

# **Offshore course is business or education: A case study of the UNSW**

## **offshore courses in China**

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### **Abstract**

The University of New South Wales is increasingly developing the internationalization of education. The offshore coursework master degree program has been chosen as one international marketing niche. During 1990's the UNSW has started the Master of Commerce Program in Guangzhou and Beijing of China with local partners. Basing on its reputation in Australia and the partner's reputation in China, brand strategy has been used by the UNSW through keeping high quality offshore education. The choice of the local partners is a crucial factor for the offshore program's success. Strategy view of the offshore courses to international education and international Business is another very important factor.

### **Key words**

Internationalization of education, offshore course, partner structure.

Australian universities are increasingly becoming involved in internationalization of education. Focusing on the business perspective, the forms of internationalisation of education include increasing foreign students attending Australian universities and exporting Australian education programs in overseas such as enrolling in distance education programs, offshore courses jointed with foreign institutions, and operating Australian universities-owned or part-owned campuses ( Hughes, 1988). In order to minimise financial risks and keep reputations, Australian universities exporting education program in overseas should be through the stage by stage driven by experiential knowledge accumulation. Each stage calls for more commitment to international education market but enables Australian institutions to gain in knowledge, skill and confidence (Johanson, 1990). The stages may include first the establishment of staff and student exchanges, and movement to joint venture offshore program with foreign universities or training institutions, finally the establishment of owned-offshore campus.

Certainly the first stage may be not necessary step to some Australian universities to develop offshore education programs in overseas. When an Australian university wants to go into the second stage, some education and business strategies should be considered before offshore program is delivered. As internationalization of business where which kind of product being sold or produced in foreign market is firstly considered, which subject and which level of degree integrated in the program would be on the way. For example, degree in accounting might be offered easily in overseas than law degree because accounting is now popular international business tool and the difference of accountings between nations is not very significant now. By far the most popular fields of study by overseas students in Australian universities are business, economics and administration with 50 percent choosing such courses(DETYA, 1999). The start-up cost of offshore business course generally is lower than the start-up cost of other course in overseas. When the degree level and field are decided, the following issue would be a curriculum. It may be easy that an Australian university's

curriculum is automatically translatable to the offshore program. But it is inappropriate that the Australian law is only focused solely if the offshore program is concerned about the international professional accounting. Given the offshore program set in China, the law subject in the international professional accounting shall be under a comparative approach in examining the common law system and civil law system.

The aim of this paper is to examine another strategy of offshore programs delivered by an Australian university. A choice of foreign partner structure basing on the offshore programs in China developed by the University of New South Wales may be given. In order to develop successfully the offshore program in foreign country, the key is to choose one's partner wisely. A university's greatest asset is its reputation and the choice of a disreputable partner can have a grave consequence for both a specific country market and even harm the reputation on a wider scale (Clark & Clark, 2000). But there are few researches to develop a good practical model of foreign partner structure for offshore program in foreign country.

## **Introduction**

The University of New South Wales (UNSW), as one leader of the Australian universities, is showing increasingly involvement of internationalization of education. The UNSW has the advantage of a long history of international students and claims a strong international profile. In 1990s the market plan to internationalization of education has been developed by the UNSW which targeting four niches such as Foundation Studies, Undergraduate Courses, Coursework Masters Programs and Research Degrees. In 1995 the UNSW derived substantial income –just on 14% of total income –from the tuition fees of international students. This fees allowed a range of educational and internationalization initiatives at the university and the faculty level (Back, Davis and Olsen, 1996).

As the UNSW is well known and its good location makes it more attractive to many international students in the Sydney campus. To achieve more results, the UNSW has looked to offshore program delivery. In 1995, the UNSW started the offshore program—coursework master degree program, major in International Professional Accounting in Guangzhou of China, with local university—the Guangzhou University, which was a city university fund by the local government (in order to distinguish from the new Guangzhou University, the Guangzhou University before 2000 is called hereafter the old Guangzhou University, OGU). The second Chinese partner involved in the program was the Zhongshan University (ZSU), which is a national Chinese university and located in the Guangzhou. The entry requirements of the offshore program were the same as its requirements for international students attending in the Sydney campus of the UNSW. There were 12 subjects in the program. After negotiation with the OGU and the ZSU, the UNSW agreed to send its staff members to travel the Guangzhou and present 8 subjects of the program in the Guangzhou while the other 4 subjects were taught in English by the staff members from the OGU or the ZSU. The pattern of the program was involved in two stages. The first stage was an academic English training program lasting for 20 weeks which was supervised by the Institution of Language of the UNSW. The only students passed over the first stage requirement can go into the second stage. The second stage involved the courses of the Master of Commerce. The subjects were taught on Tuesday and Friday in daytime. The each subject took eight weeks for lecturing and two weeks for mid exam and final exam.

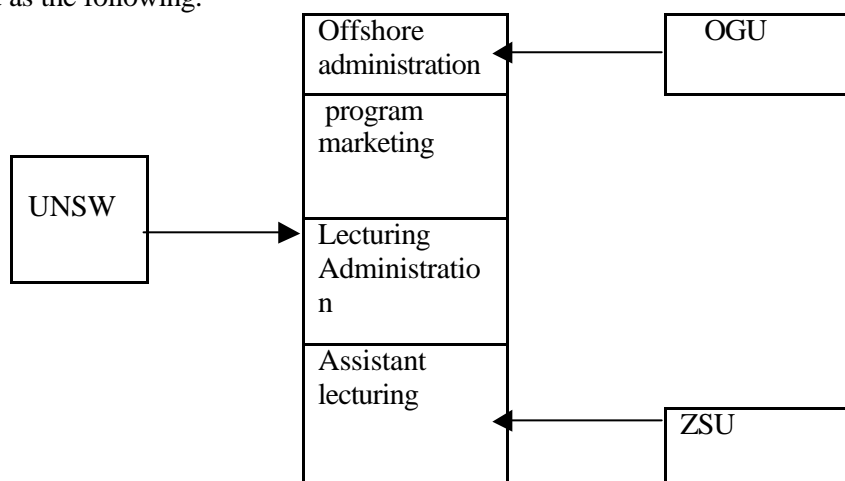
## **No-profit view and local partner structure with two universities**

In order to achieve accreditation in China, the program first was finally registered in the Office of the Academic Degree Committee of the State Council (OADCSC) through the approval process of the Guangzhou Municipal Education Authority and Guangdong Provincial Education Authority. The registration of the offshore program in China is obligatory according to the Chinese education regulations and it is profitable not only for the students studying in the program but also the reputation of the UNSW where the degree will be recognized in China as well as international level after the authoritative approval. Thus the

students graduated from the program can enjoy the advantages of an international degree without having to leave China.

As Guangzhou is “sister relationship” city with Sydney, the Guangzhou government decided to provide fund support to the program in the start-up period when the no-profit view of the program was adopted. At that time, generally Chinese national universities funded by the central government were reluctant to establish joint venture education programs with foreign universities when the financial results of the programs were not guaranteed by the foreign partners and there were the financial risks. It was not easy to find a Chinese institution partner to invest money to start up the joint venture education program when the basic costs of the foreign partners could be covered and guaranteed at least.

It was necessary for the approval of the OADCSC where there was a Chinese university in the joint venture education program awarding foreign degree which is qualified to award the equivalent Master Degree in China with Master Degree of Commerce awarded by the UNSW because which level degree awarded by a Chinese university is authorised by the ADCSC. So, as a qualified national Chinese university, the Zhanshan University joined the program with the OGU and the UNSW. The pattern of the partner structure of the offshore program was depicted as the following.



The OGU was responsible for the marketing and daily administrative work of the offshore program in Guangzhou. The OGU provided necessary teaching facilities for the program and arranged some full-time administrative staff working in the program. Basing on the agreement, the ZSU was responsible to provide suitable staff members who could teach the four subjects of the program in English. Their qualifications for lecturing the subjects were confirmed by the UNSW. The UNSW was duty to send its academic members to teach the other eight subjects of the program and manage the quality of the offshore program in whole scale and all affairs relative with the UNSW.

Given no-business view of the program and the support from the local government, from perspective of the OGU, the program was run as one normal university’s task required by the local government. There was no strong economic incentive to promote the marketing and adapt marketing policy for potential students. Although the tuition fee was fixed in very lower, not surprisingly the first term of the program took into 17 students and the all subjects were taught on Tuesday and Friday in daytimes. The students had to give up their full time job. Notwithstanding the profit of the program, there was a great success in the effectiveness of the offshore education program. Some direct benefits and indirect benefits were in realization through the offshore education program. The existing full time staff could travel to China and gain valuable international experience. As a linkage between Guangzhou and Sydney, the program built some close interpersonal and institutional relationships that were potential useful in economic, cultural relations between China and Australia. The ceremony open by former Deputy Prime Minister Mr Tim Fisher and many senior officials from Guangzhou visiting Sydney and the UNSW were evidences of the benefits generated from the program.

The main advantages from the two-university partner structure of the offshore program were more emphasis on the quality and reputations of the offshore program. It is common sense that potential students for the offshore program have more confidence about the program if public universities are involved in the program because the students would at least be line with confidence to the national Chinese university such as the ZSU under condition of no ideas about the foreign university.

### **Business view and local partner structure with one university and one business education training institution**

Keeping going on the offshore program in Guangzhou, in 1998 the UNSW set up the same coursework master degree program in Beijing with the Beijing Technology Exchange Training Center (BTETC), plus another national Chinese University—Beijing University of Aeronautics and Astronautics (BUAA). As the function pattern of the partner structure in Guangzhou's program, the BTETC was duty to marketing and administrative work of the program in Beijing and it also provided the necessary teaching facilities for the program. The BUAA was responsible to provide its academic members to teach the 4 subjects in the program. The BTETC is business education institution and the program was run under the more business way. The offshore intensive teaching style was introduced in the program. One subject was taught in four weeks and lecturing days were on Saturday and Sunday in daytimes while the students without having to give up full time jobs.

After successful marketing promotion and efficient administrative work, it was not surprising that there were 80 students in the first term of the Beijing's program. Under adaptation of market-orientation tuition fees, there was a great success in the business profit of the offshore program in Beijing.

The advantages of the local partner structure with one university and one business education institution were balancing profit and reputations of the offshore program. There was strong economic incentive for the BTETC to make a good market promotion and provide a good services to the students of the program as possible as it can while generally there is lack of incentive and ideas for one Chinese university to do so. On the other hand, as existence of one famous national Chinese University such as the BUAA, the great confidence should be there notwithstanding potential students have or have not ideas about the foreign university. It is a good practical model of local partner structure to date for the offshore program in overseas. But how to tackle the relationship between the two local partners may be emergent issue.

### **Business view and local partner structure with two universities**

After the business success of the offshore program in Beijing, there was a great pressure on the offshore program in Guangzhou. Fortunately after the combination with other local universities located in Guangzhou, the new Guangzhou University (NGU) was set up in 2000. Under the new strategy adapted by the NGU, the offshore program with the UNSW, plus another new national Chinese University—South China University of Technology (SCUT) located in Guangzhou, is run by business way. In order to express the support to the program, the NGU invested money to renew facilities for the program in Guangzhou campus. More importantly the NGU agreed to set up a business management unit to independently run the program under business way. An offshore intensive teaching style was used and one subject was taught by four weeks and on two nights and Sunday in one week while the students without having to quit their good jobs.

After the new policy and business way, it was also not surprised that the number of the students in the Guangzhou program of 2000 increased to 42 which is reasonable size for one class from educational perspective, and the financial result of the program would be in reasonable level after the tuition fee was oriented toward market base. These changes are making the local partner structure of Guangzhou's program as the same situation within the

Beijing's program. It is no doubt that there are more potential English qualified students in Beijing than in Guangzhou. But also there are more foreign offshore programs in Beijing.

## **Conclusion**

The most important factor in ensuring the success of offshore intensive teaching program is the commitment of whole institutions involved in the program. The Australian university must be dedicated to ensuring that offshore students received a high quality education and one equal to that provided to onshore students under adapting the international curriculum. The other important factor is that the program must be registered with the local education authorities (Clark & Clark, 2000).

The offshore coursework master degree programs in China delivered by the UNSW are registered in the OADCSC as the highest level registration in China. It is crucial to keep the UNSW' reputation and provide the most benefit to the students studying in the programs. The name list of the offshore programs in China authorized by the Chinese education authority has been published in 2002 where there are the 71 qualified offshore programs to date in China (MOE, 2002). That means if the offshore program name was not appeared in the list the foreign degree related with the program would not be accredited in China. The students awarded by this degree may lose any benefit. More worsely the reputation of the foreign university involved in the program may be degenerated because the offshore program unauthorized in China is commonly considered as flawed program.

To wisely choose the local partner structure in China is likely important factor to the offshore programs delivered by the UNSW successfully whatever in starting the offshore program or keeping going the offshore programs. The other key factor is the strategy chosen by the UNSW while adapting business way to internationalization of education.

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