

Beyond Survival Paradigm for Sustainability: Moving TNHE in the Asia-Pacific Region into the Public Sphere⁺

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Abstract

Further development of transnational higher education (TNHE) has the potential to profoundly change our basic understanding of the role of the university when higher education, like other commodities, is bought and sold across borders. Without a larger social purpose that underpins its existence, the survival of TNHE is no longer certain, particularly faced with the challenges of the massive not-for-profit open online courses (MOOCs) movement across the globe. The survival paradigm is dominant but volatile when market needs shift or higher education capacity in importer countries is mature. This study aims to empirically examine whether the current TNHE development in the Asia-Pacific region reflects the survival paradigm, and whether a dominant scenario with the entrenched image of TNHE intertwined with profit-making is diminishing the traditional prestige given to university as an idea to serve the broad public good. A qualitative research approach is adopted to collect data. The main findings include (1) contextual factors in understanding the current development of TNHE; (2) TNHE offering greater choices but for fees; (3) positive but limited impacts on local higher education; (4) playing the role as sub-contract manufacturer or OEM for Western knowledge; and (5) business-oriented over educational considerations. Thus, the paper argues that the issues that moving TNHE in the Asia-Pacific region beyond survival paradigm into public sphere¹ should be further put into the debate arguing for TNHE sustainability.

Keywords: transnational higher education (TNHE), Asia-Pacific region, survival paradigm, sustainability, public sphere

1 Introduction

Because of globalization, the world is becoming smaller and closer, trade and business increasingly global, people increasingly mobile, and ideas globally circulatory. Governments, educational consortia and learning companies, and higher education institutions worldwide are increasingly finding opportunities to broaden their scope, footprint, and brand to new geographies. Among them, the rise of transnational higher education (TNHE) is a notable phenomenon. Although TNHE has various definitions, we refer to transnational higher education as arrangements in which degree programs offered by an institution based in one country are delivered to students located in a different country, similar to the suggestion by Ziguras (2003). TNHE offers alternatives for students to acquire a foreign degree without studying abroad for the entire period (Bashir, 2007).

As Chiang (2012) identifies, whereas internationally mobile students have grown dramatically in numbers, a total in excess of 3.3 million in 2008, the bulk of students in higher education, considerably in excess of 100 million, according to Ennew (2011), continue to study at home. This creates massive demands and opportunities for transnational programs and institutions. If this estimation is proved to be correct, TNHE will become more widely influential. As McBurnie and Ziguras (2007) observe, TNHE is “at the leading edge of the most fundamental changes taking place in higher education today” (p. 1).

TNHE represents a wide range of opportunities and challenges. The opportunities lie in the need to generate incomes, to enhance reputation, and to meet the demand for a more global education experience. However, for transnational programs and providers, searching for business survival to serve the economical rationale, such as recruiting enough students and offering courses popular in the market, becomes powerfully dominant. We refer to commercialized-based TNHE as the survival paradigm, under which the issue of TNHE diminishing the traditional prestige given to universities as an idea to serve the broad public good is under-recognized. Thus, as Altbach (2000) reminds, “everyone who cares about the future of higher

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¹ The study borrows the term “public sphere” from Habermas; however, for the purpose of the study, the meanings elaborated in higher education by Marginson (2011) are employed.

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education and the broader public interest, worldwide, needs to step back and see the problems here, not just the promises” that transnational education might arise (p. 31).

The Asia-Pacific region, with significant buying power and emerging markets for transnational providers, is recognized as “a laboratory in the development and regulation of TNHE” (McBurnie & Ziguras, 2001). The countries in this region use the imported transnational programs not only to keep students stay home for foreign degrees, but also to “export” them to attract international students. We refer to this method of using TNHE as the import-for-export model. The countries, particularly Singapore, Malaysia, and South Korea, are our main focus because of their commonality and diversity in developing TNHE. For commonality, they have all responded to the Asian financial crisis and the emerging knowledge economy to grow TNHE, to establish clear goals in foreign student recruitment targets and a regional hub for higher education, and to invite foreign universities to set up branch campuses. For diversity, they offer examples from English (e.g., Singapore and Malaysia) and non-English countries (e.g., Korea), and mature and beginner markets in importing TNHE.

Extensive literature (see, e.g., McBurnie & Ziguras, 2001, 2007, 2009; Organisation for Economic Co-operation and Development [OECD], 2004a, 2004b; Shams & Huisman, 2012) has focused on state-of-the-art TNHE development and trends, marketing strategies, and quality challenges in managing transnational programs and institutions. We do not purport to provide a ready-to-use-recipe for better managing TNHE, but empirically examine whether the current TNHE development in the Asia-Pacific region reflects the survival paradigm, and whether a dominant scenario with the entrenched image of TNHE intertwined with profit-making is diminishing the traditional prestige given to university as an idea to serve the broad public good. We identify the following four research questions:

1. What is the current development of TNHE in the Asia-Pacific region?
2. How does TNHE impact on local higher education in TNHE importer countries?
3. What position do countries take that seek to import-for-export TNHE in the world knowledge system?
4. What are the sustainability implications for treating TNHE as a public good?

2 Literature Review

The backgrounds and current TNHE development in the Asia-Pacific region through literature review have been done by Chiang (2012). Based on this foundational work,

in this section, we primarily review two aspects of literature relevant for informing the research design and forming the argument for this study. One aspect refers to the TNHE and public goods, and the other refers to reflections on the rise of TNHE dominated by economic rationales.

2.1 The TNHE and Public Goods

Higher education as public goods mainly derives from the idea of university. Jaspers (1965) believes that the secret to the university’s longevity is a commitment to free intellectual communication, but he also recognized that “university as an institution” is the only means by which the idea might become “incarnate” (pp. 83-88). Scott (1993), a leading scholar of higher education, maintains that the idea of university should be interpreted as the concept of university as idea and university as institution that mutually enhance each other and work out the continuity of the university over centuries. Universities have long been given multiple roles as a means of nation-building, a storehouse of knowledge and ideas for pursuing the truth and wealth, the vehicle to transmit culture and language for humanistic views and the prerequisite for innovation and change.

Because notions of what are public and private goods change over time and do not necessarily remain either public or private, it is more often a matter of policy design and decision to determine whether a good is public or private (Marginson, 2007a). For example, although private education is produced and distributed based on market exchange, it is still capable of creating externalities whereby the education of one person augments the productivity of others. Likewise, the sale of international education on a commercial basis may be associated with cross-border relationships that augment tolerance and cultural sharing. Under such a context, however, one thing cannot be denied, that is, public goods are under-produced in economic markets.

As McBurnie and Ziguras (2007) comment, different from for-profit institutions that hold a clear economic rationale to seek profits, public and not-for-profit educational institutions have primary responsibilities to the public-good aspect of their mission (p. 44). Then the question arises. While universities are involved in the international marketplace through TNHE, why idea of higher education to produce public goods is no longer the focus of discussion? Therefore, the capacity of policymakers in transnational higher education is not to simply augment market competition, but to take counter-actions to expand the externalities of its private benefits.

According to the definition of global public goods given by (Kaul, Grunberg, & Stern, 1999) and elaborated by Marginson (2007a), the public sphere created by TNHE is rather limited compared to global public goods, such

as international financial stability, various communicable infectious diseases, and global climate change. These goods have “a significant element of non-rivalry and/or non-excludability” and are “made broadly available across populations on a global scale affecting more than one group of countries” (Marginson, 2007a, p. 324). Instead of using the concept of global public goods, we maintain that TNHE as part of higher education and international education should bear a role in producing public goods because its externalities are produced through people educated in the transnational programs and institutions for its societal development.

Another paradoxical situation occurs for developing countries with small higher education capacity. Lien (2008) identifies two countering effects of international branch campus on developing countries. A low-quality branch campus is likely beneficial in simply satisfying an excess demand for college education, whereas a high-quality branch campus may cause severe brain-drain problems because its graduates have greater capacity to emigrate and work abroad, which is harmful to a developing country. The situation for enhancing the social welfare of developing countries is changed until developing countries have quality domestic university available to students.

The dilemmas following TNHE are to go anywhere, regardless of how it is operated. Although TNHE is treated as a vital means for enhancing greater educational opportunities and study choices, its economic-oriented approach to education provision is a topic of concern. Whereas TNHE “serves to build educational capacity selectively in areas in which local providers are constrained or unwilling to respond to the market demand,” its marketized and foreign characteristics pose “potential threats to traditional conceptions of education as a public good” (McBurnie & Ziguras, 2007, p. 21).

Further development of TNHE has the potential to profoundly change our basic understanding of the role of the university when higher education, like other commodities, is bought and sold across borders. The implications of TNHE bring for higher education as public goods are immense and deserve greater investigation.

2.2 Reflections on the Rise of TNHE Dominated by Economic Rationales

Globalized enterprises are seeking employees with global competency, skills, and experiences that lead to fueling the demand for TNHE. Universities involved in offering TNHE programs are experiencing reputational benefits and increased potential for revenue growth and institutional brand, benefiting their ability to draw worldwide funding and research capabilities. The growing commercialization of TNHE reflects marketplace values

where users pay for this service as they would for any other service. Providing knowledge across borders has become another commercial transaction. Obviously, for survival, TNHE providers have had to think more like businesses and less like educational institutions.

Leading scholars in the TNHE field have issued numerous warnings regarding these situations and trends. As Altbach (2000) observes, the following six aspects related to the crisis for multinational higher education are also valid for the crisis of economic-dominated TNHE. They are: (1) TNHE always has elements of inequality; (2) the motive for TNHE enterprises is almost always to make money; (3) institutions involved in TNHE are more likely training agencies and companies but not real universities; (4) TNHE movements do not really contribute to the internationalization of higher education worldwide because of a lack of mutual exchange of ideas or knowledge, of students or faculties; (5) TNHE institutions operate in a largely unregulated environment; and (6) TNHE is viewed as demand absorbing to provide access at an affordable price to those who seek it (Altbach, 2000, pp. 30-31). Mcburnie and Ziguras (2007) also offer similar warnings. They observe that “the prestige of the university is generated at the core by its research activities and traditional academic values, while its commercially oriented transnational activities diminish this traditional prestige” (McBurnie & Ziguras, 2007, p. 150).

TNHE exporter countries plan certain actions to go beyond the survival model to pursue TNHE sustainability. Current developments in the U.K. identified by the International Unit (2012) are as follows: (1) the number of students studying for British degrees wholly overseas is 503,595, significantly exceeding the number of international students studying in the U.K. of approximately 405,805; (2) the number of branch campuses established by British universities worldwide has doubled since 2009; and (3) the economic value of the higher education export market worth more than £5.3 billion is considerable and increasingly recognized by its government. However, the emerging issue that 12 of 24 U.K. branch campuses are operated in countries where poor records on academic freedom and human rights are recognized, has caused concern that their engagement in these countries is to be agents of change or merely a means of legitimization for authoritarian regimes (International Unit, 2012). Although operating branch campuses can be a high-risk ventures and costly, British universities believe that they would benefit from such transnational collaborations within those countries to ensure TNHE as the foundation for innovative and long lasting partnerships for its sustainability (International Unit, 2012).

Among the aggressive countries that export their

education services, Australia should be recognized as a critical case for study. From the mid-1980s, following the shift from aid to trade under the full-fee policy for international students, most Australian universities actively recruit international students to compensate for budget cuts and for generating income (Universities Australia, 2009). Although the critique of the academics on the trade-driven internationalization that threatens the academic freedom is often made, Chiang (2008, 2010) argues that the trade-driven internationalization policy has had its positive impact on Australia to successfully become a world leader in international education, and has pushed the internationalization of higher education (IHE) to become the core issue in managing higher education institutions. Since universities are recognized as central to the development of this export industry by the Bradley Review of Australian Higher Education in December 2008, they win themselves to have a greater voice in government trade policymaking forums to find innovative solutions to help international education move to mature long-term growth (Universities Australia, 2009). Growth success allows for reflecting on the position taken by Australia compared to its counterparts such as the United States and the United Kingdom. Marginson (2007b) urges Australia to seek deeper curriculum innovation and cultural encounters.

National governments in newly industrialized and developing economies also recognize the benefits of hosting transnational programs and institutions. Some have attempted to attract foreign institutions to their countries through certain incentives including tax exemptions, educational grants, and land concessions. The positive aspects are more often mentioned, including enhancing levels of human capital for economic development, upgrading interaction with advanced knowledge for innovation, transforming the image from education import to export, and meeting demand for high quality education at home. The concerns regarding the position taken by East Asian countries in trading on the strength of Western-dominated TNHE in capacity building are addressed by Chiang (2012). She offers an alternative analysis to identify possible hurtful aspects that might be treated as “the Trojan Horse” hidden in the import-for-export model that might aggravate rather than minimize student mobility and brain-drain and deepen rather than alleviate the influence of Western culture on East Asian countries. Chiang suggests that the overwhelming discourse of capacity building in importing TNHE should be critically re-visited by paying attention to the foreign providers’ money-making motives, the market-value characteristics of TNHE programs, and the reality of the partnership process and arrangement.

Most issues related to TNHE, whether they are positive or negative, conclude with market-oriented development

that characterizes the survival paradigm. The market advantages of TNHE include greater opportunity, flexibility, and efficiency. The disadvantages of TNHE include enlarging social inequities, restricting access to public knowledge and innovation, and breeding opportunistic risky society. Obviously, TNHE is driven by trade and business that are dominated by a single ideology as an economic rationale. How to secure a space for TNHE free from domination by a single ideology seems unrealistic. The question may arise as to why public goods are needed to cover the range of issues for debate in the field of TNHE. When higher education is provided across borders, only business aspect of higher education is emphasized instead of public goods. This has caused a crisis for TNHE sustainability in the knowledge intensive age. TNHE as research universities could play an important creator of public goods. However, the aspect of public goods for TNHE is often under-recognized.

Because of increased transnational programs and institutions and the rise for demand for offshore education in the Asia-Pacific region, trading on the strength of importing TNHE for export (the import-for-export model) is highly supported and recognized; however, more in-depth critical analyses and reflections are needed. Although Chiang (2012) has critically analyzed the TNHE development in East Asia, a need exists to empirically understand whether the current development of TNHE in the Asia-Pacific region reflects the survival model and the entrenched image of TNHE intertwined with profit-making. Our study results offer certain implications for the university as an idea and an institution to be carried out in the TNHE field.

3 Research Method

Scholarly literature has increasingly recognized the need to study the sustainability and effectiveness of TNHE in the global higher education context. For collecting rich data from experts and people with rich experiences in the TNHE field, a qualitative research approach is adopted to conduct an exploratory investigation of whether the image of TNHE activities dominated by economic rationales in exporter countries continues in countries seeking to import-for-export TNHE.

3.1 Participants

The study participants were identified by purposive sampling from those with the study focus on globalization and internationalization of higher education in the Asia-Pacific region. Scholars and experts were sent an email invitation to participate in interviews. Our interviews found that the data collected for understanding the current

situation in South Korea case was limited. Thus, seeking more participants who worked in Korea universities was done for this study. We obtained another 4 participants from South Korea. Thirteen semi-structured interviews were conducted during the period from February 2012 to March 2013 (see Table 1). These included 3 from Hong Kong, 2 from Japan, 3 from Malaysia, 1 from Australia, and 4 from South Korea. In total, 11 of 13 participants were academics, and 2 quality agency officers.

While conducting interviews, the study hoped to enhance the understanding of recent developments in branch campuses in the Incheon Free Economic Zone (IFEZ). In addition to face-to-face interviews, we also attempted to obtain written responses from people in South Korea through personal networking. Finally, we obtained one written response. Although the results as expected were not good enough, it might reflect that the issue of TNHE

may be not yet a priority policy for those working in higher education.

For preserving anonymity, all participants were given a code with a shortened code for their country where they work instead of their nationalities. The first participant HK1, for example, worked in Hong Kong and the first to be interviewed. We used AUS for Australia, JP for Japan, MA for Malaysia, and KR for Korea

3.2 Interview Questions

Based on the extensive literature and our study purpose, the interview questions were open-ended and semi-structured to allow interviewees to reconstruct their views and experiences within the study topic. To address each research question (given in the Introduction section), the interview questions were designed as Table 2.

Table 1 Participants' Profile

	Code	Position/Title	Research field/Professional background	Date/Time
1.	HK1	Senior Instructor	Education and higher education in Singapore	Feb. 23, 2012 17:00-18:30
2.	HK2	Professor	Globalization and internationalization of HE in East Asia	Feb. 25, 2012 13:00-13:30
3.	HK3	Professor	Globalization and internationalization of HE in East Asia, especially on China	Feb. 25, 2012 14:00-15:30
4.	JP1	Professor	Globalization and internationalization of HE in East Asia, especially on Japan and Malaysia.	Feb. 25, 2012 16:00-17:30
5.	MY1	Professor	Globalization and internationalization of HE in Asia, especially on China	Sep. 6, 2012 16:15-17:15
6.	MY2	Officer	Malaysia Quality Agency (MQA)	Sep. 10, 2012 16:15-17:20
7.	MY3	Officer	Malaysia Quality Agency (MQA)	Sep. 10, 2012 17:20-18:10
8.	KR1	Researcher	Higher education	Sep. 12, 2012
9.	KR2	Researcher	Higher Education	19:30-20:30
10.	JP2	Professor	Globalization and internationalization of HE in East Asia, especially on Japan and China.	Oct. 19, 2012 13:00-14:10
11.	AUS	Professor	Comparative education and TNHE	Oct. 19, 2012 14:10-15:10
12.	KR3	President	International business study	(informal talk) March 18, 2013 11:20-12:00 (formal interview) March 18, 2013 17:20-18:00
13.	KR4	Professor	International business study	March 18, 2013 16:30-17:20
14.	KR5	Professor	Medicine	Written response. Jan. 15, 2013

3.3 Data Analysis

All the interviews were audio recorded and verbatim transcribed. The transcripts were used as the main source of data analysis. Coding was done through repeatedly reading transcripts until themes began to emerge and occurred repeatedly in the text. To facilitate data analysis process, the study created a codebook, with a list of codes after analyzing the first round reading of interview transcripts. The recurrent themes were identified, including West-dominated TNHE, offering greater choices but for fees, demand absorbing, preference to western degree, economic-oriented survival model etc. Due to the rich data and its diversity, the study used these themes to go back to the transcripts again to check and seek anything meaningful. The data analysis work was done once no more new theme was identified.

Due to most interviews mainly done with faculty members and from particular Asian countries, a small sample might limit the generalizability of the study findings. However, these interviews offered the possibility of identifying new issues and allowed us to gain a better understanding of the actions taken and the arguments for promoting TNHE as public goods.

4 Research Findings

Based on the interview data analysis, several key themes are selected to address the research questions. They are: (1) contextual factors in understanding the current development of TNHE; (2) TNHE offering greater choices

but for fees; (3) positive but limited impacts on local higher education; (4) playing the role as sub-contract manufacturer or OEM for Western knowledge; and (5) business-oriented over educational considerations.

4.1 Contextual Factors in Understanding the Current Development of TNHE

The current situation of TNHE in each Asian country is associated with its historical background and its higher education development. Due to different contextual factors, TNHE development is more prosperous in certain countries than others. Malaysia is given as example by most interviewees (e.g., HK2, MA1, MA2, MA3, JP1, and JP2). Several contextual factors to contribute to the growth of TNHE in Malaysia should be kept in mind: (1) a high demand for HE places for those students excluded by its ethnic policy; (2) a desire to partner with foreign universities due to no awarding power of local private colleges; (3) many people staying home not studying overseas due to 1997 financial crisis; (4) a desire to compensate for budget cuts in universities in Australia and the United Kingdom to generate income through international education, and (5) Malaysia as a Muslim-developed society to attract Muslim students seeking education abroad following the 911 event. All these factors have made TNHE workable in Malaysia.

Differing from Malaysia, Singapore has enough places for all the Singapore students who are qualified and who want to go to university. One of the reasons for Singapore to import TNHE is to “attract global talents” (HK1 and

Table 2 Interview Questions Designed to Address Research Questions

Interview Questions	To Address Research Questions
1. What is your view regarding the current development of TNHE in the Asia-Pacific region and its possible impacts on local higher education?	
2. What is your view on introducing Western-dominated TNHE to export to students in this region as an educational export strategy and to play as a regional higher education hub?	1; 2; 4
3. What are the advantages and disadvantages countries in this region have to achieve their goals as an HE hub?	
4. Is the import-for-export TNHE model in this region good for capacity building to work out its own model to enhance its competitiveness, or merely the copy of Western higher education to deepen culture dependence and Western academic hegemony?	3; 4
5. Does the possibility exist to shift from Western-dominated to mixed West-East TNHE programs and branch campuses in this region?	
6. What is your view regarding the relationship between TNHE and internationalization of higher education?	2; 4
7. Because studying abroad was previously conceptualized as a brain-drain for sending countries, would introducing TNHE to keep students home for foreign degrees change the situation from brain-drain to brain-gain for TNHE host countries?	3; 4

MA1) to enlarge its talent pool by awarding scholarships to international students and retaining good ones to stay on for jobs (e.g., MA1, HK1, and HK3) through partnering efforts with quality providers such as MIT, John Hopkins, and the top ones. Interviewee MA1 used the “cherry-picking” term to describe the efforts by Singapore government. The factors contributing to the success for Singapore are, as interviewee HK1 analyzed, a powerful government and with clear policy without oppositional resistance in transforming education as an industry, and enhancing attractiveness for Singapore to recruit international students. The branch campus has failed, however, due to high tuition fees, resulting in an inability to recruit enough students. Originally such a case was planned as a case for promotion purposes. After its failure, the Singapore government did not mention it at all (HK1).

Different approaches in introducing TNHE in this region are also identified. For example, interviewee HK2 said,

Some countries, like Malaysia, use TNHE originally for meeting local demand for higher education, but further use it as educational market to attract international students. For Singapore, it uses TNHE more for national building to become more powerful in this region. For Korea, the TNHE is for internationalization of higher education instead of making money. (HK2)

Because of different backgrounds, JP1 and JP2 provided examples of branch campuses. They identified that setting up branch campus was related to the trade deficit between the United States and Japan. Branch campuses in Japan acted as recruiting agents instead of being treated as part of higher education in Japan. Thus, they were not optimistic about the development of other forms of TNHE in this region.

4.2 TNHE Offering Greater Choices but for Fees

Because of a high demand for higher education, the Asia-Pacific region is an attractive market for TNHE providers. However, most interviewees (e.g., HK1, HK2, MA1, JP1, and JP2) observed the primary motive for TNHE providers in this region is for nothing but profit-making, income compensation and generation for their home institutions.

Among the benefits related to introducing TNHE, greater choices and cheaper cost for a foreign degree were the most emphasized. Interviewee AUS provided an explicit figure regarding cheaper cost and its attractiveness. He said,

The cost is one-fifth of the cost of going abroad and the degrees are all in English. For those who cannot afford

to go overseas, the branch campus is a wonderful option and fulfills a strong need. Students also have really no problems getting jobs after graduation. Most of them work with multinational corporations. (AUS)

Studying at home for foreign degrees is cheaper than going abroad, but the tuition fees are relatively high compared to that of local HE institutions. The issue of who can afford TNHE has surfaced as a focus of concern for inequality. For example, interviewee MA1 analyzed the Malaysian case as follows,

If I am not a Malay and cannot go into the public (universities). What choice do you have but to go to private, and you have to pay. So the question is you can pay or not. If I am rich, no problem I will go the private sector. The private sector they do offer choices but for fees. So the question is that you can afford it or not.....They have no choice they have to go to the private colleges if their parents can pay. (MA1)

4.3 Positive but Limited Impacts on Local Higher Education

TNHE has certain positive impacts on local higher education. As interviewee MA1 analyzed,

Some private college, when they start to develop a program, they have no clue how to develop a program so they twin. They twin with Australian university. And then is 1 + 2, 2 + 1, 3 + 0..... The colleges are upgraded to university, full university now. (MA1)

Compared to other interviewees, those from Malaysia are familiar with their national policy to become an educational hub. The QA officers, MA2 and MA3, believed that Malaysia has competitive advantage in terms of the cost for obtaining foreign degrees. They also recognized that TNHE helped Malaysia to internationalize because competition would make the local institutes or colleges more motivated to become better.

Based on his former experience in charge of and research on branch campus, interviewee AUS believed that TNHE is positive for capacity building. He analyzed that the average time for branch campus to become full-fledged university, independent from its home university, is approximately 15 years. He believed this to be the method for capacity building.

Other positive impacts have occurred. TNHE has provided Asian countries with more capacity in offering English-taught programs (JP2) and to generate income from its five-fold higher tuition fees than that of local counterparts (HK2). For South Korea, introducing

branch campuses enhances “pressures for Korean higher education to be more internationalized” (HK3). Similar observations were made by Korean interviewees. While not truly knowing the recent development in the Incheon Free Economic Zone, interviewees KR1 and KR2 thought that having branch campuses in Korea would positively impact internationalization of Korean higher education. Why is it positive for IHE in Korea? Interviewees KR2 and KR5 gave a similar reason, that is, it’s better than nothing. Competition between local and foreign universities in Korea will be increasing because the population is decreasing year by year (KR2).

However, the overall level of impacts of TNHE on local higher education is identified limited since the scale of transnational programs and institutions is relatively small (e.g., JP2 and HK3). Compared to the capacity of local higher education in most Asian countries, students and programs in TNHE, even though increasing, are still too small.

4.4 Playing the Role as Sub-Contract Manufacturer or OEM for Western Knowledge

To be a hub has become a policy slogan more than a reality. Although Singapore is recognized as a successful case, Asian countries are attracting more international students from their neighboring countries instead of those from Western countries (e.g., HK1, JP2, and MA1). HK1 also thought that Singapore has “a long way to go for attracting students from Western countries.”

Although TNHE enhances the educational level and generates more incomes, the role of Asian countries is more similar to a sub-contract manufacturer or OEM for Western knowledge. As HK3 analyzed, the Western degrees in this region have higher “market value.” Using China as an example, he held a pessimistic view regarding the TNHE in China because the transnational programs and institutions are not truly good ones or top ones. He stated,

The ones coming to China are those at the middle or lower level. Partnering with foreign providers, local institutions change their original status from a slight to a greater attractiveness for students and make the money they originally cannot have earned. What educational resources they really invest in their programs, the answer is nothing only for making money. (HK3)

The issue of brain-drain is identified. For example, most students in TNHE look forward to further education abroad. For Japan, interviewees JP1 and JP2 indicated that even though branch campuses in Japan do not award degrees for students, students come to study because the

learning experience in such a branch campus paves the way for a smooth transition to home institution in America.

Although each country has its own rationale for importing TNHE for export, interviewee HK2 commented that the governments in Asian countries do not fully and thoroughly consider whether they should integrate certain Eastern elements, culturally and historically, into Western knowledge introduced through TNHE. Even though Singapore is highly recognized as successful, HK2 further questioned whether Singapore is exporting the same as its Western TNHE providers rather than providing something with Singaporean characteristics. This situation reflects that Asian countries do not value what they have.

However, Korean interviewees expressed different views. The competition between Korean universities and branch campuses in IFEZ for attracting students is not as high as expected. Interviewees KR3 and KR4 placed considerable confidence in their own universities that are more attractive than branch campuses to attract Chinese students. When asked regarding the future development of IFEZ as a success pattern, more interviewees (e.g., JP1, JP2, HK2, and HK3) held pessimistic views. Interviewee KR3 also suggested that outsiders should be cautious when reading promotional materials about IFEZ because the reality could be the opposite.

4.5 Business-Oriented over Educational Considerations

The pragmatic consideration of exporter countries primarily centers around business, which was also identified by the interviewee MA1. She said,

Why are the foreign provider coming in and not coming in? So the first question is the local market context. Number two, who are your customer, your client? Who are your target students? If you don’t have it, you couldn’t work. That’s the basic question, isn’t? (MA1)

Is becoming a regional hub a policy slogan or a realization? Several crucial questions to be asked included what purpose, what driving force, and where to get students (MA1). However, few countries have analyzed these questions (e.g., HK2). Thus, one result is expected, that is, certain countries are more successful than others.

One important matter to be kept in mind is that land developers instead of government in some countries are the main actors in pushing the hub development. In South Korea, for example, 92% gross enrollment, aging population, not enough students, it has more places than it needs. So the question is why do they need TNHE? MA1 analyzed,

From the government perspective, probably not. They even didn't fill in their own university. But the government is not the only actor. There are other actors.....some may call land developer. You develop your housing, your traveling, your mall, and.....It's good to have a university.....So what happened in Korea, we call it free economy zone. They are duty-free.....real attractive for foreigners to come and book here and set up high schools and international schools.....Theoretically very good. But question now, if you have a foreign university the program will be taught in English. Will the Korean students come?You can build all the facility but you also need the people to come in. (MA1)

Observing the recent development of branch campuses in South Korea, KR3 expressed,

.....making any money is very difficult.....I found it unusual because it's a State university.....why is American money spent overseas.....I'm not sure what kind of incentives the central (Korean) government is giving to the American university. I know they offer millions dollars. But millions of dollars is nothing if you start a program overseas because it is costly. (KR3)

The time to evaluate the success of the Songdo Global University Complex is still too early (e.g., KR3, KR4). Based on his rich experience in international finance, KR4 expressed pessimism regarding the future development of branch campuses in Korea. He said the cost invested in managing and maintaining a branch campus is normally under-estimated but its benefits are over-estimated. He also observed that many branch campuses have failed and closed before recruiting enough students to maintain operation. Thus, he recognized that to survive in transnational activity requires recruiting enough students as the priority issue that makes business-oriented considerations overtake educational ones.

5 Discussion

To more clearly understand the realities of TNHE in the Asia-Pacific region, more empirical studies are urgently needed. We used empirical data to reflect the reality of economic rationales overshadowing other possibilities related to arguing TNHE as a public good. While most TNHE studies focus on how to strategically manage and operate TNHE and quality issues, we extend this field by linking the TNHE with public goods for its sustainability.

Based on our research findings, we recognize that there is nothing wrong to argue for the survival paradigm

in the transnational programs and institutions that truly operate in the marketplace. Several issues, identified by interviewees, should be accounted for at the early stage of TNHE development and for the goal to become a hub, such as recruiting enough students and having financial incentives and supports. Business considerations reflected in the survival paradigm dominate. Although McBurnie and Pollock (2000) suggest that 3 key dimensions, strategic, academic and business rationales, should be addressed systematically, universities are more concerned with revenue-raising opportunities when they evaluate transnational activities (cited in McBurnie & Ziguras, 2007).

The overall findings demonstrate one fact, that is, public goods of TNHE are possibly under-produced in economic markets. However, as Marginson (2011) strongly suggests, "the larger enemy of the public good and public sphere is not the economic market but the status hierarchy" because "the play of university self-interest weakens public-good mechanisms" (p. 429). The critical question that arises is, private benefits could be produced elsewhere, why do universities, acting as the general private agents and company, need to involve themselves in the TNHE venture? McBurnie and Ziguras (2007) offer a warning of a two-faced cuckoo-clock effect, that is, in the event of TNHE success, universities might claim themselves as "astute entrepreneurs" but in the event of failure, they might defend strongly that "they are never in it for the money since they are a university, not a company" (p. 46). Obviously, when the TNHE activities are defined simply as the aggregation of private interests and benefits, the rationale for higher education institutions as distinctive social foundations with multiple public and private roles will evaporate, as Marginson (2011) argues.

The implications for TNHE exporter countries and import-for-export countries are futuristic. Governments must recognize that TNHE will not automatically produce social and cultural benefits that might come. However, well-managed transnational programs and institutions that provide a high quality student experience and a wider and deeper education and research integration might ensure TNHE sustainability. Thus, for longer-term development and sustainability, transnational activities should give appropriate priority to the overriding academic and educational values that guide the future of the institution to avoid TNHE development similar to an economic bubble that bursts after a wide range of enthusiastic start-ups (International Unit, 2012). In this highly competitive and ever changing landscape of global higher education, it is vital that TNHE exporter and importer countries should have sustainable development initiatives to think beyond student recruitment and income generation to a

comprehensive way to enhance TNHE linkages to research collaborations, innovation, technology transfer, knowledge exchange and capacity building as suggested by the International Unit (2012).

As one type of international education, TNHE should share its responsibility to produce global citizens who form networks and collaborations to foster wider international engagement and understanding and embrace cultural differences that enrich social experiences for different parts of world, and further develop innovations in science and technology to improve quality of life and environmental sustainability to tackle global challenges (Universities Australia, 2009, p. 8). It becomes an urgent issue to enhance the significance of TNHE beyond economic rationales as public goods to reflect the intrinsic values in higher education itself in terms of the free spread of knowledge and skills and cross-cultural dialogue and understanding.

We recognize that moving beyond its dominant survival paradigm and enhancing its contribution to the public good of higher education, meeting not only local but also global requirements, should be put into the debate arguing for the TNHE sustainability. The issue of how to enlarge the function of knowledge sharing for capacity building via TNHE should be explored by TNHE exporter and importer countries, also important for countries adopting the import-for-export model in managing TNHE.

6 Conclusion

This study adds to the understanding of underlying dilemmas facing with transnational programs and institutions. Although being a part of higher education, TNHE is dominated by a single paradigm of economic rationale instead of ideally acting as a creator of public goods. Countries in the Asia-Pacific region seek to justify their motives for introducing TNHE for capacity building, despite valid concerns exist regarding the cultural and pedagogical controversies in these transnational programs and institutions. For addressing sustainable development challenges for the future, more collaborative transnational initiatives to mutually empower partner universities should be developed beyond those programs merely meet economic demands. Although the scale of TNHE in importer countries is comparatively small and few countries plan to introduce mass foreign programs and institutions constituting a significant proportion of their higher education sector (McBurnie & Ziguras, 2009), the issue of such transnational benefits to make some sense for all and wider community not only for those who can afford to pay is a timely question. The reminder of Altbach (2001) is still valid. He said,

If universities are to survive as intellectual institutions, they must pay close attention to their core responsibilities of teaching, learning, and research. Maintaining loyalty to traditional academic values will not be easy, but the costs of growing commercialization are much greater. (Altbach, 2011, p. 4)

The issue of how universities communicate the wider value of higher education as externalities of education at the core to the periphery through TNHE should receive greater attention. Developing transnational activities in an increasingly complex and competitive market remains a challenging task. Without a larger social purpose that underpins its existence, the survival of TNHE is no longer certain, particularly faced with the challenges of the massive not-for-profit open online courses (MOOCs) movement across the globe. The survival paradigm is dominant but volatile when market needs shift or higher education capacity in importer countries is mature. An emerging paradigm for TNHE sustainability is needed to play a role in pursuing public goods. Identifying TNHE as a kind of public goods would hold its sustainability for both TNHE exporter and importer countries and institutions.

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