutions to market themselves on an expansive basis, there are nonetheless problems in adopting such an approach given that an institutions reputation (indeed, Australian education in general) can be diminished by bad practice among private agents who act on a largely autonomous basis. In this regard, AEI in India has acted to form, or the Association of

Australian Education Representatives in India (AAERI), in an attempt to impose some minimum standards in terms of ethics and operational procedures. In spite of this, however, there have been increasing calls for a more effective tightening of membership criteria and further controls over the activities of private agents.

Over the past decade far greater competition has become evident as increased numbers of Australian institutions seek to establish or extend their 'market penetration' in India. As a result, there is little doubt that overly aggressive marketing on the part of some institutions may be somewhat detrimental, over the longer term, in securing an image for Australia as a recognised provider of 'quality' education services. While blanket press and mass media advertising and the use of a 'chain' of private agents may prove effective in terms of immediate increases in student enrolments, such strategies run the risk of eroding an institutions image over a period of years. This is particularly the case if returning students are dissatisfied with their experience of study or their employability in local labour markets in India after completing a degree or diploma at a particular institution. In this regard, in order to build up 'brand' recognition over a number of years in India, it may be that some established Australian institutions will attempt to differentiate themselves by adopting a more restrained approach in their promotional strategies, while other institutions will opt for a more expansive approach.

As a result, while Australia has been able to achieve a remarkable growth in popularity as an education destination, there are emerging concerns, even among leading marketing agencies, as to the public image of Australian education, and the failure to

extend broader cultural and educational linkages between Australia and India. To quote from an AEI analysis of Australia's country competitors in marketing foreign education in India:

Competitor activity is already intensifying and it is becoming increasingly coordinated and strategic. The UK, the US and Canada are well advanced in Indian academic circles. The interaction between Indian academics and their counterparts from these countries has been extensive in a variety of ways. There are numerous cultural exchange programmes available to Indian academics. These exchanges tend to bring those countries' education systems to the attention of Indian students.

The US and Canada have also set up research centres in India which have resulted in a greater interaction between the academic communities of India and North America, and have helped to raise the educational profiles of both countries.

Australia is generally seen to be very commercially oriented. There is a perception that Australia benefits from the presence of Indian students but does not contribute any thing to India in return. The quality of Australian education provision receives little recognition in India [Australian International Education Foundation 1998].

There is a compulsion, therefore, even in terms of the instrumental logic of marketing international education, to foster some institutional and academic research linkages across a variety of areas between Australia and India. Similarly, some Australian institutions may also be forced to give consideration to questions of social equity and in investing in local support networks. In the first aspect, Australian institutions (and the Australian government) have largely failed to act in a reciprocal manner by initiating extensive scholarship programmes for students who would

otherwise be unable to provide tuition fees for foreign study. In the second, while most Australian institutions devote considerable effort to providing a support network to students while in Australia, little consideration is given to the experience of students who have returned to India.⁹

Finally, there has been a 'lack' in terms of clear operational guidelines for governing the activities of Australian institutions in India. Indeed, there may be a compulsion for the government of India and educational bodies such as the UGC and AICTE to provide a clear regulatory framework that applies to the future interventions of foreign education institutions in general.¹⁰ This is especially so given that some institutions are already involved in marketing 'off-shore' or distance education degrees in India and that an increasing number of foreign institutions are likely to consider establishing local operations, either through an 'off-shore' campus or in partnership with a local institution. This trend would further increase levels of competition, not only between foreign institutions but also in relation to established Indian institutions.

Conclusion

Is the development (or preexistence) of wider research, institutional and 'reciprocal' linkages a necessary condition for the growth of increasing economic linkages between national higher education sectors? In many ways, the rapid growth of Australian education as a successfully marketed 'commodity' in India demonstrates that such trade linkages can take place outside of this wider context. Over recent years, nations such as the UK and Canada, which have developed considerable institutional and reciprocal linkages in India, have been less successful than Australia in terms of attracting new fee-paying students.

Yet, in spite of the apparent influence of neo-liberal ideology in the 'reform' of higher education, there is perhaps still an inherent tension between notions of universities as profit seeking enterprises and as the providers of a 'public good', particularly as state funding remains the mainstay of the sector in spite of all attempts to shift the burden of financing education to domestic student fees, institutional self-generation of income, and 'export' earnings through international student revenues. Moreover, in the context of the ongoing commodification and internationalisation of education, does such a tension exist not only within the domestic sphere but also in terms of a responsibility to provide some degree of international social good? In this way, the 'globalisation' of higher education may involve an ongoing political contestation, at a domestic and at an international level, over the definition, ethos, and meaning of the so-called 'international' university. **EPW**

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Notes

- 1 For an overview of Australia-India relations and diplomatic and trade initiatives in the wake of economic liberalisation in the early 1990s, see, East Asia Analytical Unit, Department of Foreign Affairs and Trade, Commonwealth of Australia, *India's Economy at the Midnight Hour: Australia's India Strategy*, 1994; Meg Gurry, 'No will or no Way?: Australia's Relations with India, 1947-1993', PhD Thesis, La Trobe University, 1993; the Parliament of the Commonwealth of Australia,

Joint Standing Committee on Foreign Affairs, Defence and Trade, 'Australia's Trade Relationship with India: Commonwealth, Common Language, Cricket and Beyond', June 1998; Economic Analytical Unit, Department of Foreign Affairs and Trade, Commonwealth of Australia, *India: New Economy, Old Economy*, November 2001.

- 2 On the idea of 'nation-building' universities, see, Simon Marginson, 'Nation-Building Universities in a Global Environment: The Case of Australia', *Higher Education* Vol 43, 2002, pp 409-28.
- 3 The 'tailoring' of degree programmes to suit demand or local market conditions is also an international issue. Many Australian universities offer slightly shortened and/or condensed versions of teaching units in various international locations. They maintain relative 'parity' with domestic unit offerings by outsourcing teaching to sessional local lecturers and by short intensive visits by 'domestic' teaching staff. The government of Singapore, in terms of approvals for international education services, has recently moved to tighten 'parity' clauses.
- 4 This differentiation is also becoming evident in policy submissions to government. See, for instance, a policy paper prepared by the so-called 'Group of Eight', Australia's older, established universities. Group of Eight, *Imperatives and Principles for Policy Reform in Australian Higher Education*, Canberra, August 2000.
- 5 'Crisis in Higher Education', *India Today*, June 23, 1997, pp 38-41.
- 6 In this regard, Tilak, op cit, p 229, in fact notes an insignificant, if not declining, degree of private contributions to public higher education institutions in countries such as India and increasing private investment in new, often vocationally oriented, colleges run on principles of profit maximisation.
- 7 According to one report, the ISB plans to draw at least 30 per cent of its student body from overseas, with Asian countries such as Japan, Korea, Malaysia and Thailand forming the key source countries of prospective international students. Indrajit Gupta, 'Turning Dream into Reality', *Businessworld*, January 24, 2000, pp 52-55.
- 8 While a number of Indian higher education institutions have significant numbers of international students from other nations in south Asia and from African nations, fee structures and total student numbers from key 'source markets' in Asia are in no way equivalent to the generation of 'export' income on the part of countries such as Australia.
- 9 In this respect, there have been far too few serious efforts to activate and sustain Alumni networks and, more importantly, there has been a general lack of investment in establishing placement programmes and promoting the quality of Australian education to prospective employers.
- 10 There have been some indications of the ministry of HRD moving to implement a framework in this regard. See, Anita Kalyal, 'Jigsaw puzzle of panels on foreign institutions', *The Times of India*, (Calcutta), February 10, 2000, p 11.

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