

## Part 3

# Higher Education Reforms in Other Asian Countries

## **Building Bridges in Higher Education: Singapore-China relations in the GATS era.**

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Even now, much literature on internationalization still focuses on advanced Western states, most commonly student and/or staff flows from South to North. Such western bias in the research, while by no means uncommon, ignores the dynamic, diverse Asia Pacific region, from whence so many students originate, including the two giants of India and China, each of which is also internationalising.

With notable exceptions, such western-centric research also tends to neglect intra-regional internationalization, notwithstanding the fact that the rise in regional trading and political blocs, sometimes supported by student mobility schemes such as ERASMUS, can mean that student mobility is also largely intra-regional. By contrast, this article deliberately focuses on a little-known intra-regional example involving China and ASEAN – specifically, the tiny island nation of Singapore and its giant, sometimes troubling cousin, China. China-ASEAN relations are already substantial, and growing, totaling US\$ 39.5 billion in 2000, and growing by over twenty percent annually over the 1990s. China's accession to WTO, and the worldwide rise in service sector trade (now estimated to total at least US\$30 billion in higher education alone), are each also important parts of the changing context (OECD 2002). The four modes of trans-national trade in educational services are used as a framework of analysis.

### **GATS and Trans-national Trade in Higher Education**

The Global Agreement on Trade in Services (GATS) effectively formalized a trend towards the commodification of international higher education. Like it or not, the trans-national trade in higher education services is here to stay. Higher education is now acknowledged by virtually all nations to be a key pillar of the new knowledge economies of the twenty-first century. As nations worldwide struggle to reconcile the conflicting demands of an endlessly increasing demand for higher education, and an increasingly limited state capacity – itself partly a product of global economic re-structuring (Welch and Mok 2003) - each attempts to deploy its resources in higher education to greatest advantage, in the interests of increased national competitiveness, enhanced economic growth rates,

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and heightened prestige. This combination of aspiration, ambition, and constraint often leads to more intense market pressures on higher educational institutions (HEIs), notably to diversify their income sources. This trend includes China (Qi and Chen 2000). One such strategy, most successfully deployed by major English language systems such as the USA, UK and Australia includes marketing their 'product' to international students (Welch 2002, 2006).

Clearly, some nations are better placed than others to take advantage of what is becoming a growing global market for higher education, now conservatively estimated at US\$30+ billion, annually, and perhaps 1.4 million international students by 2010. At the same time, no single state possesses the resources to gain an advantage in all areas, or to attain complete international leadership. This is all the more the case, as massification of higher education, becomes more widespread, including in Asia – but is still unable to meet ever-increasing demand. Moreover, the increasing globalisation of higher education continues to breach national boundaries - creating new challenges but also opening up prospects for new alliances, often regional. Hence, higher education policies become a mix of competition and cooperation. This analysis addresses such competitive and cooperative strategies in higher education between China and Singapore, including regional trade agreements with an educational component, Asia Pacific consortia in higher education, and cross-border institutional collaborations. A brief taxonomy of cross-border educational relations, based on the four GATS modes, is presented below, while policy implications are summarised later.

Mode	Explanation	Examples	Size & Potential
1. Cross Border Supply	The service, rather than the person, crosses the border	- Distance education - Education Software - Virtual education (including corporate training)	Small, but growing swiftly, with considerable growth potential, esp. via ICT
2. Consumption Abroad	The consumer moves to the country of the supplier	Students who study in Another country.	Currently, the largest share of international education.
3. Commercial Presence	The provider uses or establishes facilities in a second country	- Local university, or Satellite campus. - Private providers, Including language & IT	Growing phenomenon, with strong likelihood of further growth
4. Presence of Natural Persons	Persons travelling to a second country to provide a service	Professors, teachers, Educational consultants	Given rising professional mobility, also likely to grow strongly.

(OECD 2002, Welch, 2004)

**Table 1. Modes of Provision of Cross Border Educational Services, according to GATS**

Trade in higher education services, like other forms of trade, is unequal - some nations and regions gain while others lose. The first form of inequality is evident in the form of highly differential

earnings, with the most developed nations of the North (particularly English language systems) exploiting their advanced infrastructure to export educational services to the South, often the Asia-Pacific region. (Sometimes indeed, this has been categorised as a form of neo-colonialism - less brutal, but just as unequal as the older forms). Clearly however, the status of an overseas degree, from a major overseas university, whether Oxbridge, the University of Tokyo, MIT, or the University of Sydney, continues to carry significant cachet. Overall, for example, OECD nations host eighty-five percent of all international enrolments, worldwide. International higher education enrolments have doubled over the past 20 years in OECD countries and, in the late 1990s, were growing almost twice as fast as domestic enrolments (OECD 2002, 2003).

This inequality is exacerbated by 'brain-drain' effects on nations of the South, especially when many of the most-developed nations have recently refined their migration programmes to 'cherry-pick' for certain skills. It is now the case, for example, that international students comprise the largest single category of applicants for Permanent Residence in Australia. Canada, too, has revised its points formula to give greater weight to those with tertiary qualifications, while Germany recently introduced a 'Green Card' scheme, to attract highly skilled workers, largely from the South. This loss of talent has long been a significant problem for China (which introduced a similar scheme in 2004), where it is estimated that less than a third of students sent abroad to study, have returned (Zhang and Li 2002, Welch and Zhang 2005). This haemorrhage represents a huge, ongoing loss of its best and brightest, notwithstanding current efforts to mobilise the Chinese diaspora more effectively.

Disparities of wealth are not the only form, however. A third form of inequality is based on language, with the four major English language speaking nations (USA, UK, Australia and Canada) accounting for more than half of all international enrolments in higher education, and for some seventy percent of students from Asia/Oceania. Here however, there are signs of change, particularly in a region where the number of Putonghua (Mandarin) speakers is equivalent to those who use English – each totals around 1 billion (OECD 2003: 5). Combined with the fact of China's impressive resurgence as a major economic and cultural power, (the latter evident, *inter alia*, in its plans to establish five hundred Confucius Institutes worldwide in the next few years, to teach Chinese language and culture), Chinese language will become a more important medium in higher education. This is of particular significance for regional collaboration with countries that have significant Chinese ethnic communities. Perhaps the most notable within ASEAN is Singapore, which lays claim to both English and Chinese language skills, a well-established record of exports of services within the region, a highly educated and very international workforce (Yap 2003: 368), and a sophisticated system of higher education.

## Higher Education in China and Singapore

Within the Asia Pacific region, demand for higher outstrips supply, which explains why the region contributes more international students to major host countries than anywhere else – forty-five percent of the total for OECD countries.

Nonetheless, China and Singapore each have ambitious plans to extend capacity, and enhance quality. China's economic growth rate of around ten percent annually since 1990-2000, and intense commitment to learning (common to much of East Asia), has enabled considerable energy to be devoted to higher education reforms, notably programmes to develop world-class institutions for the twenty-first century. From 1993, the 21-1 Project selected 100 institutions and key disciplines for special attention and investment, while the subsequent, much more selective 98-5 programme was to invest an additional ¥30 billion (approx US\$ 4 billion) in the top ten or so universities. Given that there are over 1,600 HEIs in China, many missed out, while simultaneously coping with annual increases in student numbers from around 1998 of about twenty percent - without much increase, if any, in staffing. One result has been that staff-student ratios have worsened appreciably – from 1:4.95 in 1985 to 1:13.52 in 2001 (Welch 2004). Quality, then is both highly differential, and will continue to be so, for the foreseeable future, but is under pressure from recent huge rises in enrolments.

Quantity, too, remains a problem. While there are now some 1,600 HEIs in China, many aspiring students still struggle to find a place. Others study courses in which they have little or no interest, simply because they were fortunate to gain a place at all. While rates of participation for higher education in OECD countries average forty percent, and in some countries is around fifty percent (OECD 2003: 259), in China, the equivalent rate is only about fifteen percent, and very unequally distributed. The proliferation of private *Minban*, or 'People's' universities, in recent years, is also not unrelated - in 2002, some 133 degree-granting institutions existed, with a total enrolment of 311,200 students, or in the order of 4.3% of regular public sector enrolments. Another 1202 non-degree awarding *Minban* existed, with enrolments totalling 1,403,500. This has grown from a total of 85 *Minban*, only 2 of which were 4-year HEIs that could award degrees, in 2001 (Huang 2003a). The new *Law on Private Education Promotion*, that became operational in September 2003, underpinned the legal rights and interests of the schools, students and staff. It enshrined equal footing for *Minban*, as well as a reasonable return on investment: "private-school investors can get a reasonable repayment after deducting schooling costs and reserving development funds and other expenses." (WENR 2003)

Internal efficiency within Chinese universities also remains problematic (OECD 2000). Internal administration is large and often cumbersome. Attention is often re-directed towards such issues as housing, and accoutrements, rather than to the demands of the job (Yang 2004). Despite the high ratios

of administrators to academic staff, there are numerous complaints that, too often, internal decisions are made on grounds of hierarchy (including often of administrative staff over academic staff), that may have little to do with efficient use of limited teaching and research time, and associated resources. Notwithstanding recent national campaigns, spreading corruption is a deepening problem. Characterised by one current analyst as a 'malignant tumour' (Yang 2005), it embraces areas such as the award and administration of research grants, use of bribes and embezzlement to fund overseas study, English language testing fraud, plagiarism, the misuse of power, and a promotion system that often works more on patronage and *guanxi* than performance (Shen 2000, SCMP 2005a and b, Yang 2005). Administrative reforms are often slow to be implemented, and widely resisted, provoking former Premier Zhu Rong-zhi to remark, in a widely reported criticism, that 'Universities were more like state-owned enterprises, than state-owned enterprises'.

Notwithstanding the above, the Chinese higher education system is internationalizing vigorously (Yang and Welch 2001). Whereas in the past, Hong Kong acted as a bridge to China, now Chinese universities are forging connections with the outside world directly (Yang 2002). This takes several forms. Chinese students are travelling abroad for university study in increasing numbers. While in the past, this was principally a state sponsored activity, the overwhelming proportion of China's international students (over ninety percent) are now private (Zhang and Li 2002). The state still fosters international study, however, with the China Scholarship Council (CSC) announcing in 2005, for example, a scheme to send 5,000 scholars abroad each year, for research or to gain doctoral degrees (China Daily 2005). The CSC has also forged separate agreements with selected major research universities around the world, (to which it regularly sends its students), who are being encouraged to offer their own institutional scholarships to CSC candidates. China's export of educational higher education services has expanded substantially, with 85,829 international students from one hundred and seventy five countries enrolled in its universities in 2002, rising to 110, 844 from one hundred and seventy eight countries, in 2004. It must be said, however, that both source countries and income, are very unequally distributed, with perhaps sixty percent or more of students sourced from South Korea and Japan (ASEAN students account for less than eight percent of the total), and most of the enrolments occurring in larger and more well-known institutions, and regions. Further limits on internationalization include the relatively low rates of return by China's own international students, which, although rising in the face of greater economic opportunities in China, are still as low as one quarter or one third, and even less so for the very best and brightest (Cao 2004, 2006). As well, the pre-occupation of Chinese leaders, especially university presidents, with the USA as the single source of higher educational reforms, constitutes an ongoing brake on adapting worthwhile reforms from abroad, in China. Nonetheless, China is generous with provision of scholarships to international students, with some forty to forty-five percent being allocated to the Asian region. In 2004 this meant that Asia accounted for around 2100 scholarships, of a total of over five thousand four hundred.

Singapore, with a total population of only four and a half million (smaller than many of China's cities), has long been a net importer of educational services. More recently, however, it announced ambitious plans to become a regional 'eduhub', and invested accordingly. This has included several domestic initiatives, such as the recently established Lee Kwan Yew School of Public Policy at NUS; offering generous salary packages, and substantial research support to recruit selected overseas staff; and founding the first fully-owned and operated foreign campus, operated by the University of New South Wales. International enrolments, too, are growing.

Singapore's own higher education system is a heady mix of ambition and accomplishment. Inadequate domestic capacity has long meant that significant numbers of Singaporeans have travelled abroad to study, while offshore enrolments are also on the rise. At the same time, notwithstanding intense domestic pressure for places, Singapore provided over fifteen percent of its places for international students, to ensure that 'tertiary institutions within the country do not degenerate into parochial institutions...' (Selvaratnam 1994:42). Singapore has clear aspirations to become a regional education hub, attracting more and more students from the region to its universities, and providing services internationally. This includes attracting branch campuses (such as INSEAD and the University of Chicago's Graduate School of Business).

### **Building Bridges in Higher Education**

At least five planks form part of the higher educational bridge between Singapore and China: cultural heritage (three quarters of Singaporeans are of Chinese heritage), strong commercial links, (see below), Singapore's well-established reputation in regional service sector trade, the provision of scholarships for international students to study at its universities, and a Singapore - China Memorandum of Understanding, signed by the respective Ministries of Education on 29 May 2002.

Bridges in higher education that span both China and Singapore include framework agreements to promote cultural ties, trade agreements, higher education consortia, and institutional agreements.

An example of the first sprang from the inaugural meeting of the ASEAN + 3 Ministers Responsible for Culture and Arts (AMCA+3), in Kuala Lumpur in October 2003, and separately endorsed by the ASEAN + China Summit, which met at Bali in October 2003. Pledging to intensify cooperation in key areas, including education and human resource development, and exchange of relevant personnel, it broadly functions within the expressed goals of the ASEAN Socio-Cultural Community: to "nurture talent and promote interaction among ASEAN scholars, writers, artists and

media practitioners, to help preserve and promote ASEAN's diverse cultural heritage while fostering regional identity, as well as cultivating people's awareness of ASEAN" (ASEAN 2003).

Framework agreements date from 1999, when the two Ministries of Education signed an Memorandum of Understanding (MoU), promoting exchanges between teachers, scholars, researchers and students. A further MoU, in 2002, formalised student exchange programmes. Embracing 50 from each side, and organised with each national youth federation, an explicit aim is to broaden China – Singapore ties, particularly between students. Chinese universities included the Beijing Language University, Beijing Post and Communication University, Beijing University for Foreign Studies, and Tsinghua University.

The Asia Pacific Economic Cooperation (APEC) has, since its inception included an education component, now sited within its Human Resources Development Working Group, which includes China, and Singapore, as well as a number of other countries (APEC 2001, 2003). APEC infrastructure to support regional initiatives in education has been modest, although its aims are much more ambitious. These include both free trade within the region, and in education, lifelong learning, and capacity development. University Mobility in Asia and the Pacific (UMAP), seen by APEC as a vehicle to promote its 'people-to-people' links in education, organises one and two semester study abroad programmes for undergraduates. Members include Singapore, but China's proposed membership is likely to remain stymied by intractable difficulties that arise from already having Taiwan as a member. Current activities consist of the further development of the existing Pilot Scheme on Credit Transfer (UCTS).

Regional consortia in higher education embrace the ASEAN Universities Network (AUN), which in 2001 inaugurated *the ASEAN-China Academic Cooperation and Exchange Programme*. Both the National University of Singapore (NUS), and Nanyang Technological University (NTU) are members, and activities included scholarly exchanges, in the selected area of marine science. Ten researchers were to be selected from each side to receive three-monthly grants, for the conduct of maritime research. Short term academic exchanges (two weeks to one month) were also instituted.

A second higher education consortium that involves member universities in China and ASEAN is the Association of Pacific Rim Universities (APRU). This consists of thirty-six leading research universities, including from Singapore (NUS), and China (Peking University, Fudan University, Hong Kong University of Science and Technology, Tsinghua University, and Zhejiang University).

A third consortium consists of UNIVERSITAS 21, which includes 3 major Chinese universities (Peking, Fudan, and the University of Hong Kong), as well as Singapore (NUS), and several other

countries. U 21 Global is an e-University, of the 16 universities plus Thomson Learning (a large, multi-national corporate training provider) – it offers an MBA programme, headquartered in Singapore, and offers courses in Mandarin. A recent initiative, opening for business in May 2003, its on-line MBA claims chat-rooms, threaded discussions, and other such web-based tools, and advertises that an MBA can be gained at a fee level that begins from US\$10,000.

Institutional agreements are diverse, albeit largely focused around business, administration, and the development of Asia-Pacific expertise.

1. National University (NUS) of Singapore inaugurated its Shanghai College in 2003, in collaboration with Fudan University, and major Chinese firms. It offers internships of up to 12 months duration in Shanghai, with high tech companies, often international. Students take entrepreneurship courses at Fudan, (which also has its own start up companies). Credits from these courses, and the internship, are credited towards the NUS degree. The course is designed to be revenue neutral.

2. The International Master of Business Administration (IMBA) programme is a collaborative venture between NUS and Peking University, and offers modules in both English and Chinese. Again, the goal is to develop graduates who are both bilingual and equipped with East-West business knowledge. The programme, offered in Singapore and Beijing, charges a full-time annual fee of S\$18,000.

3. Singapore's Nanyang Technology University established a joint Executive MBA programme partnership with China's leading Shanghai Jiaotong University, in December 2003, involving collaboration between NTU's School of Business, and SJTU's Aetna School of Management. NTU has also investigated collaboration with Peking University and Tsing Hua, in the area of humanities, as part of its plan to develop a leading Chinese Studies department.

4. Singapore's senior civil servants also avail themselves of Tsing Hua University's Executive Programme for Senior Singapore Civil Servants. Tsing Hua indicates that a cohort recently completed the sixth such programme.

5. The new (2004) Lee Kuan Yew School of Public Policy signed Letters of Intent in late 2005 with three of China's most prestigious universities: Peking University, Tsinghua University, and Fudan University. The partner-universities are to establish double-degree Public Policy/Public Administration graduate programmes; students will spend one year at their "home" institution and the second at the "partner" institution, and earn degrees from both.

6. Private sector partnerships include an exchange programme of the new Singapore Management University, established in 2000 as the first publicly-funded private university, with a focus on business and management. It offers a one or two semester exchange programme with three Chinese universities: Nankai University, Sun Yat Sen University, and Xiamen University. Singapore's Ministry of Trade and Industry make an Asian Business Fellowship available, for such exchange students.

The following table summarises Singapore-China relations in higher education, according to the four GATS modes indicated earlier.

	Mode I	Mode II	Mode III	Mode IV
Singapore	NTU Management Training (by distance)	Chinese students at Singapore universities.  <i>Singapore students at Chinese universities</i>  <i>Tsing Hua Exec. Programme.</i>	NUS FUDAN (Shanghai College)  NUS Peking (IMBA)  <i>SJTU NTU (MBA)</i>	NTU Management Programme (in Shanghai)

Notes: *Italics indicate Chinese exports*; non italics indicate Chinese imports

**Table 2. China-Singapore trans-national trade in higher education: a summary**

The examples of collaboration treated above illustrate a number of points. Firstly, it is clear that Singapore's relations with China in higher education are stronger than other ASEAN nations such as Malaysia, or Viet Nam, (although a significant proportion of Chinese-background citizens exist in Malaysia, too, for example). Singapore's wealth, well-developed infrastructure, including ICT, and strongly-supported universities, leave it best-positioned within ASEAN to take advantage of opportunities in China, notwithstanding its relatively small size. Its strong service-sector presence in the region, and substantial history of engagement with China, especially in the services sector, confer further advantages.

It is also important to recognize, however, that Chinese linguistic and cultural affinity is no guarantee of success in China, as Singapore discovered in its ill-fated venture in Suzhou. Its early attempt to develop a high-tech Science Park in Suzhou, China, based upon Chairman Deng's intriguing assessment (after visiting in 1979) that Singapore was an example of Socialism, (albeit operating in a capitalist context), and Lee Kwan Yew's equally mistaken assumption that he could parlay a personal relationship with Deng, and Singapore's linguistic and cultural affinity with China, into favourable investment projects, proved to be an object lesson in how *not* to do deals in China – a disaster, with annual losses to Singapore at one stage totalling US\$24 million (Pereira 2003, Ross 2006).

Singapore's failure left it badly singed, involving not merely money, but a considerable loss of face, and a lesson in differences over what constituted a contract. To this day, the subject is rarely discussed openly (especially not in front of foreigners), in Singapore. Nonetheless, Singapore's painful experience has not halted further China partnerships in higher education, which are now strong.

Thirdly, the fact that most of the partnerships are in the area of business and administration underlines a more widespread bias in such agreements. Lastly, the strength of intra-regional partnerships and agreements is a refreshing reminder, not merely of the dynamism and diversity of the Asia Pacific region, but also that not all internationalization is South to North, or between elite institutions in the West.

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