

UK-China-Hong Kong Trans-national Education Project

Report to the British Council

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Executive summary

1. *The UK-China-Hong Kong Trans-national Education Project* was commissioned by the British Council with the objectives of providing a detailed picture of trans-national education (TNE) and identifying future opportunities in the UK, China and Hong Kong.
2. The project was undertaken by a research team from the Sheffield Hallam University. Research methods employed included statistical analysis of TNE market information about China and HK, semi-structured interviews with HE/FE institutions and government policy makers and enablers in the three places under consideration, and e-survey of UK HE/FE institutions. The research covered the four countries of the UK, HK and eleven cities in China, with an involvement of 40 HE/FE institutions across the UK, China and HK in the qualitative research. A total of 65 interviews were conducted in addition to 45 responses to the e-survey of UK HE/FE institutions.
3. The research confirmed the multi-level challenges of TNE identified in the TNE literature review. Globally, the issue of TNE quality assurance, the tendency of internationalisation and the difficulty of defining TNE at a global standard have framed TNE in a wider context of globalisation. Nationally, a growing tension between national education systems and TNE is emerging with importing countries focusing on building domestic capacity and exporting countries mainly motivated by income generation. Hence a trend is towards greater control over TNE activity by enforcing national legal regulations. Institutionally, many TNE activities are more market oriented and a new type of providers and private institutions are on the increase. There is an increasing concern over the commercial aspect of TNE partnerships which coexists with the lack of institutional strategies of TNE.
4. Main findings of the project cover two parts: TNE contexts and market information; emerging TNE models, institutional experiences, and TNE competition and future opportunities. The report finds:
5. The UK government's interest in TNE reflected in the PMI II emphasises the importance of UK partnerships with overseas institutions. Two related issues are quality assurance of overseas TNE programmes which cements long term partnerships; and UK students going abroad for Higher Education experience which is in the national interest in a context of internationalisation.
6. In the UK, whilst TNE is mainly regarded as an important source of income generation for HE/FE institutions, TNE approaches and focuses differ at regional level. In England with the recognition of the increasing TNE competition, TNE is primarily a matter for HE institutions themselves. The Welsh policies emphasises the economic focus in developing strategic partnerships. In Scotland, the objective of promoting international partnerships is coupled with some concern of 'selling the family silver' by delivering Scottish education abroad.
7. In China, TNE is driven by the need to draw high quality education resources to the Chinese HE sector in order to build capacity and competitiveness internationally. Given the rapid economic development and demographic changes, China is

perceived as a 'soft market' with TNE demand from a diversity of consumers. Recent TNE regulations indicate that the Chinese government is moving towards implementing a licensing system with more rigorous quality controls. However there is a broader interpretation of the legal framework and the devolved approval authority at local level further implies ambivalent practice of the law. So far there is no evidence that the UK provision has been affected in the implementation of the Chinese regulations.

8. In HK, the HE sector is segmented between government funded universities and newly emerged self-financed community colleges. Whilst the HK TNE market is generally considered saturated, the local substantial demand for top-up degree programmes and the predicted unmet demand for HE places in 5-10 years as a consequence of the education reform have significant implications for TNE market in HK. In addition, HK's objective of becoming the region's educational hub is considered as both helpful and competitive in entering the China market by UK institutions.
9. The UK is holding onto the biggest share of an expanding and competitive market in both China and HK. 30% of programmes at degree level or above in 2005 and 2006 in China were jointly provided by UK institutions, covering 18 provinces, municipalities and autonomous regions across China. In HK, the UK provision was up to 55% of non-local programmes in 2006 with 81 UK institutions playing a part in a total of 617 TNE programmes.
10. Between the mainland and HK, there was an increase of China's share to 8% of non-local programmes in 2006 in HK, whereas HK had a share of 4% of TNE market in the same year in China.
11. TNE models emerged in the UK include top-ups, franchising, dual qualification, DL, fly-in teaching, branch campus and contractual model. Top-up is increasingly perceived a favoured model of TNE in HK as well as in China. Franchising is often associated with quality issues. Dual qualification is a preferred model by Chinese institutions. DL brings in significant income from UK's provision in HK but confronts issues of recognition and affordability in entering China. Fly-in teaching, in spite of its high cost, is becoming a more important part of dual qualification, top-up and DL programmes. The two UK branch campuses in China are considered successful examples of long term partnership by both UK and Chinese partners. The significance of contractual model is in its students who have the potential to contribute to partnerships between the UK and China.
12. Whilst student exchange programmes seemed not to be mentioned as TNE programmes by most of UK institutions, they were regarded as an important element of TNE by institutions in both China and HK. A key issue is related to UK students' lack of interest in studying abroad.
13. 2006 saw more UK research-led universities entering the TNE market in China.
14. TNE partnerships between the UK, China and HK are increasingly becoming segmented between high ranking universities and lower ranked institutions or FE

colleges. Institutions in both China and HK are looking for comparable partners, which has implications on unofficial university rankings in the UK.

15. Good partnerships are associated with long term relationship, high level support and committed academics and programme leaders from both parties.
16. Difficulties and barriers in TNE are mostly related to constraints in keeping academic staff on board and finding resources for TNE activity for UK institutions, and issues such as equal partnership, high UK tuition fees and UK visa problems for institutions in China and HK, with the latter specifically for China. In addition, the contradictions in expectations from TNE between institutions in the UK (to attract students to the UK campus) and China (to attract best foreign universities to teach students in China) look most problematic.
17. UK institutions are facing increasing competition in TNE in China and HK. In particular, governmental, financial and diplomatic initiatives of other countries in China are critical factors in TNE competitiveness.
18. Future opportunities for UK's TNE provision will be:
 - More in-country dual degree programmes and TNE institutions in high ranking universities in China, e.g. in Jiangsu and Shanghai;
 - More in-country dual qualification programmes with progression to higher degrees in China;
 - More in-country delivery of top-ups in China and HK;
 - More twinning arrangements m+n with the favoured option of 3+1 in China;
 - More student exchange programmes in China and HK;
 - More in-country vocational education programmes in China, e.g. in Guangdong and Chongqing;
 - More flexible and mixed models at different levels targeting at different students in China and HK.

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1. Introduction

Trans-national education, as a major global phenomenon, is predicted to grow significantly over the next twenty years. Whilst UK Higher Education institutions are among the most active in trans-national education in the world, Hong Kong remains on top of the current trans-national education provision by the UK and China is becoming potentially the biggest importing country for worldwide trans-national education. Currently trans-national education between UK, China and Hong Kong is an under-researched area, albeit with a number of recent studies on trans-national education activities in the UK, China and Hong Kong respectively (see Garrett and Verbik 2003a and 2004, Garrett 2004, Huang 2003, Lee and Gopinathan 2003, Mok 2003, Feng and Gong 2006). This report aims to provide a comprehensive study in this research area by drawing on research findings on *the UK-China-Hong Kong Trans-national Education Project*. The catalyst for the project was the Prime Minister's Initiative II, which emphasises a growing need for more up-to-date data and research on both traditional and emerging markets in international education (DfES 2006).

Throughout the report, 'China' is used to refer to the Chinese Mainland, rather than 'Greater China' including Hong Kong, Macau and Taiwan. 'Hong Kong' refers to the Hong Kong Special Administrative Region, PRC.

The report is divided into four main sections. The first section introduces *the UK-China-Hong Kong Trans-national Education Project* and outlines current challenges of trans-national education (TNE) and some of the methodological issues which emerged in researching TNE in the UK, China and Hong Kong (HK). Section 2 provides the policy contexts of TNE in the UK, China and HK and market information for TNE in China and HK, in particular relating to the UK provision. Section 3 reports findings from qualitative interviews with Higher Education (HE) and Further Education (FE) institutions in the UK, China and HK, and analyses TNE approaches and experiences from different perspectives. In the final section, recommendations are given.

1.1 The UK-China-Hong Kong Trans-national Education Project

1.1.1 Definition of TNE and project objectives

The UK-China-Hong Kong Trans-national Education Project was commissioned by the British Council (BC) and was conducted by a research team from the Sheffield Hallam University. The term 'trans-national education' used in the project is defined by the BC (2006):

Trans-national education refers to education provision from one country offered in another. It does not include the traditional international student recruitment market where students travel to another country for their studies. Trans-national education includes a wide variety of delivery modes including distance and e-learning; validation and franchising arrangements; twinning and other collaborative provision.

The project had the following objectives:

- To provide a more detailed picture of the market in the China higher education sector (scale, market share, export value);

- To identify successful models of collaboration between UK , China and Hong Kong institutions;
- To understand the drivers in the UK HE and UK FE sectors (motivations, capability, expectations);
- To understand the drivers in the China and Hong Kong HE sectors (requirements, perceptions of UK TNE, role for UK, expectations);
- To identify opportunities for UK, China and Hong Kong collaboration in TNE.

1.1.2 Research methods

Research methods employed were:

- Review of TNE literature and web documentation to establish background knowledge and identify relevant participants and stakeholders;
- Statistical analysis of TNE market information about China and HK;
- Semi-structured interviews with HE/FE institutions and government policy makers and enablers in the UK, China and HK;
- E-survey of UK HE/FE institutions to gather information from a wider group of TNE providers.

Research instruments include interview schedules with different target groups and e-questionnaires for the survey of UK HE/FE institutions (see Appendices B and C).

1.1.3 Research scale

The project covered the four countries of the UK - England, Scotland, Wales and Northern Ireland; HK; and eleven cities in China, specifically:

- Beijing
- Tianjin
- Shanghai
- Ningbo (Zhejiang Province)
- Chongqing (Sichuan Province)
- Xian (Shaanxi Province)
- Nanjing (Jiangsu province)
- Suzhou (Jiangsu province)
- Yangzhou (Jiangsu province)
- Guangzhou (Guangdong Province)
- Shenzhen (Guangdong Province)

Altogether 40 HE/FE institutions were involved in the qualitative research in the project, with 10 in the UK, 24 in China and 6 in HK. Eight policy makers/enablers at national, regional and provincial levels were interviewed in the UK and China respectively. The total number of interviews conducted in the three places was 65. Whilst both face-to-face and telephone interviews were conducted in the UK, almost all interviews in China and HK were face-to-face with only one exception in China, which was conducted in the UK over the phone. All the interviews were tape recorded or noted if recording was not permitted and all the tapes were transcribed and coded for confidentiality.

In addition, an e-survey of UK HE/FE institutions on TNE provision was carried out. The survey included two e-questionnaires:

- E-questionnaire 1 aimed at obtaining overall view of institutions on TNE;
- E-questionnaire 2 targeted TNE programme leaders and international officers involved in TNE provision.

Table 1 E-survey coverage of HE/FE institutions in the UK

| UK regions | Responses from HE/FE institutions | Percentage |
|------------------------|--|-------------------|
| Scotland | 3 | 6.7 |
| North West | 3 | 6.7 |
| Yorkshire & Humberside | 9 | 20.0 |
| North East | 5 | 11.1 |
| East Midlands | 3 | 6.7 |
| West Midlands | 5 | 11.1 |
| Great London | 7 | 15.6 |
| South East | 2 | 4.4 |
| South West | 5 | 11.1 |
| Wales | 2 | 4.4 |
| Northern Ireland | 1 | 2.2 |
| Total | 45 | 100.0 |

Source: E-survey of UK HE/FE institutions

The links to the e-questionnaires were sent to roughly 250 HE/FE institutions in the UK (see Interim Report submitted to the BC for details of UK e-survey). A response rate of 18% was achieved for E-questionnaire 1 whereas the response rate was much lower than expected for E-questionnaire 2 (7%). Nevertheless, the e-survey covered HE/FE institutions across the UK, as shown in Table 1, and collected significant information about TNE between the UK, China and HK (Tang and Poole 2006).

1.1.4 Time scales

The project extended from March to January 2007 in the following stages:

- Initial telephone conference with the BC on 13 March;
- Project contracted to the Sheffield Hallam team on 21 March;
- Project setting up in late March and early April;
- Phase 1 field work in HK and Guangdong Province in April;
- E-survey of UK HE/FE institutions from May to July;
- Phase 2 field work in China in July;
- UK field work from June to November;
- Quantitative and qualitative data analysis from August to October;
- Interim report on UK e-survey submitted in early September;
- Presentation on HK findings at the BC HK Partnership meeting on 31 October;
- Final report drafting in November;
- Final report finalised and submitted to the BC in January 2007.

1.2 The challenge of trans-national education

TNE poses a number of real and potential challenges at global, national and institutional levels. These multi-level challenges have impact on the development and understanding of TNE.

1.2.1 Global

TNE is linked to wider trends of globalisation that go far beyond traditional international links, reflecting an emerging new world in which national boundaries are increasingly challenged by powerful, global tendencies already evident in the domain of finance and economics, and supported by new developments in information technology, although it is difficult to predict either the extent of the impact on HE, or the institutional patterns that may emerge as a result in the future (Wilson and Vlasceanu 2005). There have been questions about how degrees are validated. If there are numerous international providers offering 'degree' courses to students, how are these going to be measured against each other, when they will be based on very different systems? Will there have to be a process of international regulation? 2005 saw the release of a policy statement 'Sharing Quality Higher Education Across Borders' (IAU 2005) by the International Association of Universities, the Association of Universities and Colleges of Canada, The American Council on Education and the Council for Higher Education Accreditation on behalf of HE institutions worldwide. The function of this policy statement is to lay the groundwork for fair and transparent policy frameworks for managing HE across borders (Connelly et al 2006). In addition, the appearance of international university league tables seems to suggest that universities are moving towards becoming international institutions (Coughlan 2004).

Such impact can also be seen in the operation of transnational organisations, such as the World Trade Organisation (WTO) which are likely to rupture even further the relationship between governments and HE (Naidoo 2003). The WTO's General Agreement on Trade in Services (GATS) has included HE as one of the twelve service sectors (World Trade Organisation 1999). This complex set of trade agreements and how they may impact on the way TNE is imported and exported to a country indicate a new challenge for the HE sector in working with trade officials and immigration officials in this whole area of TNE (Knight 2005). Will there be international approaches to academic and professional recognition, transparency and mobility? The rapid development of TNE means it is no longer just the students, lecturers and researchers who are moving across borders but a greater incidence of programmes as well as providers that move trans-nationally (Ibid.).

Furthermore, how to define TNE is a salient issue as which aspects of TNE to be included or excluded from a definition can have a decisive impact on regulatory framework both nationwide and within an institution (Connelly et al 2006). The 'UNESCO/Council of Europe Code of Good Practice in the Provision of Transnational Education' provides a definition of TNE (Council of Europe 2002):

All types of higher education study programmes, or sets of courses of study, or educational services (including those of distance education) in which the learners are located in a country different from the one where the awarding institution is based. Such programmes may belong to the education system of a State different from the State in which it operates, or may operate independently of any national education system.

This definition is endorsed by the OECD and considered 'as close as there is to a global standard' (Connelly et al 2006: 7). Whether this definition fits the common usage in the UK, China and HK will be discussed in Section 3.

1.2.2 National

TNE challenges the role of the state in education and national autonomy and sovereignty (Adams 2001, Knight 2005, Stella 2006). With the relationship between traditional education, the state and non-official higher education changing, a growing tension between national education systems and TNE is emerging. Whereas traditional HE institutions have been considered as belonging to a national system, TNE may generate HE programmes/institutions that do not belong to any national system (Wilson and Vlasceanu 2005). The increase in TNE delivery has raised concerns over how to regulate this type of activity, which in many ways falls outside both the exporting and importing countries' regulatory frameworks for HE (Verbik and Jokivirta 2005a). Hence two of the key questions are raised: how to ensure that the awards and qualifications offered through TNE provision are of sufficient quality to be somehow integrated into the receiving system, and how to evaluate the credentials offered through such programmes or courses of study (Wilson and Vlasceanu 2005)? It is suggested that the role of the state will be to strictly regulate HE policies in order to guarantee quality, a commitment to society and access to any capable students (Tres 2005) and the trend is towards greater control over this type of activity (Verbik and Jokivirta 2005b). For example, with recent new regulations on TNE in China (see Section 2.3), the Chinese government appears to be moving towards an increasingly favourable stance vis-à-vis imported TNE whilst attempting to institute more rigorous quality control in this area (Verbik and Jokivirta 2005a).

Different perceptions of TNE naturally influence regulatory approaches, according to Verbik and Jokivirta (2005a). Current developments and the focus on regulations might potentially be viewed in connection to a growing awareness of the negative connotations associated with TNE, such as concerns over the quality of TNE provision, the impact on national authority over HE and unfair competition with domestic institutions (Ibid.). There is a pressing need to eradicate 'degree/diploma mills', bogus institutions, malpractice and fraud (Adams 2001, Knight 2005). What needs to be concerned about, as Knight suggests (2005), is not short-term gain but long-term challenge in TNE.

Nevertheless, the link between HE and economic development has been emphasized. For developing countries in particular, attention has been drawn to access to HE and there is the expectation that HE will enhance the nation state's competitive edge in the global market place by producing the new 'smart' workers who will take up key positions in the knowledge economy (Leadbeater 2000, Naidoo 2003). Within this context, rationales of TNE for importing countries generally are to build domestic capacity, widen student choice in education systems facing resource constraints, increase participation rates, minimise resources flowing out of the country, reduce brain drain, stimulate the local economy, provide niche education markets and enhance innovation and competitiveness in the sector (Verbik and Jokivirta 2005a, Knight 2005). In China what drives TNE is the central government's policy to draw high quality educational resources to China and the local governments' motivation to promote economic development and increase HE competitiveness (Feng and Gong (2006). The UK's University of Nottingham at Ningbo, China (UNNC) is an example of China's desire to attract renowned world-class universities to the country (See Section 3). Huang (2003) identified three rationales of TNE in China:

the increasing demand for HE in modern China, the influence of economic globalisation and the WTO, and the need to enhance academic quality and standards and to internationalise Chinese HE.

For exporting countries the perceived benefits of TNE include reaching new student markets, generating revenue, diversifying education programme delivery, and developing a national brand/reputation for the quality of education provision (Hatakenaka 2004, Knight 2005, Kwan 2005). In the UK it is widely asserted that a strong motivation for TNE delivery is to raise additional income - a common institutional response to declining per-student state support and a government push for institutions to diversify income (Garrett 2004, Hatakenaka 2004). Of course other motivations, such as the ability to reach students unable to travel to the UK, to offer more flexible options to a range of students and to mentor host country institutions, all point to elements of at least a pseudo-development agenda, however, in most cases income generation is the dominant motivation and other rationales remain under-articulated (Garrett 2004). This has led to perceived tensions between income and quality (Ibid.).

The distinction between TNE importing and exporting countries can be blurred in a 'regional hub' model as in cases such as Malaysia, Singapore and HK (Garrett and Verbik 2003b, Hatakenaka 2004). These active importers are pursuing 'regional hub' status utilising both domestic and imported provision to attract students from the region, thereby encouraging a version of the conventional form of transnational provision, where the student, rather than the institution, moves across borders (Garrett and Verbik 2003b). This model, in the form of domestic provision, would encompass both local and foreign providers, making 'export' fundamentally dependent upon import, thus forming an intermediate stage between majority import and majority export (Ibid.). As a major TNE importer, HK has yet to embark on a comparable hub strategy, leading to an export focus on Mainland China due to its geographical and political position (Ibid.).

1.2.3 Institutional

At institutional level, whilst some HE institutions preserve well-established traditions of HE with the state playing a key role in the process of funding, management, and policy design, some HE institutions have acted in much more 'market-oriented' ways, regulated principally by certain quality assurance mechanisms and procedures. This stance does not necessarily imply a clear-cut opposition between different developmental models because state funded institutions are also operating in the 'market' to supplement their income, and in many cases are subject to quality assurance mechanisms, which may not be the case for certain non-state and more market oriented institutions (Wilson and Vlasceanu 2005). Part of the problem is that some such institutions may not yet have put into place appropriate quality assurance procedures. It is thus possible to identify a continuum along which HE systems may position themselves and TNE models are emerging and viewed in different national contexts (Ibid.).

There is a diversity of new providers and private institutions and they do have a role to play both domestically and across borders as traditional universities and institutions that strive to combine teaching, research and service cannot respond to all of society's needs in HE, continuing education and lifelong learning (Knight 2005, Tres 2005). One way of looking at TNE, therefore, is to focus on the awarding role of the newly established programme/institution, which results from the process of merging the interests of both

sending and receiving institutions in order to better respond to an increasing demand for HE (Wilson and Vlasceanu 2005). HK's TNE market demonstrates such a trend with the number of HE providers, including private institutions on the increase in recent years (Mok 2003). In China, what emerges is a new type of HE provider different from private institutions, that is, 'state-owned privately-run' colleges (now renamed 'independent colleges') which are affiliated to state-owned universities, hence having advantages over the private HE sector (Feng and Gong 2006). It is predicted that these independent colleges will increasingly be preferred by foreign institutions in TNE collaboration as they have degree awarding powers for first degrees and the ability to charge high tuition fees (Ibid.).

On the other hand TNE is organized between institutions and offered by means of different forms of partnerships or collaborative arrangements. What is new in the movement from development cooperation to academic partnerships, educational linkages and exchanges is the commercial aspect (Knight 2005). In fact nowadays university cooperation for development ends coexist with collaboration motivated by market mechanisms (Tres 2005). Public and private alliances are made between universities that are often motivated by economic profit rather than the political or aid-based motivations of the past (Ibid.). The institutional financial drivers lead HE institutions, like in Australia and the UK, to look for alternative sources of funding - recruiting international students or establishing programmes and branch campuses and franchising in other countries (Knight 2005). In HK, facing the cutback of university funding from the government, HE institutions have to search for sources of income other than government grants, such as social donations, corporate and industrial sponsorship, spin-off companies' profits, and tuition fees from market-oriented programmes at sub-degree, undergraduate and postgraduate levels (Lee and Gopinathan 2003).

However the widespread growth of TNE has been accompanied by a lack of strategic focus in HE institutions involved in TNE (Connelly et al 2006). In analysis of TNE delivery by UK HE institutions, Garrett points out:

It is argued that there are growing tensions between the current and predicted scale of transnational activity and what appears to be (with key exceptions) generally poor central institutional understanding of provision, plus limited co-ordination with broader institutional mission (2004: 1).

This lack of strategic focus at institutional level is discussed in the context of the sheer complexity of the demands that have to be met, according to Connelly et al (2006). In developing TNE programmes HE institutions face the same sorts of challenges confronting multinational organisations dealing with cultural, legal, marketing, financial and other issues offshore (Connelly et al 2006). For example, 'culture shock' that students offshore experience may bring about the consequences of damaged reputations, unfavourable results of quality audits and dwindling market share of international students for TNE sending institutions (Pyvis and Chapman 2005). It is suggested that development of TNE should be expected to be embedded in a context of strategic planning coupled with, for example, an internationalisation strategy for the whole university, and it requires a more strategic approach to establish such programmes above and beyond transplanting current programmes (Connelly et al 2006).

1.2.4 Summary

Current debates on the challenges of TNE have been extended from the global level to national and institutional levels. Globally, the trends of globalisation and the influence of trans-national organisations, such as WTO, have inevitably drawn concerns over national boundaries in TNE and international approaches towards academic and professional recognition and mobility. A related issue is how to define TNE and if there is one close to a global standard.

Nationally, the changing role of the state in education is accompanied by a growing tension between the national education systems and TNE. The trend is towards greater control by the importing country over TNE activity, as reflected in recent new regulations for TNE in China. Although such regulatory approaches are associated with negative perceptions of TNE provision, TNE is seen as important in economic development and rationales of TNE for importing countries are mainly to build domestic capacity, increase HE participation rates and enhance the competitiveness of HE sector. In China the government's policy encourages TNE activities that will draw high quality educational resources to China, as in the example of UNNC. For exporting countries income generation is the dominant motivation of TNE, as in the UK. With the emergence of a new model 'regional hub', the distinction between TNE importer and exporter is blurred.

At institutional level, HE institutions have now acted in much more 'market-oriented' ways which led to their TNE and their view of TNE. There is a diversity of new TNE providers as in the increase of private HE institutions in HK and independent colleges in China. Institutional cooperation is often motivated by economic profit and TNE partnership can be formed between public and private sectors, academic institutions and industrial companies, etc. The outstanding issue, it is argued, is the lack of strategic focus on TNE at institutional level.

1.3 Methodological issues

TNE research in the UK, China and HK is complex. Firstly, in the way TNE data, if not in the strictest sense, is collected and made available in the UK, China and HK respectively, which has implications on methodological limitations of mapping TNE provision at both national and institutional levels. Secondly in the way the research is involving multi-levelled stakeholders nationally, regionally, locally and institutionally, which requires constant change and improvement in research instruments and interview techniques. And thirdly in the way it is located in different social and cultural contexts, which means methodological issues may arise in the research process in an unexpectedly way or beyond the research design.

1.3.1 Limitation of TNE data

Data sources for TNE market information vary from place to place. In the UK, the first official TNE data collection was conducted by the UK Higher Education Statistics Agency (HESA) for the 2002/03 academic year that asked for information about UK HE programmes taken outside the UK (Garrett and Verbik 2004). However, there were apparent discrepancies between the HESA data and data from the BC which can be explained, according to Garrett and Verbik (2004), by the fact that the HESA achieved a relatively low response rate of 46% and there was suspected under-reporting by institutions (due to inadequate corporate information and/or commercial sensitivities) in addition to possibly inadequate data specification by HESA (Ibid.). Responses to the HESA survey

came disproportionately from HE/FE institutions, with 80% of the 40 former polytechnics and 47% of pre-1992 universities providing a response (Ibid.). Besides, reliable data on the number of students studying on TNE programmes is limited (Bohm et al 2004).

The e-survey finding of the project mirrors the limitations of the HESA survey. Its response rate of 18% indicates that over 200 UK HE/FE institutions did not respond. Within the participating institutions only 12 are pre-1992 universities. What is more surprising is that some of the big TNE providers in China and HK did not respond whereas many participating institutions are more likely to have TNE provision in other parts of the world. This result can be explained partly because of commercial sensitivities and partly in relation to the limited knowledge of international offices about institutional TNE programmes, as the links to the e-questionnaires were first sent to the international offices of HE/FE institutions. Although the e-survey of the project was not ideally representative due to its low response rate, it was useful in identifying UK HE/FE institutions for qualitative interviews for both this project and another separate TNE project, also commissioned by the BC and conducted concurrently by the same research team. It also helped in looking for relevant HE/FE institutions in China and HK to participate in the research.

Because of the limitations of the HESA data and the limited market information provided by the project e-survey, the research focus on TNE markets was limited to the TNE programme information published by China and Hong Kong. From the Chinese sources, however, only information about TNE programmes at degree levels is available and it is 'impossible to obtain a comprehensive list of all these joint programmes as each province, municipality and autonomous region has the authority to approve qualifications at sub-first degree level (including associate-degree programmes) within its own jurisdiction' (Feng and Gong 2006: 14). Unlike China, HK publishes official lists of TNE programmes annually, giving details of providers, source countries, local partners, disciplines and awards (Garrett and Verbik 2003a). The strategy of researching TNE market information was, therefore, to look at UK's provision in the published lists of TNE programmes by the education authorities in China and HK from a changing perspective as well as a comparative approach (see Section 2.3).

1.3.2 Semi-structured or open-ended interviews?

TNE research in the UK, China and HK has to be designed to engage stakeholders cross-nationally and at different levels due to the nature of the project (Section 1.1) and the multi-level challenges of TNE (Section 1.2). The original research design was a set of two interview schedules to be used in each place for a) government/regional/provincial/local HE policy makers and enablers; and b) HE/FE institutions. However, the interview schedules went through changes and development in the interview process constantly.

In interviews in the UK, it was easier to follow the interview schedules in general and the interviewer managed to ask the prepared questions. Difficult situations occurred occasionally when the interviewee offered a very limited time for the interview or asked to be given interview questions in advance of the interview, which happened more often with national or regional policy makers/enablers. In such cases the interviewer had to select the most relevant questions in order to obtain key information. The UK HE/FE institutions were usually reluctant to give out financial and market information for TNE programmes,

in particular about the share of tuition fees, the sum of investment in TNE provision, etc. This meant questions about financial information had to be put in a more subtle way.

Interviews conducted in China could rarely be arranged according to the interview schedules. Education authorities, at either national or local level tended to talk about what they wanted to say rather than wait for interview questions. Since control of the interview was often with the interviewee, the best way for the interviewer was to break into the talk with brief and open questions to drag the interview direction back on track. In interviews with HE/FE institutions, the more senior the position of the interviewee, the less structured the interview tended to be. Very often the interviewer started the interview with blue sky thinking questions which were scheduled for the end of the interview so as to give the interviewee time and space to relax then talk freely. Another concern raised in the interviews was that different provinces, cities and institutions have varied TNE approaches, focuses and interests, thereby no one interview schedule suited all.

Interviews with HK HE/FE institutions appeared to be in a different situation. Interviewees asked questions about the interviewer's background, her contacts in China and TNE programmes that her institution has offered. Such questions made the interviewer aware of the issue of identity. In one occasion the interviewee asked a tough question even before the interviewer started, 'What do you think this project can do for our TNE?' The strategy for such interviews was to follow interviewees' interests rather than to stick to the interview questions.

1.3.3 Social and cultural differences

Methodological issues may occur unexpectedly when the research is located in different social and cultural contexts. Gaining research access in the UK, China and HK required totally different processes. In the UK, it was very time-consuming, sometimes taking months to set up interviews particularly with national/regional policy makers and enablers. This involved, for example, going through formal and bureaucratic procedures ranging from contacting a personal assistant or office in writing, coming back with questions and queries, and confirming the interview with final agreement about the date and venue. The research team began the interview booking at the end of May and the last interviews were conducted in November.

In contrast, gaining access to interviewees in China was often through personal contacts and snow-ball effects. In cities where there is a BC office some interviewees were recommended by the BC. Education authorities in China generally appeared very cautious in agreeing to be interviewed - only half of the total educational officials who were contacted were finally interviewed, and all of them refused to tape record the interview except one who was once a visiting scholar to the UK. Despite the different channels to get to the interviewees, there was only one way for the interviewer to contact interviewees: using mobile phone. Nearly all the interviewees gave his/her mobile phone number to the interviewer who was told to ring them on her arrival in China or the city, as it is not the norm to book an interview 2-3 weeks in advance. It would have been impossible to conduct 40 interviews in a short timescale in China without setting them up before the interviewer left for China if there was no support and assistance within China. The principal investigator's Chinese background enabled her to look for assistance in maintaining contact with interviewees in almost every city she went to.

As in China, interviewees in HK were recommended by either personal contacts or the BC office. However nearly all interviews were set up before the interviewer left the UK for HK. The initial contact with interviewees was a formal email, and all telephone numbers given by interviewees were office ones. Snow-ball effects seemed not to work well as it was impossible to find more interviewees in less than a week due to the similarly formal access procedure as in the UK. The remaining 2 interviews were conducted on a second trip to HK by a member of the project Advisory Group and pre-arranged by the BC HK Office.

In summary, methodological issues in researching TNE in the UK, China and HK can arise in both quantitative and qualitative research processes. These issues are particularly associated with the limited use of published TNE data, constant changes and improvement of research instruments in qualitative interviews and different ways of working with interviewees from place to place caused by social norms and cultural differences.

2. Main findings (1)

2.1 Introduction

This section aims to provide an in-depth analysis of current development in TNE contexts and regulatory policies as well as market demand and supply in the UK, China and HK. Research findings will be drawn from qualitative interviews with education policy makers and enablers at national and regional/provincial/local levels and a documentation search, which was based on web searches of sites including the Observatory on Borderless Higher Education (OBHE), UK Quality Assurance Agency (QAA), Department for Education and Skills (DfES), Ministry of Education (MoE), China, provincial and local education authorities in China, Hong Kong Education and Manpower Bureau (EMB).

OBHE published a report on transnational delivery by UK Higher Education (Part 1 by Garrett and Verbik 2004 and Part 2 by Garrett 2004). Based on the analysis of HESA data, despite being far from a complete and accurate record of TNE provision by UK HE institutions (Garrett and Verbik 2004), Part 1 provided information about TNE enrolments by ten most active institutions, by country, by region, by Human Development Index categories, by level and discipline etc. Part 2 gave consideration to the implications of the HESA data and raised concerns over TNE innovation and competition for UK HE institutions.

The first comprehensive analysis of TNE provision in China was also published by OBHE. The report on 'Higher Education in China' (Garrett 2003) gave detailed account of HE background, TNE policy context and scale of foreign provision with examples of Sino-foreign HE partnerships in China. Another recent report by OBHE (Feng and Gong 2006) extends Garrett's analysis and focuses on data analysis of HE and Sino-foreign joint programmes in China. Its statistical analysis was based on a published 'List of In-Operation Chinese-foreign Joint Education Programmes Conferring Foreign and Hong Kong SAR Degrees' (MoE 2004) and a list of TNE programmes awaiting approval in 2005 (MoE 2005). The report also analyses TNE provision in Shanghai 'because a list of such programmes is available from the Shanghai Education Commission website' (Feng and Gong 2006: 3).

HK TNE market analysis can be found in an earlier report published by OBHE on some major TNE markets worldwide (Garrett and Verbik 2003a). Part 1 of the report included an account of the TNE context, regulation and activity in both HK and Singapore. The analysis of HK TNE was based on lists of registered and exempted 'Non-local Higher and Professional Education Programmes' published by EMB in 2003. One interesting paper (Olsen and Burges (2006) is published online by IDP that discusses HK education reforms and the implications of threats and opportunities for TNE in Australia. The reforms of HK's education system will certainly impact TNE provision by UK institutions too.

Extending the above analysis of TNE in the UK, China and HK respectively, this section examines TNE in China and HK in relation to the UK provision. The focus is on TNE development in China and HK and how UK provision is embedded in the context of a changing market as compared with other big TNE providers in China and HK. Data sources for China market analysis are: MoE list of approved TNE programmes by 2004; MoE lists of TNE programmes awaiting approval by September 2005, December 2005 and March 2006 respectively. Data sources for HK market analysis are: lists of registered and exempted 'Non-local Higher and Professional Education Programmes' published by EMB in 2003 and 2006. In addition the qualitative findings from interviews with HE policy makers and enablers, for example the DfES, Higher Education Funding Councils for England (HEFCE), Wales (HEFCW) and Scotland (SHEFC), The Scottish Executive, Universities UK (UUK), Northern Consortium (NCUK), OBHE, and the education authorities at national and local levels in China, will further understanding of the policy contexts of TNE in different places, thereby leading to a better understanding of TNE market opportunities.

2.2 Contexts of trans-national education

2.2.1 The UK

2.2.1.1 A 'soft market'

In the UK, TNE is not much discussed in the mainstream or specialist press, and is generally viewed as an interesting but peripheral activity (Garrett 2004). To date TNE has been a 'soft market' (Gilligan 2000, Garrett 2004), in so far as demand has exceeded supply. TNE statistics suggested that overseas delivery already accounts for an estimated 50% of UK international enrolments (OBHE 2005). According to the BC's predictions, demand for UK TNE provision will outpace demand for student mobility to the UK by 2010, and significantly outpace it by 2020 - 57% higher than the number of onshore international students (Bohm et al 2004). The BC made the assumption that TNE delivery complements, not substitutes, student mobility to the UK (Ibid.). Garrett (2004) argued, however, that if TNE provision matures towards the branch campus model, but retains cost advantages over mobility to the UK, the effect on the latter might be significant. Garrett further pointed out that this 'soft market' has hindered institutional motivation to innovate in TNE, 'confining innovation (in most cases) to the basic adoption of programme/institution mobility, and quality assurance of core processes as conventionally understood. A broader reconceptualisation of the nature, purpose and potential of TNE activity has yet to be widely attempted' (2004: 2).

Our qualitative interviews showed a consensus that the Chinese market situation is changing rapidly with its internal capacity building very fast and its opening up to TNE in a much bigger way than previously. In the past UK universities have mistakenly viewed

the China market as homogenous, when in reality it is a complex and diverse market. Examined in a wider perspective, the disposition of the Chinese Government is as important as any other factor or set of factors. In a number of respects the modernisation of Chinese universities has driven the international HE market. Two of the initial stimuli were:

- The substantial number of Chinese university staff obtaining additional skills and qualifications to contribute to HE modernisation
- The demands of the knowledge driven economy

This particular element in the market has now flattened out, but in the medium to long term the Chinese Government will continue to support initiatives, including international mobility and expansion of in-country partnerships which help its HE infrastructure to mature and be self sustaining. This will probably take another 20 years. At the present moment, the Chinese HE consumer is very different from 20 years ago and individual consumer choices are becoming more profound and possibly less predictable.

Senior HE policy makers and enablers agree that whilst HK presents a very competitive market because it seems to have reached saturation point, the overall HE participation rate of 11% and demographic factors in China suggest that this market will be sustainable for some time due to wider societal trends and influences, given that the China market is now targeted by a huge number of overseas institutions. In 2005-06 there were nearly 11,000 Chinese students studying in China for a UK HE award. Of these, 3,000 were on programmes that would involve them completing their studies in the UK (QAA 2006b). These programmes in China are provided by nearly half (82) of all UK HE institutions (Ibid.). Factors that will continue to influence the TNE market in China include:

- The continuing impact of the one child policy
- High levels of family savings
- Demographic factors, particularly age structure
- The cultural value of education

In the immediate future, the market will become more niche than mass and, in planning terms, the main driver will be the needs of an increasingly competitive Chinese economy. Viewed from this perspective, collaboration with other more mature HE systems is a temporary necessity to create 25 world class universities in China and to support excellence. However it has been suggested that the market is increasingly complex and difficult to segment. Recent Business/IT subject interests are giving way to strong vocational specialism, e.g. hospitality, and there is a growing awareness of the creative disciplines. The present period of more active consumer choice fits into a classic periodisation as society modernises and its economy develops. In the case of China HE needs in the immediate post Second World War period have been:

- 1950s - agronomy, engineering etc,
- 1960s/70s - transport, construction
- 1980s/1990s - business, information technology, computing
- 2000s - wider cultural industries, consumer phase, design, communications, multi-media etc.

Each period also produces particular postgraduate, research and knowledge transfer priorities.

2.2.1.2 The Prime Minister's Initiative II

The UK government's interest in TNE provision by UK HE institutions can be seen in its recent launch of the second phase of the Prime Minister's Initiative (PMI) (DfES 2006). Whilst the PMI of 1999 (DfES 1999) to increase the number of international students in the UK, and the Education UK branding developed by the BC (British Council 2003) in particular, gave a strong focus for an improved marketing strategy for international education from the UK, the second phase of PMI has shifted towards consolidating the long-term reputation and standing of UK international education provided both within the UK and overseas, emphasising the quality of the student experience and sustainable partnerships between UK institutions and those abroad (DfES 2006). The Prime Minister Tony Blair stressed that internationalising education is not just about getting students to choose UK universities and colleges, but about building sustainable partnerships across countries: 'We want to see many more shared research projects, shared courses and joint degrees; we want to see more exchanges of students and academic staff; we want UK education to become genuinely international' (Ibid.).

At the second UK-China Education summit, held in London on 4 April 2006, the British government committed £2 million over the next two years to develop the UK-China Partnership scheme, aimed at linking institutions in the two countries. According to the DfES, there are already 160 HE partnerships between the UK and China, including the UK University of Nottingham's fully-fledged branch campus, which was formally opened in 2005 and the University of Liverpool's plans to set up a university in partnership with China's Xi'an Jiaotong University (OBHE 2005). As TNE markets become increasingly complex and competitive, the UK cannot afford to be portrayed as viewing international education as a cash cow, but rather as a high-quality contribution based on an ethos similar to that driving UK-focused widening participation initiatives (Ibid.).

In our interviews with HE policy makers and enablers, PMI II was perceived to have significant export earning potential and soft diplomacy benefits for the UK. Though soft diplomacy benefits are still important, the wider international situation has become more complex and the export benefits less immediately apparent. PMI can provide 'a kind of umbrella support' - supporting TNE is featured very strongly through PMI II and also the broader field of bilateral partnership programmes, which 'fit into a sort of wide appreciation' because of the emphasis on the collaborative aspects in the partnerships. This is different from the perception of TNE as a pure export and 'it is not beneficial to be seen that way'.

Senior politicians interviewed at domestic level noted that 'education is at the heart of the UK's developing relationships with China. We have made great progress in strengthening our education links, and links between UK and Chinese universities are thriving'. There is a development focus about our building contacts and relationships 'that will stand us in good stead in the longer term', as countries like China and India are becoming major global superpowers and 'HE collaboration increasingly is part of our overall international diplomacy as a country'. Two related issues are raised: TNE quality and the development strategy of getting UK students out. What is critical, running right the way through TNE and particularly in China and HK, is that the teaching of UK courses overseas has to be at the same standard and the same quality as in the UK, and that this cements relationships for the longer term. At the other end of the spectrum, 'it is in our national interest to desensitise the opportunities for greater numbers of UK students to spend part of their

degree in China and HK with full credit transfer so that these young graduates will get Chinese experience and build relationships and contacts there'. In general, it is certainly hoped to see an increase in the number of quality institutions establishing long term partnerships with Chinese institutions under PMI II, that is, 'a textual relationship across the sector and across China and HK'.

PMI II also addresses the growing importance of FE to the British economy. Close to £7 million (US\$13.1 million) will be invested to attract an additional 30,000 non-EU students into British FE over the next five years. The Learning and Skills Council will contribute an additional £300,000 (US\$563,000) for the launch of an 'FE Partnerships Development Fund', which is seemingly created for the sole purpose of supporting the development of partnerships between UK colleges and similar institutions abroad (OBHE 2006b). According to Bill Rammell, Minister of State for Lifelong learning, Further and Higher Education, globalisation has created opportunities for which FE institutions in the UK are particularly well suited, due to the high quality of education on offer in Britain (Ibid.).

2.2.1.3 Regional approaches

England

In England, the International Strategy for HEFCE (2003) sets out the strategic plan for 2003-2008. It emphasises the educational value gained from a greater internationalisation of HE and the social and economic benefits as well. HE exports were estimated at £4 billion in 2001-02 and international students were estimated to contribute £1.3 billion in 2000, 9.5 per cent of all income from international visitors to the UK in that year (HEFCE 2003). The strategy points out that international students add cultural and intellectual value to our society, and strengthen our international engagement as a result of their continued relationship with the UK.

HEFCE has identified the following strategic areas of interest:

- Learning from others, aiming to encourage a greater awareness of trends and developments, innovation, good practice and networking opportunities;
- Supporting HE systems development, in order to share internationally good practice and our experience of developing and implementing HE policies;
- Facilitating opportunities for international collaboration and development with the medium- to long-term aim to assist in the development of capacity, capabilities and opportunities for the sector and its international partners through collaborative activities that share good practice and promote and strengthen the internationalisation of HE.

The strategic document also emphasises the importance of partnership working in its delivery of the strategic plan. HEFCE has a small international team (7.4 full-time equivalent posts), and a budget for strategic international initiatives of approximately £500,000 a year. This is for activities that directly benefit international collaboration and development for the English HE sector.

In 'HEFCE strategic plan for 2006-11' (HEFCE 2006), growing international competition has been recognised. HEIs in the UK already compete with institutions from other countries to attract overseas students to study on campus here or through distance learning.

In the future they may also face increased competition in the UK as learners already based here are increasingly able to choose from private and other international providers of HE. According to HEFCE, competing within this market and developing international links is primarily a matter for HEIs themselves – but success in these activities has an important impact on the financial health of the sector.

HEFCE identifies its strategic role, along with other key stakeholders, to support HEIs in promoting a distinctive high quality 'brand' for UK HE and to maintain its international competitiveness. The strategic plan makes it clear that HEFCE will support HEIs in addressing the impact and implications of the Bologna Declaration – which seeks to increase co-operation and mobility in HE across the European continent – and the emerging European Higher Education Area for HE. In addition, it is believed that, in the context of increasing globalisation, the value of an international dimension to the curriculum and the connections of HE with other parts of the world should be further supported within the sector (HEFCE 2006).

Furthermore, the strategic plan emphasises the importance of global partnerships in research. HEFCE aims to promote more global partnerships devoted to innovation – that is, creating an environment in which leading-edge researchers and practitioners come together with users of research to push back the barriers of discovery and application together. 'This will enable us to benchmark ourselves globally, enhance areas of strong comparative advantage, and draw in inward investment, skills and expertise. We will support the work of other partners, particularly the UK Research Councils, to further this initiative' (Ibid.).

Interviews with policy makers and enablers in England confirmed the awareness of increasing competition from a range of HE providers. Alongside the optimistic view over the sustainability of the TNE market in China is the caution that UK universities should beware of building their finances on overseas income as a means of dealing with UK funding difficulties. The threats to their future are national, international, and European as well under the influence of the Bologna Accord. It is emphasised that UK universities need to appreciate the changing character and composition of the China market and to build strategies around:

- Strong institutional alliances
- Reputation
- Mutual and reciprocal benefit
- Long term commitment
- Investment, not skimming

Nevertheless, the UK HE brand is still strong and UK generic brand identity is stronger than US and Australian identities, it is believed, perhaps because of the BC and other national activities. In entering the China market, some lessons must be learned from mistakes in other markets, particularly Malaysia, where franchising and private sector partnerships were problematic.

A model of good practice is the Northern Consortium's (NCUK) approach of relying upon centres and venues overseas. It is largely to use TNE to direct students to the UK as a pathway market, though in recent years the China market has become much more a niche market characterised by a consumer sensitivity and selectivity. NCUK has presently 11 consortium members. Initially much of NCUK's work was in Malaysia, particularly on

2+1 courses. However, after the Asian market crash the consortium took the opportunity to refocus its work and develop more sustainable business. The China market had become a growing one for NCUK. In its new Business Plan (2003) more emphasis was placed on administrative and infrastructural support and diversification. In 2003 50% of business was outside China and this is now approximately one third. NCUK's delivery combines study overseas and in the UK. Patterns of delivery include 1+2 and 2+2. Successful provisions are at pre-undergraduate (foundation), undergraduate and pre-Masters levels. NCUK's 2 year International Diploma equates to Year 1 UK undergraduate study in 2+2 arrangements.

Wales

In Wales, *Reaching Higher* is the Welsh Assembly Government's strategy (2002) for a competitive, robust and sustainable HE sector. It sets out the vision for an inclusive and world-renowned sector by 2010 which includes improvement in attracting students from outside the EU to study in Wales and providing funds for schemes designed to build links and strategic alliances with institutions in key, target countries. The HE sector is guided by the *Reaching Higher* strategy and remitted to increase the number of overseas students to Wales. Effectively the International Consortium was set up in response to the first Prime Minister's Initiative. Whilst it is focusing more broadly on developing strategic partnerships, 'not entirely focused on recruitment', a common thread identified is 'going to be economic'. In addition, whilst there has been a down turn in international recruitments elsewhere in the UK, Welsh HEIs are still strong in increase of students from China, 'so we must be doing something right'.

In terms of the Welsh context of TNE, one interviewee said that their 'shameful economic driven perspective' means that 'it is about securing resources for institutions and also for the UK and the Welsh economy'. From the view of both the economic focus and geographical focus ('there is a particular region in China with which we are concentrating on the economic front'), it tends to think about twinning and franchising and 'not as often the full range'. Branch campus model is considered risky. The Welsh International Consortium tries to facilitate foundation degrees and pre-Masters programmes with a number of very successful activities. However, the strategy really sits within the individual HE institutions and their strategy will be linked into their overall institutional strategy.

Talking about attractiveness, Wales sells itself as being small, warm and friendly. The cost of living is less. 'Things we scored less well with the rest of the UK' is 'the lack of institutes between people from overseas and home students, and that's difficult to tackle'. A concern with tuition fees was mentioned:

'You have to be extra providing something very good if you are going to be charging the sorts of levels of fees. And when it comes down to it - it is a market, they don't have to come here and they can increasingly choose to go to Australia or New Zealand, or the States, and market works both ways. Our institutions will have to make the judgments about how much they charge in order to keep attractive.'

With respect to good TNE, it is agreed that it ought to be sustainable for the good of both the institution and the country. It should lead on to a longer term and more mature relationship 'where you continue to have joint degrees, because joint degrees aren't just about international students, they are all about complementarities of provision for the students'.

Scotland

Interviews with policy makers and enablers in Scotland presented different focuses and views of TNE by different departments. The Scottish Executive is in the process of drafting an international Further and Higher Education strategy, which is part of the wider internationalisation agenda. There are lots of activities happening across the Further and Higher Education sectors and it is thought by the Scottish Executive to be helpful to articulate some specific objectives for Scotland as a whole and identify areas for further development. At the moment there are two aims: one is about making Scotland an attractive place to live, work and study in order to support growth in the economy; another is about promoting and supporting Scotland's colleges and universities to improve international excellence and increase the sustainability to increase revenue stream. 'Basically it is about trying to develop a range of international contacts to attract students to come and study in Scotland but also looking to set up partnership agreements, research collaborations, and alternative models of provision including TNE'.

In relation to China, a Memorandum of Understanding (MoU) about education collaboration between the MoE in China and the Executive was signed in January 2005. In August 2006 a strategy for stronger engagements with China was published. One of its objectives is to expand the awarding of Scottish qualifications in China and the specific aim of the strategy is to effectively increase the TNE provision for Scottish education in China.

The Scottish Qualifications Authority (SQA) is currently working with two agencies of the MoE, China (Chinese Service Centre for Scholarly Exchange and the China Scholarship Council) and an agency of the Ministry of Labour and Social Security (Occupational Skills Testing Authority) to develop a range of vocational qualifications. This is in line with the MoU signed between the Scottish Executive and the MoE, China. A number of SQA qualifications have been adapted to suit the particular needs of the Chinese government, and arrangements have been developed to allow for the international awarding of these qualifications, which include:

- Higher National Diploma (HND) — allowing progression into related UK university degree programmes
- Higher National Diploma (HND) — for the knowledge and skill development of the Chinese workforce
- International Foundation Programme — allowing for entry into UK undergraduate programmes
- English for Speakers of Other Languages (ESOL) — a competence-based English language programme
- International Bilingual Teaching Qualifications (IBTQ) — high-level professional development programme for Chinese teachers and lecturers who are teaching through the medium of English
- International Vocational Award (IVA) — competence-based vocational qualifications

SQA is also collaborating with other Chinese bodies and organisations, including the National Education Examinations Authority, the Chinese Enterprises Confederation, and the National Teacher Training Association. In the new Corporate & Business Plan of SQA for 2006/09, one of its five objectives is to increase national and international awarding and consultancy to diversify income streams.

In the interviews, it was suggested that the Scottish four-year model looks easier for the Chinese to understand, so it is able to offer a 2+2 model whereby students study the first two years of qualification in China then move to Scotland. 'Our understanding is that is quite an attractive package for many Chinese students'. Ideally it is not being too dependent on any one model or indeed with any one particular country. 'What we would hope to fulfil is the kind of range of provision so that there is some of the flying faculties as the way to increase it but at the same time we also have other models with partnership delivery or local partners in China delivering Scottish qualifications that are then quality assured and assessed by the appropriate Scottish awarding board'.

The model of using an intermediary between individual Scottish institutions and local partners is very interesting. Interactive University (IU) is a typical example in Scotland operating with local Chinese universities. They prepare course materials delivered by Chinese lecturers in China and the assessment is done by the university who owns that qualification in Scotland. IU was established in 2002 as a joint initiative between Heriot-Watt University and Scottish Enterprise, the national economic development agency. It is an interactive bridge between the leading Scottish universities and students across the globe, who wish to study for an internationally recognised qualification without leaving their home country. It is in a development phase with four Scottish universities involved at the moment. Some of them offer more than one course and some offer courses in more than one place.

In 2006 IU hosted visitors from the Foundation College of the China Scholarship Council (FCCSC) to develop two programmes. One is the Sino-Scottish Universities Programme (SSUP) allowing a number of Scottish universities to deliver courses, through IU, to different colleges and universities in China. Another is an agreement to deliver Foundation level courses to young students based on Scottish Highers and Advanced Highers. The SSUP initiative is of particular significance since it moves beyond the usual model of one Scottish institution working with one institution in another country. The SSUP establishes the possibility of many-to-many relationships, with IU providing an interface for Scottish Universities to work together to provide a range of courses to multi-partner institutions in China. IU also has started a new collaboration with Space Study based in China, where the International Foundation Programme (IFP) enrolled its first students in September 2006. Space Study is a vocational training organisation with a number of institutions through China. The collaboration between Space Study and IU will offer qualification to students who have a senior high school leaving certificate (IU 2006).

With respect to Scotland's FE sector, there are 43 FE Colleges across Scotland, providing education and training to around 500,000 students each year. The college sector is the largest provider of lifelong learning in Scotland. In June 2006, Scotland's Colleges International (SCI) was established by the college sector to provide the focus, capability and capacity that will enable Scotland's colleges to expand, develop and promote their international activity. By pooling expertise, SCI will provide a scale of resource and expertise not available through individual colleges. As Dr Craig Thomson, Chair of the SCI Core Group said, there are tremendous opportunities for Scottish education in international markets, and approaching these markets as a sector rather than as individual colleges will open new doors, doors that colleges acting alone will struggle to access (ASC 2006).

Interestingly, there are different views over TNE delivery among the Scottish HE policy makers and enablers. For some, their interests in the international field have tended to be very peripheral:

'We have small interest in TNE or the international activities of the institutions on education because our policy focuses what we are doing for Scots, for UK residents, and EU students... Our interest is our universities and colleges behaving sensibly, assuring quality and not getting themselves into financial holes... I don't care what you do in the international as long as you don't muck up the service you are providing to Scottish students.'

One of the concerns revealed is about the quality of programmes offered overseas. For example, one or two institutions have distance learning programmes overseas which they don't offer them to their UK students. That looks 'odd' and would be thought as 'poor practice'. There should not be a problem about institutions setting up campuses in China, providing they are delivering excellent programmes wherever they are operating.

Another issue is about investment in TNE delivered abroad. If institutions are doing TNE for growth, for money and for world reputation, 'that is fine, but I wouldn't pursue it as a policy objective and I wouldn't put money into it'. According to one interviewee, some senior board members regard particularly TNE as 'selling the family silver' because 'we are educating citizens of the world and giving them economic capacity advantage over Scotland'. Therefore TNE is not something that will be 'spent hours of attention trying to promote particularly', although there are examples of successfully offering valued education out in China. What is encouraged is the 'classic example' of a university which is a hugely successful international university in lots of ways, but most importantly 'it pulls students here - full of Americans'.

In terms of income generated through TNE, the issue is related to 'not funding enough' or 'the universities are not running their business as effectively as they should be'. The interviewee's point of view is, however, 'not sure of the evidence that suggests that's true either way'. Another related concern is what TNE will bring about:

'If we did reach an era where you'd got an institution that was half in China and half in Scotland, or maybe a third in China, a third in Malaysia, a third in Scotland, you'd have a very different beast! Then wouldn't you be asking yourself the question: well is it a Scottish university anymore?'

In general such perspective focuses on 'world class institutions for our local students and therefore everybody gains by rubbing off from that, both in terms of who you can attract here - students, staff and research contract, and having a broad perspective on things'.

2.2.1.4 Quality assurance

Many UK HE institutions publish codes of good practice concerning their TNE activity (or a number of codes covering different forms of provision), or refer to third party codes (e.g. those of the QAA). The Council of Validating Universities, representing the majority of UK universities, has its own code of practice (covering both UK-based and overseas activity), although members are not formally assessed against it. The 'overseas audits' conducted by the UK Quality Assurance Agency for Higher Education (QAA) are a rare example of a national agency reviewing the quality arrangements pertaining to the

transnational activities of its subscribing institutions. At the national level in the UK it is fair to say that save through these audits, there are no independent means to judge institutional practice, or to verify the extent to which individual institutions comply with any code or codes of practice (Garrett 2004).

In 2005 QAA surveyed all UK institutions to provide information about their proposed and established links in China: 82 of the institutions had established or were intending to establish 352 partnership links (QAA 2006b). This year QAA's audit of overseas partnership links focused on China and 10 links were audited and 30 other institutions were invited to submit details of their arrangements for the management of the academic standards and quality of learning opportunities for inclusion. Its conclusions suggest that the UK institutions 'generally have in place effective institutional arrangements for the management of academic standards and quality of learning opportunities, and that Chinese students studying for such an award, in part or entirely in China, experience an education which is comparable to that delivered in the UK' (QAA 2006b: 31), though this is not to say that 'some institutions could not improve the design or operation of some aspect of their quality assurance arrangements' (Ibid.).

QAA will audit partnership links in HK in 2007 (2006b).

2.2.2 China

2.2.2.1 Rationale of Sino-foreign collaboration in HE

TNE, or in Chinese *Zhongwai Hezuo Banxue* (meaning cooperation between China and foreign partners in the operation or management of HE institutions), first appeared in China in the mid 1980s (Huang 2003). Since the latter half of the 1990s, TNE has developed rapidly and the main influence has been economic (Ibid.). At present, over 1,300 programmes are in operation in China with a further 378 candidate programmes at Bachelor's degree level or above currently awaiting approval by the MoE (Feng and Gong 2006). Two types of TNE institutions or programs in cooperation with foreign countries can be identified: those with authority to award foreign degrees; and those permitted to provide only non-degree programs, issuing foreign diplomas and certificates (Huang 2003). The former should be approved by the MoE whereas the latter can be approved by education authorities at the provincial/municipal level.

Whilst major factors that affected the dramatic increase of TNE institutions and programmes in China are often related to the economic globalisation (Section 1.2), the Chinese government's interests in drawing quality educational resources to China has been emphasised recently. Education officials at various levels have been talking about the importance of attracting quality education resources and strengthening capacity building, however, only a few renowned foreign universities have established joint programmes in China thus far (Feng and Gong 2006). In the recently released 'Opinion on Some Current Issues Concerning Sino-foreign Cooperative Education', the MOE re-emphasises the importance of 'quality education' by explicitly directing key universities in China to carefully choose their partners (MoE 2006a).

Another important driver of TNE in China is to meet the diverse needs of consumers (Feng and Gong 2006). Before the college expansion plan was introduced in 1999, Sino-foreign joint programmes mainly met the needs of students who were not able to access 'traditional' HE. Now, such provision is primarily aimed at students who want to go

abroad or those who cannot meet (the much lowered) threshold for domestic tertiary education. Compared to public universities, the entrance requirements are usually lower for Sino-foreign programmes. There are of course some students who have the qualifications to enter public institutions but choose Sino-foreign programmes, usually in order to study abroad at a later stage (Ibid.).

China's demographic landscape is characterised by great income gaps between the Eastern coast areas and Western inland regions, between urban areas and the countryside. Zhejiang, where UNNC is located, has the fourth highest per capita GDP (after the three municipalities of Beijing, Shanghai, and Tianjin), per capita annual disposable income of urban households, and per capita annual net income of rural households - US\$3,444, US\$2,037 and US\$833 respectively in 2005. For Shaanxi, a western province, these three indicators of social and economic development were US\$1,210, 1,031 and 253 respectively for the same year (Feng and Gong 2006). This income gap explains why UK's UNNC is attracting students despite the fact that the institution charges ten times the amount of average college tuition fees. College admission rates (application to admissions ratio) in China have now exceeded 60% and in a few economically developed regions such as Beijing, Shanghai, Guangdong and Jiangsu, they are over 75%. In Suzhou, the admission rate in 2005 was over 88% and the gross enrolment rate went beyond 51.5% whereas its per capita GDP has gone beyond \$8,000 and its other two indicators are at about the same level as Zhejiang (Ibid.). Unsurprisingly Xi'an Jiaotong University, located in the capital of Shaanxi Province, built the joint campus with University of Liverpool in Suzhou, Jiangsu Province. The diversity of consumers, that is, students, and their need of access to HE across China indicates that TNE in China is a 'soft market', as perceived by the UK HE sector (Section 2.2.1).

The drivers behind TNE discussed above were confirmed in our interviews with education authorities at both national and local levels in China. It was consistently pointed out that 'to develop and regulate TNE in China, the core is to draw high quality education resources to China'. Therefore, 'we do not encourage 2+2 or 1+2 models which only send our students out', and 'articulation is not the kind of TNE that we need, because it does not actually introduce foreign education resources to our HE institutions'. What the central and local governments want is to 'bring in advanced administrative structure and education management', to 'build capacity in curriculum development and teachers development', to 'improve our teaching and learning modes' and to 'build our competitiveness internationally'. To achieve this, local governments have invested in building HE zones as in Nanjing, Ningbo and Guangzhou, or building HE zones together with industrial zones, as in Suzhou, so as to 'draw world-class universities to come and teach in China'.

At the Going Global conference December 2006, a senior education official from the MoE China emphasised again and again that China has experienced a rapid increase in education programmes in recent years, in particular TNE programmes, e.g. from 1949 to 1999 there were only around 1,000 joint programmes but in recent years more than 400 such programmes came into being and the great majority of them are joint programmes with foreign or HK universities (Going Global 2006). Apparently there are some programmes not legally registered or with poor quality and the Chinese government will aim to stop them. But the government welcomes high ranking universities to jointly provide high quality programmes with local universities in China (Ibid.).

However TNE in China now is in a 'very subtle situation', according to some Chinese policy makers and enablers. 'We have the legal documents now but how we do it in practice is not very clear' as there is 'no explicitly clarified guidelines from the MoE' yet. For example, 'what is high quality education resource'? 'How can we define it'? These questions are directly related to the proposed TNE collaborations with foreign institutions. In another example, the MoE encourages the introduction of foreign curriculum and combination of both foreign and Chinese curriculum. But 'in certain programmes this is very difficult to specify how much would be foreign and how much could be said to be Chinese'. Some TNE programmes have been delayed in approval process because 'they have the element of sending students abroad'. However 'some senior education managers advocate TNE programmes that would include one-year studying abroad'. The main issue is still how to bolster domestic capacity and reduce brain drain. Foreign providers can serve the purpose of boosting the capacity and status of China's HE system as well as the potential research and innovation output of China, and that is a common perception of the role of TNE in China's HE sector. In addition, 'the ambivalent practice of the regulations' and devolved authority have led to a situation of both officially approved and non-approved foreign provision, and various types of approval at central and local levels. Consequently there could be left somewhat 'a grey area' in TNE provision.

2.2.2.2 Regulatory policies

In China, the most important national legislation that affected the emergence and development of TNE is the '*Education Act of the People's Republic of China*', issued in 1995. In the 'Act', exchange or cooperative education with foreign partners is encouraged by the State. However, any scheme must maintain the principles of independence and autonomy, of equality and mutual profit, as well as of mutual respect. All arrangements must conform to Chinese law and do no damage to national sovereignty, security and social public interest (MoE 1995).

Prior to 1995, there was no specific legal framework addressing TNE activity. The first official guidelines on foreign education activity entitled '*Contemporary Regulations on the Operation of Higher Education Institutions in Co-operation with Foreign Partners*' was issued by the State Education Commission (SEC, now MoE) on 26 January 1995. The term "*Zhongwai Hezuo Banxue*" was used to refer to:

Those foreign corporate, individuals, and related international organisations in cooperation with educational institutions or other social organisations with corporate status in China, jointly establish education institutions in China, recruit Chinese citizen as major educational objectives, and undertake education and teaching activities.
(Chapter 1, Provision 2)

According to the regulation, no TNE activity can be provided absolutely and solely by foreign institutions themselves without any form of cooperation with, or involvement of Chinese institutions located in China. With respect to requirements for establishing such institutions, it is emphasized that TNE institutions or programmes must be accredited and approved in accordance with the same criteria as are used to accredit and approve Chinese institutions, directly determined and supervised by the SEC. Moreover, it is only the local Chinese partner that can submit an application for registration, licensing or granting corporate status. Thus the regulation established the legal framework for TNE provision in China and there have emerged a large number of TNE institutions and programmes since then (Huang 2003).

To regulate TNE operation and especially to assure the quality of programmes, the Degree-Granting Commission of the State Council (DGCSC) promulgated another important document on January 23, 1997: the *'Notice of Strengthening Degree-Granting Management in Activities Concerning Operation of Institutions in Cooperation with Foreign Partners'*. In the 'Notice', the import of foreign higher education services and joint programs is strongly encouraged and identified as an important complementary component of Chinese higher education. However, at the same time, the conditions imposed by the 'Regulation' of 1995 are repeatedly stressed. For instance, no TNE institutions or programmes can confer Chinese or foreign degrees unless there is a special demand that cannot be provided by Chinese institutions in China. And in every case, approval by the (DGCSC) is required (Huang 2003).

The years 2003 and 2004 saw new regulations introduced by the MoE: *'Regulations of the People's Republic of China on Chinese-foreign Co-operation in Running Schools'* with effect from September 2003, and *'Implementing Measures of Regulations of the People's Republic of China on Chinese-foreign Co-operation in Running Schools'* with effect from July 2004, thus paving the way for foreign education institutions' legitimate entry into China's education market. Some of the main points summarised by the Observatory briefing notes (2003) include:

- Foreign institutions must act in partnership with recognised Chinese higher education institutions. All partnerships must be approved by the State Education Commission;
- Foreign partners must be accredited in their home country 'in a manner acceptable to the Chinese authorities';
- Degree provision must be approved by the Ministry of Education; sub-degree provision must be approved by the relevant provincial/municipal authorities;
- Jointly-run operations must include programmes required at Chinese institutions at the same level (i.e. moral studies, Chinese constitution and current domestic affairs);
- Tuition fees must not be raised without approval;
- Foreign institutions may bring intellectual property (i.e. expertise, reputation, rather than financial or other resources) as their principal contribution to the partnership.

The latter four conditions were added in 2003 to build on provisions in the 1995 Education Act, and arguably increase the compliance burden on foreign institutions (OBHE 2003). Overall, Chinese regulations on imported TNE delivery are premised on Sino-foreign partnership. In some respects, the partnership stipulation could be considered to offer incoming institutions valuable local knowledge, rather than as an impediment to foreign involvement. The government has reiterated its encouragement for what the MoE calls 'excellent foreign educational institutions' to set up joint ventures in China (Ibid.).

Recently, on 7 February 2006, the MOE issued *'Opinion on Some Current Issues Concerning Chinese-foreign Co-operation in Running Schools'*. The principal emphases are (MoE 2006a):

- Sticking to the principle of public welfare nature of Sino-foreign cooperative education. (This aims at putting an end to the acts of arbitrary charges and high charges in the name of Sino-foreign cooperative education, and preventing the trend of educational industrialization).

- Running schools according to law, and regulating the management. (The stress here is to strengthen political sensitivity and solidly establish the consciousness of education sovereignty and strengthen the leading position of Chinese educational institutions).
- Sticking to the policy guide of introduction of quality educational resources, and strengthening capability construction. (This is to encourage cooperation with overseas high level universities, universities with comparative advantage in disciplines and fields which are badly needed, weak, and vacant in China, and cooperation to develop towards central-western regions).
- Strengthening quality control over Sino-foreign cooperative education. (This includes strengthening management on enrolment and admission, the fostering process, planning and policy guide to specialities and disciplines and the issuance of certificates).
- Strengthening management on Sino-foreign cooperative education projects adopting the educational model of 'double campus'. (This sets requirements for Chinese institutions to introduce foreign educational resources in 'double campus' and make assessment on the introduced courses of a foreign educational institution. It also requires the introduced foreign courses and the major courses of specialities to be accounted for more than one third of the whole courses and the teaching hours of teachers in the foreign educational institution to be accounted for more than one third of all the courses and teaching hours of the Sino-foreign cooperative education).
- Strengthening management on charges for Sino-foreign cooperative education. (This requires the operators who run Sino-foreign cooperative schools or establish Sino-foreign cooperative educational institutions or projects to have corresponding capital investment for the education).

The 2006 policy document is just as important as legislations in TNE regulation. Over the past year or so, China has started to monitor existing TNE programmes as can be seen from the lists of Sino-foreign joint programmes awaiting approval by the MoE. However it seems unlikely that such regulation and monitoring will restrict further development of TNE in China and statistical evidence will be discussed in Section 2.3.

2.2.2.3 Demand for vocational training

In interviews with national and local education authorities, the demand for continuous education and vocational training was emphasized and it was noted that foreign providers were welcome to deliver TNE programmes in this field. Continuous education, vocational training and lifelong learning are also the strategic education policies outlined in the 11th five-year plan. Accordingly China's employment authorities have opened up the country's vocational training to foreign investment so as to address a growing demand for skilled workers (Xinhua News Agency 18 August, 2006). A regulation, issued by the Ministry of Labour and Social Security, effective from 1 October 2006, allows foreign education institutions to cooperate with Chinese counterparts. 'The Chinese institutions and programs must not profit from the training activities,' said Wang Yadong, Deputy Director of the Ministry's Employment Training Department. Chinese institutions with foreign

cooperation must be able to train at least 200 people at one time, and the fixed assets and registered capital of the institutions must exceed 500,000 Yuan (US\$62,500), according to the regulation.

There are 330,000 job vacancies for skilled workers, such as millers and welders, each year in Beijing, but there was a dearth of qualified people, and the situation is the same all over the country, Wang Yadong said. While university graduates have been scrambling for jobs in recent years, the employment rate of secondary vocational school graduates remains high, statistics from the MoE show. From 2001 to 2005, the employment rate was 95 percent on average, and the average salary of graduates of secondary vocational schools was higher than college graduates this year in the cities of Harbin, Hangzhou and Chengdu. With the central Government investing 10 billion Yuan (US\$1.3 billion) towards improving the country's vocational education infrastructure over the next five years, and local governments contributing a further 20 billion Yuan (US\$2.5 billion) (Xinhua News Agency August 18, 2006), China appears to be readying itself for the many international colleges undoubtedly interested in forming an alliance.

2.2.3 HK

2.2.3.1 HK HE sector

UGC funded universities

As a British colony for 150 years, Hong Kong was following the UK model of HE when it became part of China in 1997. With its HE financed mainly by the government, HK allocates funding primarily through the University Grants Committee (UGC). The UGC, along with manpower planners, regulates the number of university and diploma holders. There are eight tertiary institutions funded by the UGC, and they offer programmes at sub-degree, degree, taught-postgraduate and research-postgraduate levels, as shown in Table 3. Seven of these have university status and can grant their own degrees; the Hong Kong Institute of Education is a tertiary institution which accredits its own degrees like the seven universities. The UGC provides financing by means of recurrent block grants on a triennial basis, and gives the institutions autonomy in how they use the funding. The universities are also allowed to implement their own curricula and academic standards. These UGC-funded institutions play an essential role in HK's tertiary education.

Table 2 HK UGC-funded programmes 2004-5 & 2005-6*

| Institutions | Sub-degree | | Undergraduate | | Postgraduate | | Total | |
|--------------------|------------|-----------|---------------|------------|--------------|-----------|------------|------------|
| | 04/05 | 05/06 | 04/05 | 05/06 | 04/05 | 05/06 | 04/05 | 05/06 |
| City U | 17 | 14 | 45 | 44 | 12 | 5 | 74 | 63 |
| Baptist U | | | 36 | 42 | 6 | 2 | 42 | 44 |
| Lingnan U | | | 8 | 10 | | | 8 | 10 |
| CUHK | | | 47 | 47 | 13 | 4 | 60 | 51 |
| HKIE | 17 | 15 | 9 | 9 | 4 | 6 | 30 | 30 |
| Polytechnic U | 27 | 27 | 42 | 32 | 14 | 9 | 83 | 68 |
| HKUST | | | 33 | 33 | 13 | 3 | 46 | 36 |
| HKU | | | 27 | 29 | 16 | 9 | 43 | 38 |
| Total 04/05 | 61 | | 247 | | 78 | | 386 | |
| Total 05/06 | | 56 | | 246 | | 38 | | 340 |

* Research-postgraduate programmes are not included in the table.

Source: UGC web site.

Table 2 also suggests a big decrease in UGC-funded Masters programmes in 2005/6 which is related to the reduced funding from the government. Some taught Masters courses, however, are replaced by self-financing programmes where students pay a much higher tuition fee.

Two notable institutions outside the UGC-funded sector are the Hong Kong Academy for Performing Arts and the Open University of Hong Kong (OUHK). The academy provides degrees, diplomas, and certificates in dance, drama, music technical arts, and is funded by the government (but not through the UGC); the OUHK is totally self-financed, and is the only private, self-accrediting university in HK.

Increase of private HE providers

In order to achieve the goal of 60% participation in post-secondary education set by the chief executive of the Hong Kong Special Administrative Region (HKSAR) in 2000, the number of HE providers, including private institutions, is on the increase. Currently, more than 20 private colleges and schools are expanding opportunities for post-secondary education by introducing programmes that lead to Associate Degrees or Higher Diplomas (see Table 3). However, not all institutions can award degrees. For instance, degrees at Caritas Francis College are accredited by the HKCAA; and degrees earned at Chu Hai College are conferred by an overseas agency, the Taiwan Ministry of Education.

Table 3 HK Full-time Accredited Self-financing Post-secondary Programmes for 2006-7

| Institutions | Sub-degree | Undergraduate | Total |
|--|-------------------|----------------------|--------------|
| Caritas Bianchi College of Careers | 3 | | 3 |
| Caritas Francis Hsu College | 20 | | 20 |
| Chu Hai College of Higher Education | 4 | 9 | 13 |
| City University of HK | 36 | 2 | 38 |
| Hang Seng School of Commerce | 2 | | 2 |
| HKU SPACE Po Leung Kuk Community College | 12 | | 12 |
| Hong Kong Art School | 3 | | 3 |
| Hong Kong Baptist University | 22 | | 22 |
| HK College of Technology | 13 | | 13 |
| HK Institute of Technology | 7 | 2 | 9 |
| HK Shue Yan College | 1 | 10 | 11 |
| Lingnan University | 25 | | 25 |
| CUHK - School of Continuing and Professional Studies | 41 | | 41 |
| CUHK - Tung Wah Group of Hospitals Community College | 23 | | 23 |
| HK institute of Education | 6 | | 6 |
| HK Polytechnic University | 23 | | 23 |
| HK University of Science and Technology | 2 | | 2 |
| Open University of HK | 8 | 30 | 38 |
| HKU - Space Community College | 38 | | 38 |
| Vocational Training Council | 109 | | 109 |
| Total | 398 | 53 | 451 |

Source: EMB web site.

The increase of private institutions signalled a shift from the UK system to the North American system through the establishment of community colleges attached to universities, according to senior education managers interviewed in HK. As in the USA and Canada, community colleges offer Associate Degree (AD) programmes which form part of their undergraduate programmes. AD programmes have two streams: vocational oriented and academic oriented. Students in the former take mostly vocational courses and join the job

market after they have obtained an AD. Students in the latter attend more intellectual and academic courses which prepare them for undergraduate studies. Thus those who have completed an AD can join the third year of a degree programme and they can transfer the credits gained from the AD to an undergraduate programme. The HK government encouraged private providers to run AD programmes using a self-financing model. In 2002 the government made a decision to withdraw funding from AD programmes, which had a serious impact on 2-3 universities that provided AD or Higher Diploma programmes, in particular the City University, which is now undergoing the process of transforming from UGC funded AD programmes to the delivery of AD programmes by a wholly self-financed community college by 2008.

2.2.3.2 Recent strategies in bilateral collaborations

HK-UK Memorandum of Understanding on Education Cooperation

A Memorandum of Understanding (MoU) on Education Cooperation between HK and the UK was signed on 11 May 2006 by Britain's Minister of State for Lifelong Learning, Further and Higher Education, Bill Rammell MP and Secretary for Education and Manpower, Professor Arthur KC Li. The aim of the MoU is to recognise the many bilateral collaborations between education communities in the HKSAR and the UK. In particular, it commits to the strengthening of partnership in teaching, learning and research and to professional development in all education sectors. It builds on the institutional agreement signed by Vice-Chancellors from the UK and HK in November 2005.

The Mainland-HK Memorandum of Understanding on Mutual Recognition of Academic Degrees in Higher Education

A MoU on mutual recognition of academic degrees in higher education between the Mainland and HK was signed on 11 July 2004 by Chinese Minister of Education Zhou Ji and Secretary for Education and Manpower, Professor Arthur KC Li. The MoU aims to facilitate the mutual recognition of academic degrees legally awarded by HE institutions in the Mainland and HK and to strengthen the co-operation in education and to promote the exchange of students between both places. Under this MoU holders of Bachelors or Masters degrees from recognised HE institutions in the Mainland can apply for admission to postgraduate or doctorate studies in the HE institutions in HK, and vice versa for holders of similar degrees in HK.

2.2.3.3 Role in the region

In HK, TNE is associated with both the traditional pattern of HE provision inherited from the UK and the new patterns under the influence of China. Before the 1980s, HE internationalism in HK meant a heavy Western orientation, especially toward the major English-speaking countries (Mok 2003). The boom in the economy in the 1980s and a collective awareness of an Asian identity fostered regional cooperation. HE exchanges among Asian countries have flourished over the years and those with the Chinese mainland are also thriving. A bridging role that HK has tried to play in linking the mainland and the outside world is its on-going mission in the new era (Ibid.).

The UGC (2004) has taken on board the challenge of the mutually beneficial relationship between HK, the Pearl River Delta and Mainland China, an issue well flagged in recent HE Reviews. It calls for academic exchanges between HK and the mainland and foresees a significant increase in the non-local student population, a large proportion of

whom will come from the mainland. The academic and economic value of a significant increase in cross-border institutional activity, it is said, could be huge (UGC 2004).

The Chief Executive of HKSAR put it in his 2004 Policy Address: 'we are promoting Hong Kong as Asia's world city, on a par with the role that New York plays in North America and London in Europe' (UGC 2004). The UGC shares this identity and the vision that the HK HE sector should aspire to be 'the education hub of the region'. The UGC believes that HK can fulfil this vision, given its strong links with Mainland China, its geographical location, its internationalized and vibrant HE sector, and its very cosmopolitan outlook. All these give HK a strong competitive edge over its competitors in the region (Ibid.).

2.2.3.4 Education reform

It is noted that education reforms in HK will bring about massive change over the next ten years to HK's education system. According to Olsen and Burges (2006), these include:

- The move from seven years of secondary education, with senior secondary education available to one third of a cohort, to six years of secondary education, with near universal participation;
- The double cohort that this creates, with the last of the old system students and the first of the new system students seeking university entry in mid 2012;
- The move from three year degrees to four year degrees from 2012;
- The provision of top-up degree opportunities for Associate Degree holders;
- Significant drops in sizes of the relevant age cohorts.

With three year degree programmes increasing to four years, and 14,500 first year, first degree places each year, the move to four year degrees will mean that universities will need to increase their capacity to 64,500 undergraduates by 2016 (Olsen and Burges 2006). But the number of first year, first degree places remained at 14,973 in 2005/06, sufficient for 18% of 18 year olds, and there are no plans to increase the number of first year, first degree places in HK's universities with university budgets focused on increasing from three years of undergraduate teaching to four years (Ibid.). As a result of this approach, there will be 29,000 students in two different first year courses in 2012/13, 29,000 students in two different second year courses in 2013/14 and 29,000 students in two different third year courses in 2014/15, of whom 14,500 will graduate and 14,500 will go on to the first fourth year in 2015/16 (Ibid.).

The EMB has reported that 26,890 students commenced full-time locally accredited post-secondary programmes at sub-degree level in HK in 2004/05. This compares with the figure of 14,500 students commencing first year, first degree programmes. For students wishing to top up to degrees, the universities in HK are providing 1,680 articulation places in 2006/07, with the EMB recommending additional places in future years. But, in HK, this process is not fully developed. There is, or will be, substantial unmet demand in HK for conversion of sub-degree to degree programs, using top-up programs, in universities overseas or as external degree programmes in HK (Olsen and Burges 2006). It is here that poses opportunities for the increase of Associate Degrees and top-up programmes.

Our interviews with senior education managers in HK confirmed that it is a common perception in the local community that sub-degree, in particular Associate Degree or Higher Diploma, is primarily a bridging qualification for admission to degree programmes. With the increasing number of sub-degree holders, the demand for articulation places and

top-up programmes also increases. Consequently the HK HE sector has witnessed the growth of private providers, such as community colleges. Many of them have already been involved in TNE programmes with overseas providers.

2.3 Development, demand and supply

2.3.1 China

2.3.1.1 By 2002

Prior to the promulgation of “Contemporary Regulation” in 1995, TNE activity in China went through an informal, incidental and laissez-fair phase and TNE programmes were essentially conducted in the form of twinning, based on partnership agreements between the Chinese institutions and their foreign partners (Huang 2003). Although in some cases certificates or diplomas could be awarded to students after they had finished these joint programs, none of these institutions or joint programmes was approved to confer foreign degrees or even Chinese degrees (Ibid.).

Since 1995 TNE in China has entered into a more structured, systematic and well regulated phase with institutions and joint programmes that were approved by the DGCSC to issue foreign degrees or degrees of universities in HK (Huang 2003). According to the statistics published by the MoE (2004a), by the end of 2002 there were 712 TNE institutions and programmes across 28 provinces, municipalities and autonomous regions, a nine-fold increase over the number at the beginning of 1995. Geographically, TNE institutions were mostly concentrated in economically and culturally more developed eastern coast areas. The top ten provinces and municipalities with most TNE institutions and programmes were:

- Shanghai (111)
- Beijing (108)
- Shandong (78)
- Jiangsu (61)
- Liaoning (34)
- Zhejiang (33)
- Tianjin (31)
- Shanxi (29)
- Guangdong (27)
- Hubei (23)

The top ten biggest TNE providers were:

- USA (154)
- Australia (146)
- Canada (74)
- Japan (58)
- HK (56)
- Singapore (46)
- UK (40)
- Taiwan (31)
- France (24)
- Germany (14)

Looking at levels of TNE programmes, the majority were qualification education programmes (372) ranging from junior (2) and senior (40) middle school, vocational (69) and professional (36) college, pre-degree (82) to undergraduate (69) and postgraduate (74) degree levels. There were 313 non-qualification education programmes and also 27 programmes at kindergarten level.

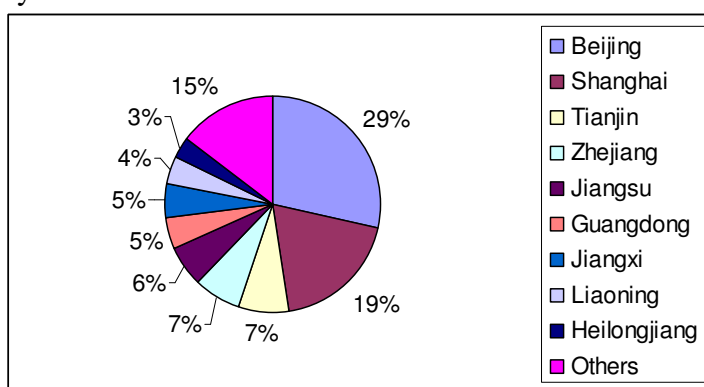
Of 712 TNE programmes, 255 (36%) were in the discipline of Business and Management (e.g. Business and Management, Marketing, Accountancy, Finance Management, Human Resources, Tourist Management); 132 (19%) in Foreign Languages; 94 (13%) in Information Technology (e.g. Computing, computer Science and Technology, Electronic Science and Technology); 74 (10%) in Economics (e.g. International Economics, International Trade, Finance); 37 (5%) in Arts (e.g. Arts Design, Theatre and Film); 19 (3%) in Education and 101 (14%) in other disciplines.

In general, the number qualified to award foreign degrees accounted for only 20% of the total TNE institutions and programmes by 2002. The USA and Australia constituted a major share. The UK only shared about 5% of the total TNE provision. Following the return of HK to China in 1997, more and more HK universities have been involved in joint degree programmes as an educational service in the mainland (Huang 2003), and HK's share in China's TNE market was 8% by 2002.

2.3.1.2 Approved TNE programmes by 2004

Shortly after the MoE promulgated 'Implementing Measures of Regulations of the People's Republic of China on Chinese-foreign Co-operation in Running Schools' in 2004, China conducted a national re-examination of present joint programmes. A 'List of In-operation Chinese-foreign Joint Education Programs Conferring Foreign and Hong Kong SAR Degrees' (MoE 2004b) was first available for TNE data analysis in China, though this list did not include those non-degree programmes which were required to be approved by the local education authority instead of the MoE.

Figure 1 Geographical share of TNE programmes leading to foreign and HKSAR degrees by June 2004 in China

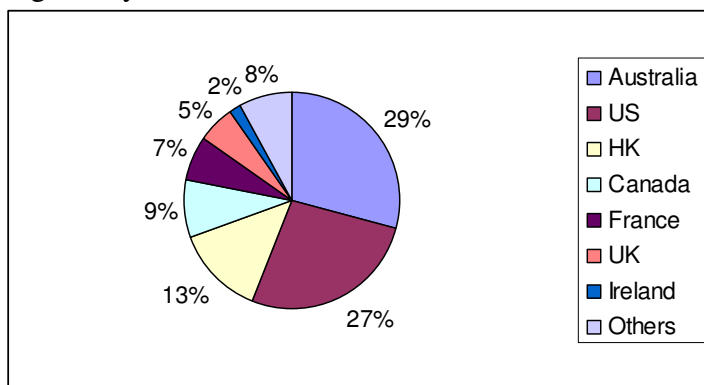


Source: 'List of In-operation Chinese-foreign Joint Education Programs Conferring Foreign and Hong Kong SAR Degrees' (MoE 2004b).

In total there were 164 TNE programmes at degree levels by June 2004 in China. Figure 1 shows that on the top of the geographical share is Beijing with 29% of TNE programmes at degree levels operating there, followed by Shanghai (19%), Tianjin and Zhejiang (7% respectively), Jiangsu (6%), Guangdong and Jiangxi (5% respectively), and two Northeastern provinces of Liaoning (4%) and Heilongjiang (3%).

Among the total of 164 programmes, 115 (69%) were Masters programmes, 48 (29%) were Bachelors programmes and 3 (2%) were at the Doctoral level. The dominant subject is Business (including Economics, Trade, Management, Accounting, Finance) 63%, followed by IT (including Computer, Electronics, software, Telecommunications) 14%. The rest were Business and IT, English (including TESOL), Education and Engineering, about 4% respectively, Medicine 5%, Law 4% and Social Sciences 2%.

Figure 2 Market share of China's TNE programmes leading to foreign and HKSAR degrees by June 2004



Source: 'List of In-operation Chinese-foreign Joint Education Programs Conferring Foreign and Hong Kong SAR Degrees' (MoE 2004b).

Table 4 shows the UK provision of TNE programmes at degree level or above by June 2004. There were 13 programmes delivered by 9 UK HE institutions. Geographical coverage was: Beijing (2), Shanghai (1), Zhejiang (1), Fujian (1), Jiangxi (1), Guangdong (2) and Yunnan (1). 7 programmes were at the undergraduate level and 6 at the postgraduate level. Subject areas covered were mainly Business, Management, IT, English and Education, with an additional BA programme in Food Science and Engineering, and another MSc in Real Estate and Project Management. All these degree programmes started between 2001 and 2004 with each intake ranging from 30 to 100 students for one programme.

Table 4 Approved TNE programmes conferring UK degrees in China by June 2004

| Chinese institution | UK institution | Name of programme | Year of launch | Approved intakes | Enrolment | | | | | |
|---|---------------------------------|---|----------------|------------------|--------------------------|-----|----|----|----|--|
| | | | | | Approved for each intake | | | | | |
| Beijing Agricultural College | Harper Adams University College | Bachelor of International Economics and Trade, Food Science and Engineering | 2003 | 5 | 80 | 80 | 80 | 80 | 80 | |
| Beijing Union University | University of Paisley | Bachelor of International Business | 2002 | 4 | 60 | 60 | 60 | 60 | | |
| Shanghai University of Finance and Economics (+Bank of China) | City University, London | Master of Business Administration (Financial Management) | 2002 | 5 | 50 | 50 | 50 | 50 | 50 | |
| Zhejiang University of Technology | Leeds Metropolitan University | Master of International Trade and Finance | 2003 | 1 | 40 | | | | | |
| Fuzhou University | University of Hertfordshire | Bachelor of Computer Science | 2004 | 2 | 300 | 300 | | | | |

| | | | | | | | | | | |
|--|------------------------------------|--|------|---|----|----|----|----|----|----|
| | | and Technology, Communication Engineering, financial Management | | | | | | | | |
| Nanchang University | University of Abertay Dundee | Master of Information Technology, software Engineering | 2001 | 6 | 50 | 50 | 50 | 60 | 60 | 60 |
| Guangdong University of Foreign Studies | University of Leeds | Master of English Language Teaching | 2002 | 1 | 30 | | | | | |
| Guangdong Polytechnic Normal University | University of Huddersfield | Bachelor of Education Management and Development (Upgrade program for higher diploma holder) | 2004 | 2 | 90 | 90 | | | | |
| Yunnan Institute of Finance and Trade | University of Greenwich | Master of Science in Real Estate, Project Management | 2004 | 4 | 80 | 80 | 80 | 80 | | |

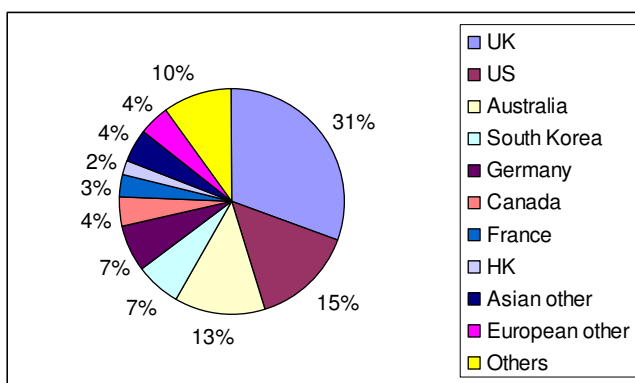
Source: 'List of In-operation Chinese-foreign Joint Education Programs Conferring Foreign and Hong Kong SAR Degrees' (MoE 2004b).

2.3.1.3 TNE programmes awaiting approval in 2005

Market share

The MoE released 2 lists of TNE programmes awaiting approval in 2005 with one by 1 September 2005 and the other by 29 December 2005. The total number of TNE programmes to be approved in 2005 was 378. The most dramatic change in 2005 was the UK's top position in China's TNE market share, as shown in Figure 3. With 43 HE institutions involved in 115 degree programmes, the UK's share increased from 5% to 31% just within one year. It indicated that the UK was becoming a most active player in China's TNE market. The US was in second place with 15% of the share (56 programmes by 33 institutions). Australia was third at 13% with 48 programmes by 27 institutions. Also notable is the rising if South Korea and Germany's provision in China: 7% for each. Canada reduced its share from 9% in 2004 to 4% in 2005 and similarly, France from 7% to 3%. HK's share also dropped from 5% to 2%. Asian other includes India (2%), Singapore (1%) and Thailand (1%). European other includes Ireland (2%), the Netherlands (1%) and Russia (1%).

Figure 3 Market share of TNE programmes at degree or above levels awaiting approval by the MoE in 2005



Source: 'An overview list of documents concerning Chinese-foreign programme applications submitted for March 2005 examination and approval' and 'An overview list of documents concerning Chinese-foreign programme applications submitted for September 2005 examination and approval', MoE (2005a, 2005b).

Geographically there were changes too with more provinces involved in TNE programmes. Beijing still maintained its top position on the table of joint programmes awaiting approval with 49 programmes (13%), as shown in Table 5. Remarkably Henan, a central province with the biggest population in China but an underdeveloped HE sector, ranked second with involvement in 38 programmes (10%). Shanghai and Shandong had 35 programmes each (9%) followed by Guangdong's 28 programmes (7%). Fujian, Jiangsu, Guangxi, Hunan and Tianjin had about 4-5% of TNE programmes waiting for approval whereas Hubei and Zhejiang had about 3%. The 3 Northeast provinces all had a share, though less than 3% and the new faces were Inner Mongolia (2%), Sichuan (2%), Shaanxi (2%) and Shanxi (1%). All in all, excepting two autonomous regions, Tibet and Xinjiang, all other provinces, municipalities and autonomous regions in China have one or more institutions applying for the approval of joint degree programmes (Feng and Gong 2006).

Table 5 TNE programmes to be approved in 2005 by geographical regions in China

| Province/municipality/ autonomous region | Number of programmes | % of total number |
|---|----------------------|-------------------|
| Beijing | 49 | 13 |
| Henan | 38 | 10 |
| Shanghai | 35 | 9 |
| Shandong | 35 | 9 |
| Guangdong | 28 | 7 |
| Fujian | 19 | 5 |
| Jiangsu | 19 | 5 |
| Guangxi | 18 | 5 |
| Hunan | 18 | 5 |
| Tianjin | 16 | 4 |
| Hubei | 13 | 3 |
| Zhejinag | 10 | 3 |
| Jilin | 9 | 2 |
| Liaoning | 9 | 2 |
| Inner Mongolia | 9 | 2 |
| Sichuan | 9 | 2 |
| Yunnan | 9 | 2 |
| Shaanxi | 7 | 2 |
| Heilongjiang | 6 | 2 |
| Jiangxi | 6 | 2 |
| Shanxi | 5 | 1 |
| Others | 11 | 3 |
| Total | 378 | 100 |

Source: 'An overview list of documents concerning Chinese-foreign programme applications submitted for March 2005 examination and approval' and 'An overview list of documents concerning Chinese-foreign programme applications submitted for September 2005 examination and approval', MoE (2005a, 2005b).

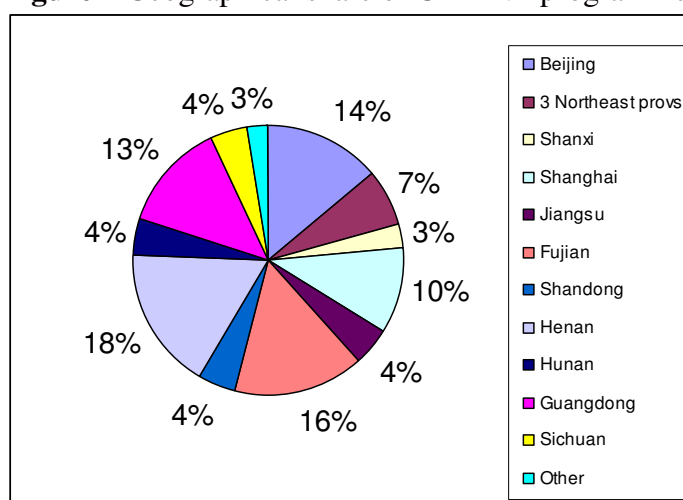
Of the 378 programmes, undergraduate programmes were in the majority, accounting for 61% of the total number and 29% were Masters programmes. There was a new model, Bachelors - Masters, though only one programme fell into this category. 2 programmes were at doctoral level and there were also 37 unspecified programmes, accounting for 10%, which, according to Feng and Gong, can reasonably be assumed to belong to the 'two-campus' approach, e.g. 3+1 programmes where students spend 3 years in China and 1 year abroad (2006).

With respect to subject areas, again programmes are more likely to be in Business (51%), IT (19%) and Engineering (9%). However programmes in Business had a decrease of 12% whereas IT and Engineering programmes had a 4-5% increase in 2005. Art/Design/Media was becoming an increasingly attractive subject with 7% of programmes in this area. Other subjects covered in the lists are: Foreign Languages (3%), Science (3%), Education (2%), Law (2%), Medicine (2%), Social sciences (0.5%) and another 2% in other.

UK provision

Of the 378 programmes awaiting approval, 115 programmes were joint with UK HE institutions. The geographical coverage of UK provision is illustrated in Figure 4.

Figure 4 Geographical share of UK TNE programmes awaiting approval in 2005



Source: 'An overview list of documents concerning Chinese-foreign programme applications submitted for March 2005 examination and approval' and 'An overview list of documents concerning Chinese-foreign programme applications submitted for September 2005 examination and approval', MoE (2005a, 2005b).

Table 6 UK provision of TNE programmes at degree level or above awaiting approval in 2005 by region in China

| Region | No. of programmes | No. of UK institutions | No. of local institutions | Bachelors level | Masters level |
|--------------|-------------------|------------------------|---------------------------|-----------------|---------------|
| Henan | 20 | 8 | 4 | 20 | |
| Fujian | 18 | 4 | 2 | 7* | 8* |
| Beijing | 16 | 10 | 8 | 12 | 4 |
| Guangdong | 15 | 13 | 5 | 12 | 3 |
| Shanghai | 12 | 7 | 7 | 11 | 1 |
| Jilin | 3 | 1 | 1 | 3 | - |
| Liaoning | 3 | 1 | 1 | * | * |
| Heilongjiang | 2 | 1 | 1 | 2 | - |
| Jiangsu | 5 | 3 | 3 | 5 | - |
| Shandong | 5 | 2 | 2 | 5 | - |
| Hunan | 5 | 2 | 2 | 5 | - |
| Sichuan | 5 | 2 | 2 | 5 | - |
| Shanxi | 3 | 1 | 1 | * | * |
| Guizhou | 2 | 1 | 1 | - | 2 |
| Hubei | 1 | 1 | 1 | 1 | - |
| Total | 115 | 57** | 41 | 88 | 18 |

* 3 programmes in Fujian, Liaoning and Shanxi respectively have unspecified level of study.

** Some UK institutions entered into more than one region in China, see Table 8.

Source: 'An overview list of documents concerning Chinese-foreign programme applications submitted for March 2005 examination and approval' and 'An overview list of documents concerning Chinese-foreign programme applications submitted for September 2005 examination and approval', MoE (2005a, 2005b).

Surprisingly Henan ranked first with 8 UK institutions in collaboration with 4 local universities to provide 20 programmes, as shown in Table 6. It is followed by Fujian where 4 UK institutions collaborated with 2 local universities in 18 programmes. In Beijing, 10 UK institutions provided 16 programmes with 8 local universities. TNE programmes in Guangdong have involved more UK institutions with 13 of them providing 15 programmes in 5 local institutions. In Shanghai, 7 UK institutions worked with 7 local institutions providing 12 programmes. The 8 programmes in the 3 Northeast provinces were mainly collaborated on a one to one basis with one UK institution entered into each province respectively. In Jiangsu, Shandong, Hunan and Sichuan the pattern is 2-3 UK institutions collaborated with 2-3 local institutions, often with more than 1 programme provided by one UK institution. Programmes in Shanxi, Guizhou and Hubei, though a small number each, were also provided on a one to one basis between UK and local institutions. In total there were 88 Bachelors degree programmes and 18 Masters degree programmes with another 9 programmes' levels unspecified.

In total 43 UK institutions were on the 2 lists of TNE programmes awaiting approval by the MoE in 2005. Nearly a quarter of them have entered into TNE markets in more than one region in China, as shown in Table 7. The University of Hertfordshire had TNE collaborations with Chinese universities in 4 provinces, and the University of Wales and Greenwich University in 3 provinces respectively. Some universities may offer several programmes in one institution, e.g. Robert Gordon University had 7 joint programmes with Xiamen University and Heriot-Watt University had 6 with the same institution. Institutions such as the University of Hertfordshire, Greenwich University, the University of Northumbria etc. often had 3-4 programmes in one local institution. The top 9 institutions in Table 7 provided 64 programmes, i.e. 56% of all UK programmes on the 2005 lists by the MoE.

Table 7 UK provision of TNE programmes at degree level or above awaiting approval in 2005 in China by institution

| UK institution | No. of programmes | Region where TNE programmes offered | | | |
|----------------------------------|-------------------|-------------------------------------|---------|---------|--------|
| Heriot-Watt University | 12 | Shanghai | Fujian | | |
| University of Hertfordshire | 10 | Heilongjiang | Jiangsu | Shanxi | Fujian |
| University of Northumbria | 7 | Henan | Beijing | | |
| University of Wales | 7 | Guangdong | Henan | Hunan | |
| Robert Gordon University | 7 | Fujian | | | |
| Greenwich University | 6 | Shanghai | Jiangsu | Guizhou | |
| University of Plymouth | 5 | Henan | Beijing | | |
| University of Staffordshire | 5 | Shanghai | Sichuan | | |
| University of Central Lancashire | 5 | Beijing | Sichuan | | |
| University of Leeds | 2 | Shanghai | Beijing | | |
| City University | 2 | Beijing | Jiangsu | | |
| Other | 47 | In 15 regions as shown in Table 7 | | | |
| Total | 115 | | | | |

Source: 'An overview list of documents concerning Chinese-foreign programme applications submitted for March 2005 examination and approval' and 'An overview list of documents concerning Chinese-foreign programme applications submitted for September 2005 examination and approval', MoE (2005a, 2005b).

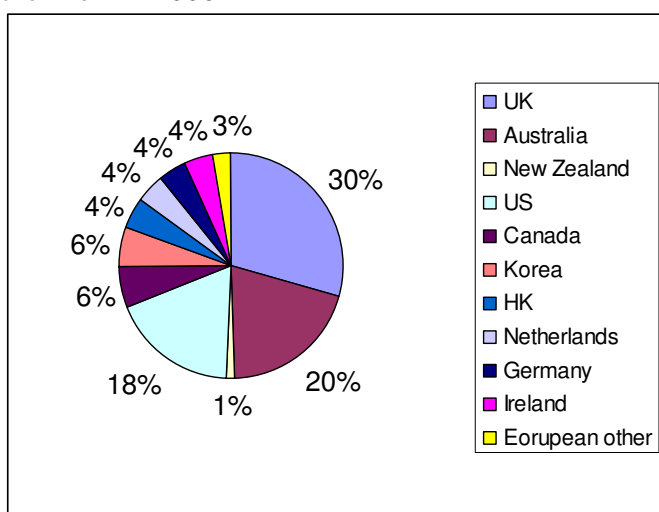
2.3.1.4 TNE programmes awaiting approval in 2006

Market share

In 2006 (by October) 119 TNE programmes were submitted to the MoE for approval. UK maintained its top position in the market with a share of 30% of the total programmes to be

approved (Figure 5). Whilst Australia ranked second with 20%, the US dropped to third, sharing 18% of China's TNE market. However both of them increased their market share in 2006, compared with 13% for Australia and 15% for the US in 2005. Canada and HK had more joint programmes with Chinese universities in 2006 and both increased 2% of their share up to 6% for Canada and 4% for HK. Korea experienced a slight drop from 7% in 2005 to 6% in 2006 whereas Germany seemed to share a lower proportion of 4%, compared with 7% in 2005. Both Ireland and the Netherlands had a share of 4% each whereas in 2005 they only shared 1-2% in this market. European other here refers to Sweden (1%) and two other European institutions with their names unspecified.

Figure 5 Market share of TNE programmes at degree or above levels awaiting approval by the MoE in 2006



Source: 'An overview list of documents concerning Chinese-foreign programme applications submitted for October 2006 examination and approval' MoE (2006b).

Table 8 TNE programmes to be approved in 2006 by geographical regions in China

| Province/municipality/ autonomous region | Number of programmes | % of total number | Main foreign or HK partners |
|---|----------------------|----------------------|--------------------------------|
| Jiangsu | 35 | 28 | UK, Canada, Korea |
| Beijing | 13 | 11 | The Netherlands, UK, US |
| Liaoning | 12 | 10 | Australia, UK, Canada |
| Shanghai | 11 | 9 | US |
| Hunan | 9 | 8 | UK, US |
| Chongqing | 7 | 6 | Australia, US, UK |
| Guangdong | 7 | 6 | HK, US |
| Inner Mongolia | 6 | 5 | Australia, US |
| Heilongjiang | 6 | 5 | UK, Australia |
| Tianjin | 4 | 3 | Australia |
| Sichuan | 3 | 3 | UK |
| Hebei | 2 | 2 | Ireland |
| Shaanxi | 1 | 1 | UK |
| Zhejinag | 1 | 1 | HK |
| Guangxi | 1 | 1 | Germany |
| Shandong | 1 | 1 | Australia |
| Total | 119 | 100 | |

Source: 'An overview list of documents concerning Chinese-foreign programme applications submitted for October 2006 examination and approval' MoE (2006b).

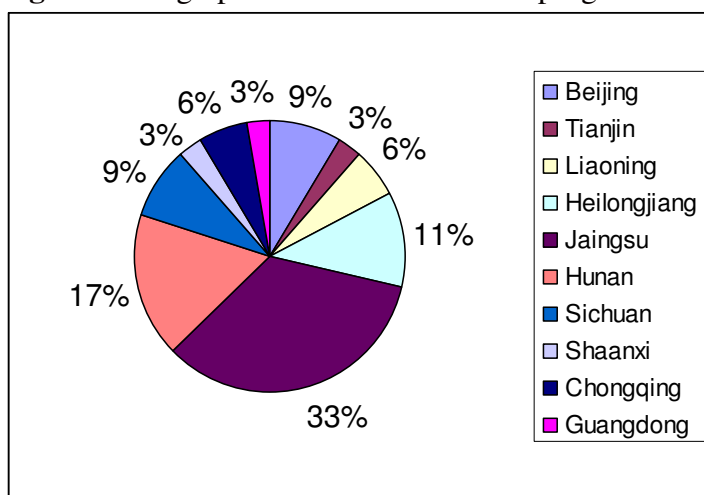
Table 8 shows the regions where TNE programme applications were submitted. Jiangsu Province is on top of the table with 28% of all joint programmes to be approved in 2006.

Their main foreign partners are from the UK, Canada and Korea. Beijing ranks second with 11% of programmes provided mainly by the Netherlands, UK and the US. 12 programmes (10%) were submitted by Liaoning with 7 provided by Australian institutions. The US dominates the provision of TNE programmes for 2006 submission in Shanghai (9%). Hunan has 9 programmes (8%) mainly with foreign partners from the UK and the US. Geographically these 5 regions share two thirds of the TNE programmes to be approved in 2006. Chongqing is for the first time to appear in the list with 7 programmes (6%) provided by the three big TNE providers worldwide - Australia, the US and the UK. It is worth noting that 5% of programmes were submitted by Inner Mongolia in collaboration with partners from Australia and the US.

UK provision

As indicated above, the UK has made a big entry into Jiangsu's TNE market this year. Figure 6 shows that a third of all TNE programmes provided by UK institutions were in collaboration with universities in Jiangsu. Other regions that have joint programmes with UK HE institutions include Hunan (17%), Heilongjiang (11%), Beijing and Sichuan (9% respectively), Liaoning and Chongqing (6% respectively), and Tianjin, Shaanxi and Guangdong (3% each).

Figure 6 Geographical share of UK TNE programmes awaiting approval in 2006



Source: 'An overview list of documents concerning Chinese-foreign programme applications submitted for October 2006 examination and approval' MoE (2006b).

Table 9 UK provision of TNE programmes at degree level or above awaiting approval in 2006 by region in China

| Region | No. of programmes | No. of UK institutions | No. of local institutions | Bachelors level | Masters level |
|--------------|-------------------|------------------------|---------------------------|-----------------|---------------|
| Jiangsu | 12 | 4 | 4 | 11 | 1 |
| Hunan | 6 | 3 | 3 | 6 | - |
| Heilongjiang | 4 | 2 | 1 | 4 | - |
| Beijing | 3 | 3 | 3 | 2 | 1 |
| Sichuan | 3 | 1 | 1 | 3 | - |
| Liaoning | 2 | 1 | 1 | 2 | - |
| Chongqing | 2 | 1 | 1 | - | 2 |
| Shaanxi | 1 | 1 | 1 | - | 1 |
| Tianjin | 1 | 1 | 1 | - | 1 |
| Guangdong | 1 | 1 | 1 | - | 1 |
| Total | 35 | 18* | 17 | 28 | 7 |

* Some institutions entered into more than one region in China, see Table 11.

Source: 'An overview list of documents concerning Chinese-foreign programme applications submitted for October 2006 examination and approval' MoE (2006b).

The pattern of partnership is more likely to be one UK institution in collaboration with one local institution, although they may jointly run 2-3 programmes at the same time. In Jiangsu Province, one UK institution has 7 joint programmes with one partner university in Nanjing. In Heilongjiang, one high ranking local university has attracted 2 pre-92 UK universities in TNE partnership. Of 35 programmes provided by UK institutions, one fifth are at the postgraduate level and the rest are all at undergraduate level (Table 9).

In terms of subject areas, 12 programmes are in Business and Management (including International Business, Finance, Accounting, Marketing, Business Management etc.), 10 in IT (Computer Science, Software, IT & Telecommunication, IT management, etc.), 7 in Engineering (Material Engineering, Mechanical Engineering, Environment Engineering, Electronic and Electricity Engineering), 2 each in Arts Design and TESOL, and 1 each in Psychology and Tourism.

On top of the table of UK provision is the University of Central England involved in one fifth of the total of UK TNE programmes to be approved in 2006 (Table 10). Heriot-Watt University has programmes in 2 regions: Beijing and Sichuan. University of Northumbria and Greenwich University are as active as in 2005. There are more pre-92 universities entering China's TNE market in 2006, such as University of Manchester, University of Birmingham, Durham University and University of Edinburgh.

Table 10 UK provision of TNE programmes at degree level or above awaiting approval in 2006 in China by institution

| UK institution | No. of programmes | Region where TNE programmes offered |
|-------------------------------|-------------------|--------------------------------------|
| University of Central England | 7 | Jiangsu |
| Heriot-Watt University | 4 | Beijing Sichuan |
| University of Northumbria | 3 | Jiangsu |
| Greenwich University | 2 | Hunan |
| University of Manchester | 2 | Heilongjiang |
| University of Birmingham | 2 | Heilongjiang |
| University of Northampton | 2 | Hunan |
| University of Ulster | 2 | Liaoning |
| Middlesex University | 2 | Hunan |
| University of Durham | 1 | Beijing |
| University of Edinburgh | 1 | Tianjin |
| University of Southampton | 1 | Jiangsu |
| University of Sunderland | 1 | Jiangsu |
| University of Canterbury | 1 | Shaanxi |
| Leeds Metropolitan University | 1 | Beijing |
| Total | 35 | |

Source: 'An overview list of documents concerning Chinese-foreign programme applications submitted for October 2006 examination and approval' MoE (2006b).

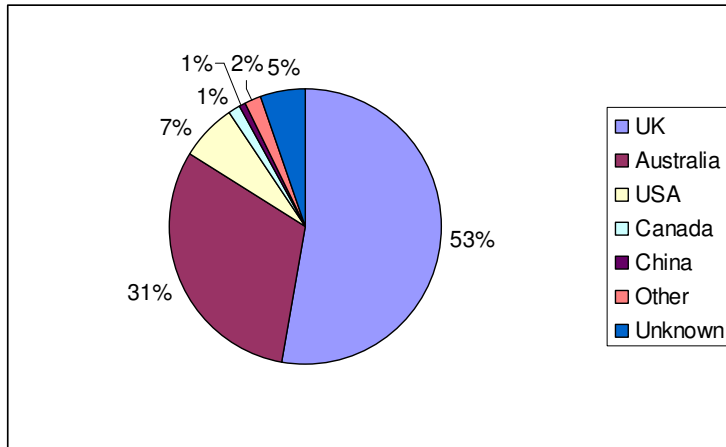
2.3.2 Hong Kong

2.3.2.1 Market share in 2003 and 2006

By June 2003 there were 858 HE programmes from non-local institutions registered or exempted in HK, according to the EMB. 11 foreign countries were involved in TNE provision in HK with the UK leading with more than half of the market share, 53%, as shown in Figure 7. Australia was the second biggest TNE provider in HK with a share of 31%, followed by the US, 7%, and Canada and China, 1% each. Other countries included

New Zealand, Ireland, India, Macau, Singapore and the Philippines. Together they formed 2% of the market share. There were some programmes with unspecified institutions or countries (5%).

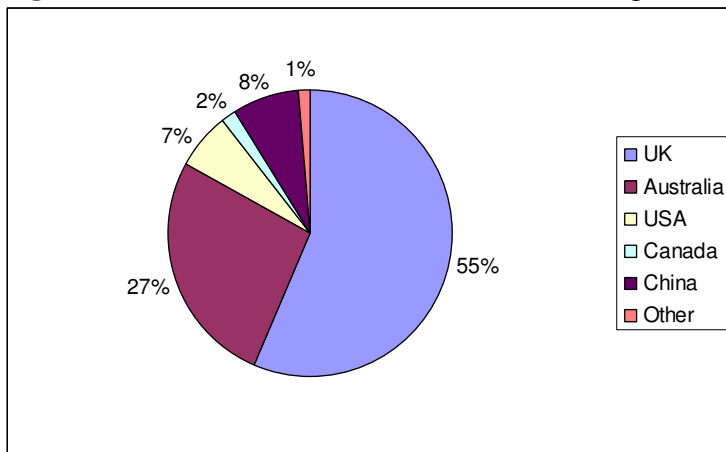
Figure 7 HK Non-local HE and Professional Programmes 2003 by Country



Source: EMB, HK

By 30 September 2006, the total number of registered/exempted non-local HE programmes in HK was 1,095. There were only 9 countries that delivered TNE programmes, compared with the 11 countries in 2003, with India and Singapore dropped out. The country with the highest number of institutions represented in the registered and exempted categories was the UK, 55% compared with 53% in 2003 (Figure 8). It was followed by Australia, 27% (with 4% drop compared with 31% in 2003), the USA, 7% (the same as in 2003), and Canada, 2% (1% increase compared with 1% in 2003). The Chinese mainland was the only one that saw a dramatic increase in its TNE in HK in 2006: the total percentage of Chinese institutions' involvement was 8% now as compared with less than 1% in 2003. This could be seen as related to the MoU between the mainland and HK on mutual recognition of academic degrees in HE signed in July 2004. 'Other' countries with a presence in HK included New Zealand, Ireland, Macau and Philippines. The total of their share dropped from 2% in 2003 to 1% in 2006. This analysis shows the relative intensity of TNE activity by UK and Australian institutions with an increase in TNE collaboration between the Chinese mainland and HK.

Figure 8 HK Non-local HE and Professional Programmes 2006 by Country



Source: EMB, HK

2.3.2.2 UK provision

In 2003, of the total of 200 institutions that delivered TNE programmes in HK, 45% were UK institutions, that is, 89 UK institutions delivering 452 TNE programmes in HK. In 2006, however, more TNE programmes were provided by UK institutions with the involvement of less HE institutions. In total UK provision accounted for 617 registered/exempted programmes by 81 institutions (Appendix D). The characteristics of UK provision can be seen in its concentration of some very active institutions, as indicated in Table 11.

Table 11 Top 11 UK HEIs in HK TNE provision 2006

| Institution | Number of Programmes | % of total (617) | Bachelors degree | Masters degree | Other programmes |
|-----------------------------|-----------------------------|-------------------------|-------------------------|-----------------------|-------------------------|
| University of London | 156 | 25 | 38 | 38 | 80 |
| University of Leicester | 38 | 6 | 15 | 8 | 15 (2 Doctoral) |
| Heriot-Watt University | 31 | 5 | 8 | 10 | 13 (1 Doctoral) |
| Middlesex University | 31 | 5 | 17 | 6 | 8 (1 Doctoral) |
| Sheffield Hallam University | 23 | 4 | 7 | 10 | 6 |
| University of Northumbria | 20 | 3 | 9 | 4 | 7 |
| Napier University | 18 | 3 | 13 | 3 | 2 |
| Central Lancashire | 17 | 3 | 9 | 2 | 6 |
| University of Ulster | 15 | 2 | 3 | 6 | 6 |
| University of Warwick | 15 | 2 | - | - | 15 |
| NCC Education Ltd | 15 | 2 | - | - | 15 |
| Total | 379 | 61 | 119 | 87 | 173 |

Source: EMB, HK

Table 11 shows the number of TNE programmes provided in 2006 in HK by the top 11 UK HEIs in descending order. Interestingly there are five pre 1992 universities and five post 1992 universities in this table, plus one education company, which suggests the common perception that UK's former polytechnics are particularly prominent in TNE activity overseas is perhaps changing.

Obviously a small number of institutions dominate the UK TNE provision in HK with 11 institutions accounting for over 60% of total UK provision (617 programmes) in 2006. The University of London, in a strict sense, is not just one institution. But the University of London External System plays a very important role in its worldwide TNE provision. They run about 100 different programmes - undergraduate, postgraduate, short courses for professional development, etc. and HK is one of their biggest markets.

The top 3 institutions on this list have all offered many distance learning programmes overseas, though the exact figure for their distance learning programmes provided in HK is not available. Nevertheless distance learning is certainly one of the main models of their TNE in HK, according to our interviews with HK HEIs.

Of 379 programmes provided by these 11 institutions, 31% are Bachelors Degree programmes (119) and 23% are Masters Degree programmes (87). 46% are Diploma or Certificate programmes at both undergraduate and postgraduate levels (173), of which 15 programmes provided by the University of Warwick are 'Integrated Graduate Development Schemes' or 'Integrated Manager Development Schemes' whereas all 15 provided by NCC Education Ltd are professional programmes.

With respect to subject areas, the most common subject among non-local higher and professional programmes is Business, including Finance, Accountancy, Management, Marketing, followed by IT, Humanities, then Science and Engineering, and others.

2.4 Summary

The analysis of TNE contexts suggests that TNE is becoming increasingly important to the UK, China and HK. The UK government's interest in TNE is reflected in the PMI II which signalled a strategic shift from the focus of recruiting overseas students to the UK in the PMI I to the emphasis of UK partnerships with overseas institutions. Given there have already been 160 HE partnerships between the UK and China, two related issues are raised: quality assurance of TNE programmes delivered outside the UK which cements relationships for the longer term and UK students going abroad for HE education experience which is in the national interest in a context of internationalisation. The UK government also encourages and invests in the FE sector to develop partnerships with overseas FE institutions so as to offer high quality education abroad.

In the UK, interviews with senior policy makers and enablers at regional level have revealed different TNE approaches and focuses. The English HE sector generally recognises the increasing international competition and the importance of partnership links. However it is pointed out that competing within this market and developing international links is primarily a matter for HEIs themselves. The Welsh policies focus more broadly on developing strategic partnerships with an identified thread of going to be economic. In Scotland, an international FE and HE strategy is in the process of being drafted with the aim of promoting international partnerships, as indicated in the recent development of TNE partnerships between Scottish HE/FE institutions and Chinese universities. On the other hand there is the concern of 'selling the family silver' by delivering Scottish education abroad.

The opening of the Chinese HE market, coupled with increasing interests from foreign HE institutions, demonstrates that China is gradually becoming a fast-growing site for TNE activity despite the regulations set out in the legislative framework. National and local education authorities all emphasise the need to draw high quality education resources to the Chinese HE sector in order to build capacity and competitiveness internationally. Foreign education providers are also welcome to deliver TNE programmes in the field of continuous education and vocational training. Given the rapid economic development and demographic changes, China is perceived as a 'soft market' with TNE demand from a diversity of consumers. It is pointed out that some of China's regulations guiding foreign providers need clarification and some do not appear to be firmly implemented, suggesting a broader interpretation of the law. The devolved approval authority at local level further implies ambivalent practice of the law. Following recent regulations and rules, however, the Chinese government is moving towards implementing a licensing system with more rigorous quality controls.

The HK HE sector is segmented between government funded universities and the newly emerged private providers. Whilst 8 UGC funded universities provided 340 HE programmes in 2005-6, more than 20 private colleges and schools are providing 451 programmes in 2006-7, the great majority of them being sub-degree programmes. Both the local substantial demand for top up degree programmes and the predicted unmet demand for HE places in 5-10 years as a consequence of the education reform in HK have

significant implications for TNE market in HK. However it seems this potential demand has not been fully recognised by the UK HE/FE sectors.

The statistical analysis of TNE development in China and HK confirms that the UK, Australia and the US are the 3 top TNE providers in these 2 markets, as elsewhere in the world. So far, UK institutions are holding onto the biggest share of an expanding and competitive market in both China (30% of programmes at degree level or above) and HK (55% of non-local programmes). The UK provision covers 18 provinces, municipalities and autonomous regions in China with more joint programmes awaiting approval in Henan, Beijing, Fujian, Jiangsu and Guangdong in 2005 and 2006. The most active UK institutions in 2005 and 2006 are Heriot-Watt University, University of Northumbria and University of Hertfordshire. However 2006 saw more traditional and research led universities entering China for TNE provision. In HK, 81 UK institutions play a part in TNE provision of 617 programmes. University of London takes the biggest share followed by University of Leicester, Heriot-Watt University and Middlesex University. Unlike those programmes delivered in China, many of their programmes in HK are distance learning mode or part-time vocational and professional training programmes.

Both China and HK TNE markets are becoming increasingly competitive with more partnerships and joint programmes established between the mainland and HK since their signing the MoU on Mutual Recognition of Academic Degrees in HE in 2004, as shown in the increase of China's share to 8% in 2006 in HK's TNE market and HK's share of 4% in China's joint degree programmes in 2006. In addition, HK's strategy to act as the regional hub for HE also impacts on TNE demand and supply in the region, in particular the China market, due to its political and geographical links with the mainland.

3. Main findings (2)

3.1 Introduction

This section will report qualitative findings from interviews with HE/FE institutions in the UK, China and HK. A key problem is terminology. What is TNE? There seems to have no single answer. What is to be included and what is not depends on institutional approach which is influenced by national TNE policies and strategies. A variety of terms are used by HE/FE institutions, such as twinning, franchising, articulation, validation, branch campus, distance learning, exchange programmes, study abroad, joint programmes, non-local programmes, m + n etc. often inconsistently, to describe the complex range of TNE activity. Drawing on different perspectives, this section aims to present a multi-dimensional picture of TNE between the UK, China and HK by analysing a range of TNE models and institutional experiences.

As discussed in Sections 1.2 and 2.1, UK HE/FE institutions are facing increasingly competitive TNE markets in both China and HK. Our interviews with UK institutions asked about their experiences of competition and their plans for future TNE. The interviews in China and HK, on another hand, covered institutions which have TNE programmes provided by UK institutions as well as institutions which have partnerships with other countries. Their approaches illustrate the nature of competition and what the scope and opportunity will be in terms of TNE development and expansion.

The HE/FE institutions interviewed in the UK cover 5 pre 92 universities, 4 post 92 universities and 1 FE college with 9 of these in England and 1 in Scotland. In China, 24 institutions were involved in the research with 6 high ranking universities, 13 provincial universities, 2 joint TNE institutions, 2 FE colleges and 1 private college. In HK representatives of 2 UGC funded universities, 2 self financed community colleges affiliated to UGC funded universities and 2 private colleges were interviewed. Our interviewees include Vice Chancellors, Pro-Vice Chancellors, Deputy Presidents of universities, Heads of international offices, senior international officers responsible for China and HK TNE, Deans of schools/colleges, Heads of departments, Directors of international colleges, and TNE programme leaders. This variety of HE/FE institutions and interviewees represents a diverse experience of TNE within and between the UK, China and HK.

3.2 Emerging models

3.2.1 UK overview

Both the UK e-survey and interview data analysis suggest that the predominant models of TNE provision by UK HE/FE institutions in China and HK are:

- Top-ups
- Franchising
- Dual qualifications
- Distance learning (DL)
- Fly-in teaching

Responses from the UK e-survey (Table 12) show that UK TNE provision mainly uses the models of fly-in teachers, DL, twinning/franchising and joint/dual degrees. A significant number of institutions selected 'other' models which include top-ups, short courses, summer schools, CPD programmes, student exchanges and research collaborations.

Table 12 Type of provision by UK institutions

| Programmes | Number delivered | In China | In HK | In other places |
|----------------------|------------------|-----------|-----------|-----------------|
| Distance Learning | 16 | 5 | 8 | 3 |
| Fly-in teachers | 18 | 9 | 7 | 2 |
| Branch campus | 5 | 0 | 2 | 3 |
| Twinning/franchising | 15 | 5 | 6 | 4 |
| Joint/dual Degree | 12 | 6 | 5 | 1 |
| Other | 8 | 3 | 4 | 1 |
| Total | 74 | 28 | 32 | 14 |

Source: The project e-survey of UK HE/FE institutions 2006

These TNE programmes are very likely to be undergraduate degree courses and taught Masters courses in the subject areas of Business & Management, Engineering & IT, and Social Sciences & Law (Tang and Poole 2006). Some programmes have been running for over ten years whereas many others started after 2003 (nearly 40%). The number of students for each of these programmes ranges from less than 10 to 600 in 2006. University of London as a whole currently has 2,000 students for their worldwide TNE programme in Computing and Information Systems (BSc & Diploma) (Ibid.). Tuition fees are charged at various levels:

- £450 - £650 per module
- £7,000 - £8,000 per programme
- £4,000 - £8,000 per year
- Fees waived under exchange agreements

In general, tuition fees of UK TNE programmes are lower than the full rate of overseas fees but higher than the local award rate. For franchising and top-up programmes delivered in country the local institutions usually decide the local tuition fees.

The interviews with UK institutions confirmed the above levels of tuition fees as well as the range of TNE models mainly adopted by UK HE/FE institutions. The main models, scales and markets of TNE of our sample institutions are shown in Table 13.

Table 13 TNE programmes delivered by UK institutions

| | Main models | No. of Programmes | No. of Students | Major markets |
|----|---|---|---|--|
| 1 | DL; DL & 2+2 | About 100 | 40,000 a yr | Singapore, HK, over 180 countries |
| 2 | Tutor supported DL; franchise; fly-in teachers | 2 partners | 35 in engineering, rise to 50-60; 50-60 in pharmacy | HK, Malaysia, big numbers in Germany, Greece, Middle East |
| 3 | DL in country, some with local partners; collaborative arrangement (DL students spent 3 rd yr in UK); articulation | 36, postgraduates | 700 in HK & small number in China | HK, China, also a lot in Singapore, Malaysia, Taiwan |
| 4 | Top ups, double degree (may look at blended learning) | 5-6 | Less than 100 (only for 3 yrs) | Chengdu, Beijing, Guangdong, Nanning, Taiwan |
| 5 | Higher diploma - direct entry into 3 rd yr degree if students come to UK (1+2, 2+1); dual qualifications | 6 in China (not any in HK) | 500, 70/80 per institution | China, India, Pakistan, Burma, Malaysia, Singapore |
| 6 | Branch campus; all postgraduate students came on a summer school; 114 undergraduates from China campus for a semester. | 2 campuses | 2,400 + 2,000 | China, Malaysia, over 60 links |
| 7 | 2+2, 1+1 | 5 | 33 (North China), 13 (Shanghai), 18 (Harbin) | Shanghai, North China and Harbin |
| 8 | Franchise courses; articulation - top up in the UK | 8 in China; 30 in HK (Masters programmes) | About 2,000 | Shanghai, Shenzhen, Guangzhou, Shandong; HK, new programmes in Chengdu |
| 9 | Part franchise, part to be completed in UK (top-up) | To start early next yr | | China (Nanjing) |
| 10 | Contractual model (Chinese programme, 3 weeks in UK) | 1 | 15-20, from next yr will be 40 | HK, Beijing, Shanghai |

3.2.1.1 Top-ups

Among the sample of 10 institutions, 6 UK institutions have top-up programmes which can be delivered either in country in the form of fly-in teachers or mixture of fly-in teacher and DL, or in the UK with students coming for the final year degree course or in the mode of m + n (Table 13). UK institutions favour the model of top-ups because:

'There are a number of ways in which top ups are working. They are not just simple add ons to a two or three year course but they are an intricate part of some Chinese universities work, essentially in the area of business and IT. We have no law, civil engineering, medicine and so on. We would like to have expanded into nursing, and paramedical work but this is proving more difficult than we thought, we knew it was difficult but there are lots of barriers now being erected such as workforce placement, and so on and so forth, which are making it quite difficult. So overall our strategy is the development of increasing numbers of top ups.'

3.2.1.2 Franchising

Four institutions franchised part of their programmes to local partners, often the first year or the first two years where the local partner does most of the work, such as 'all the advertising, recruitment marketing, getting students, providing local tutors, classroom space, resources for the delivery', and 'we provide the materials and do the assessment basically'. In addition 'you are looking for staff who have experience of assessment and you're looking for very good sort of existing, pre-existing quality assurance process within the partners, so that they are used to assessment moderation and so on'. However the franchising model is rejected by one institution:

'We are not a university which has gone into franchise courses, we have resisted that here, because of QAA advice, because of bad practice in some other universities, so we haven't gone for that. We maybe looking at blended learning, a mixture of face to face and some on line learning, and distance teaching with some teaching based in home country, as you were on a summer school or something like that, you know. We are thinking of that but we're in early days, we are in sort of incubation days on that rather than full blown industry as it were.'

3.2.1.3 Dual qualifications

Three institutions offered dual or double qualification programmes, that is, students will obtain 2 degrees/diplomas or one degree and one diploma (one from each institution), very often in the mode of m + n, as in Case 5 in Table 13:

'Some of the institutions are SQA centres some are Edexcel centres so they're following the syllabuses of an SQA HND or an Edexcel HND and we are the quality partner, and you know assisting in preparing for the QA visits, doing our own QA visits, staff training. So at the end of the time those students are actually doing a formal higher diploma and its discreet classes, within the university or college. Some of them just do our higher diploma because we can award a higher diploma being a college as well, and to be very honest there's no difference in that because that is accepted by you know, 99% of the university for direct entry into third year of degree if students come to the UK, because it's followed our quality systems etc. So one model is where students, discreet groups follow a UK based higher diploma course. Some finish after they've completed it, don't leave China and have a UK qualification piece of paper, whether that's SQA, BTEC or Edexcel or ours. The other way, a couple of colleges, particular the one in X, the students sort of follow their own course there but have put additional units in it so that it matches the HND. We'd give advance standing for their own subject areas. Accreditation for prior learning is a normal phrase for it. So they're doing their own courses so the students come out with their own China degree and the higher diploma as well.'

3.2.1.4 Distance learning

Table 13 also shows that, of 10 UK institutions interviewed, 3 have offered DL programmes in HK and one of them has DL in China with a small number of students. Some of these DL programmes are totally independent of local support, some have tutorial support provided by local teachers, some are delivered in country and some are operated jointly with local partners. A new pattern is ‘collaborative arrangement’, in which students (mainly Chinese) move to the UK for the final year degree courses by transferring credits from DL programmes, as in Case 4. In Case 1, the UK institution has collaborated with a HK partner in the arrangement of 0+1+2, that is, the HK partner recruits students for the institution and students are taught for Year 0 and Year 1 in HK. For Years 2 and 3 students can come to the UK. However,

‘We have a problem. We’ve got 12,000 students on these DL programmes and competing for 6 or 7 campuses here. Because our colleges cannot take so many full-time students here so we loose a lot of students to other universities in the UK, and Australia and Canada as well.’

Issues with DL model in China are associated with recognition and affordability. One UK institution commented:

‘We can only operate part of the courses because the Chinese government at the moment does not recognise an overseas distance learning course. If you have a university degree from for example from a UK university you have to actually spend a certain amount of time there and the students have to show a validated visa you come in. So our HK partners tried to lobby the Chinese government but without much success. The Chinese government recognises the Chinese distance learning and on line learning, actually a year ago the Chinese government made a law and had issued a regulation and recognised fifty on line universities from Chinese universities, and Chinese distance learning was actually great, for the Chinese providers was greatly encouraged. So we were quite surprised that why they do not recognise overseas distance learning providers.’

DL programmes can bring in significant income. One institution told us, ‘our DL operation is responsible for about 7% of the university income.’ However the price of DL programmes in China seems problematic:

‘We want to run DL in China but it’s falling under the radar. We are probably not meant to be delivering in China probably also delivering mainly to ex pats audience, and I mean this is where it’s bound to compare in different markets I suppose. If you were to compare say our US market with our Chinese market or HK market, two totally different animals. Our US market is all independent learners the majority, we’ve only got two or three places that are for any form of support in the US. In the US they tend to be all career professionals or thirties forties they generally are, you know. We are getting some lawyers and they are taking it on as a second degree often, the majority of the others will be post grads, and that is almost a straight DL course that they’ll be taking. If you take HK the vast majority of students are part time under graduates so they then usually about late twenties early thirties and they are studying partly for social reasons partly for self advancement, we have a smaller cohort of full time students in HK who are studying full time and they are more like conventional under graduates. They’re probably a bit older and I suppose they are probably the people

who tried to get into the local university but the capacity wasn't there. And often they chose us as a second choice after a couple of years out of education, and then also in HK we've got the independent students who are post graduates but they just pass them on in number I suppose. One of the real differences when you start talking about a country like China is the sudden problems of affordability of our qualifications because we use the same prices worldwide. When you're talking DL you can't really charge according to where people are coming from because your average distance learner on a TNE programme is very globally mobile and so its stupid I mean we've got one student, he's taken four sets of exams and each time it's in a different examination centre, on a different continent. So we've got this policy where we charge the same price. And as soon as you go into somewhere like China or to India or to Pakistan or into sub Saharan Africa you get a very different sort of person who will be able to afford the qualification, and so basically a lot of our qualifications are priced out of the market.'

3.2.1.5 Fly-in teaching

The use of fly-in teachers is becoming increasingly common and it is combined with other models in TNE delivery by almost all our sample institutions. This indicates a trend towards 'blended learning' or 'mixture of models' in TNE provision, using the expressions of our interviewees. For models of dual qualifications and top-ups, fly-in teachers gradually form a very important part of these programmes, in particular in China because of the government requirements of 1/3 of joint degree programmes to be taught by the awarding institutions. Franchised programmes also have more fly-in teachers than before for quality assurance. DL is often combined with face to face teaching in HK and China with tutorials organised by both local and fly-in teachers. One institution said of their experience:

'We have one model which we call model D, which is basically tutor supported distance learning, which means that we provide materials and lecture notes all that sort of thing, but the local tutor delivers rather than us, so in that instance there would be sort of a programme leader back here, who would maybe visit once a year or something like that, and then module leaders would be sitting back at the university providing support by module, so in terms of involvement there it would only be one person generally flying backwards and forwards. In the other one which is really franchise, we have probably in total about six staff who fly and assist with delivery, and you know moderation all that sort of thing, so it depends upon our models.'

3.2.1.6 Branch campus

In addition to the main models discussed above, one institution in our sample has branch campuses in China and Malaysia. There are over 60 academic staff involved in the 2 campuses and the university spent 20 million pounds on the campus in China. Compared with the campus in Malaysia which was set up in 2000 and has 2,400 students, the campus in China, set up in 2004, has developed 'a lot quicker' with about 2,000 students now including the third cohort of students in 2006. So far 114 undergraduate students from the China campus have come to the UK campus for a semester. What are the benefits of the branch campus?

'There are a number of different things. Firstly, offering a degree out in China costs a lot less for the Chinese students so the fees are vastly smaller than they would be coming to the UK. The second is to learn about, I suppose, this sounds a bit trite, but I

guess learning about another culture and the joining together and what we learn from each other in all kinds of different ways is academically incredibly important and interesting, you know the building bridges to make good research links is important and the spin off for not just the university but for the local area are important. But mainly this is about being able to offer a degree to our standards out in China. The last thing it is is profit making, this is not designed, it is not a profit making endeavour. I think one of the most important corner stones of it is that our students now who come to the university get the opportunity to study all over the world as part of their course, I mean we are also involved with the U21. Anyway I think that's another area where a student might come to the university here spend the first year here and the second year they might go on a U21 link to Melbourne in Australia, to do their second year. They come back here having passed their second year then they think well I'll do a semester in China, they go out to our campus there then come back and do their finals here. I mean that is a real global and you know all the time the degrees to the same standard and you know this is just so incredible because you couldn't do that ten years ago.'

Another institution, however, commented on the model of branch campus with reservation:

'Have the universities setting up campuses in China, now that campus is mainly a teaching campus, and back home it is a more research campus. So it's not the same, as we are not sure, we want to make sure that the qualification students get is the same.'

3.2.1.7 Contractual model

Table 13 also shows an example of a new model - the contractual model, which is different from other TNE models that prevail in UK HE/FE institutions. The programme leader has been hired by a university in HK for the international element of their course. He is in a contractual relationship with a Chinese programme which is designed for senior civil servants and city mayors in China but run in HK. The 2-year course includes a 3 week summer school in the UK with 15-20 students a year and it is expected that there will be 40 students from next year. The programme leader's experience is that this is a:

'Contractual model with proven curriculum content, cost of provision and then annually agree a contract and then that contract is from the quality assurance and enhancement stand point. The whole programme is monitored and assessed and the students report on how effective they feel the various elements are and so on, that helps me to modify them then for the following year. The costings I insist up on the payments up front before the course starts, always have done that particularly with mainland China. In the past I am not so worried about Hong Kong but sometimes it can be difficult so I always insist upon all the fees paid in full before the programme starts. And the money is routed through Hong Kong so that's fine.'

Although the Chinese programme only has 3 weeks for students to stay in the UK, it contributes to potential partnerships between the UK and China from a long-term point of view:

'I think it's raising the profile of China and Chinese talk for academic issues. We always hold a reception in the summer which people from the Chinese embassy and from the Chinese community in Britain, the Brits who have worked in Chinese business and so on, but successful in various disciplines, are invited, and it's meant that staff get to meet and mingle with their members and so on. So it's a general awareness raising

and as a result of that we've seen the numbers of staff going to collaborate on specialist projects across China mainly in Beijing I have to say, but we've got sociologist and topologists collaborating in Beijing, as a result of exposure to Chinese things during the summer. The other important thing for the UK is that I have a data base of high flyers that have been identified and supported by the Chinese government for five years, and I held on my event in Hong Kong last Spring got quite a few back for that, and I am starting an email network to people, the other people in touch so hopefully as they all get it into positions of responsibility with it leading orchestras or managing financial futures or senior politicians. They'll think about when they want to do business in Europe or do things internationally think of London as the place and the UK as the place that they use as a spring board for it.'

3.2.2 China overview

In China TNE is talked about as TNE institution (hezuo banxue jigou) or TNE programme (hezuo banxue xiangmu), according to the definition of TNE (hezuo banxue) by the MoE. A TNE institution can be an independent legal entity or a non legal entity, which is jointly run by a Chinese education institution and a foreign education institution. So far there are 2 TNE institutions approved by the MoE in China in collaboration with UK universities: the University of Nottingham Ningbo and Xi'an Jiaotong-Liverpool University (see 3.2.2.1).

The TNE programme in China can be identified as qualification education programmes and non-qualification education programmes. Whilst the former is authorised to award a degree or a diploma, the latter has no such awarding power. Students recruited for TNE programmes come from two sources: in-plan and out-of-plan enrolments. In our sample of 24 institutions in China, 12 institutions recruit students for TNE programmes through in-plan enrolments and 10 have out-of-plan enrolments. Some institutions recruit both in-plan and out-of-plan students. The distinction between these 2 categories is that in-plan students all passed the national university entrance exams and obtained the required grade of the institution, therefore enrolled in a 4-year degree course or a 3-year college qualification course, whereas out-of-plan students are recruited at a lower entrance requirement by the institution for a non qualification course. The institutions with in-plan students for TNE programmes are usually high-ranking universities or provincial key universities and their TNE programmes are very often in the model of dual degrees or dual qualifications. TNE programmes with out-of plan students are more likely to have twinning programmes, that is, $m + n$ with 2 or 3 years in China and 2 or 1 years in foreign universities to obtain a foreign qualification. Many TNE programmes with out-of-plan students are at the postgraduate level too, for example, with 0.5 or 1 year pre-Masters in China and 1 year or more in awarding institution abroad. Obviously there is a difference between in-plan and out-of-plan students enrolled for TNE programmes, though some top students may have not performed very well during the national entrance exams due to unexpected reasons.

Table 14 shows that, from a Chinese perspective, TNE are jointly provided mainly in the models of:

- TNE institution
- Dual degree
- Twinning
- Contract agreement
- Flexible model

- Branch campus
- Exchange

Many institutions have parallel TNE programmes, that is, programmes using the same model and at the same level for different subject areas. The number of students ranges from less than 10 to 400 for each programme and from 200 to 500 for TNE institution a year. The tuition fees charged for both TNE institutions are RMB50,000 Yuan and for TNE programmes from RMB13,000 Yuan to 40,000 Yuan. The exception is Case 1 in Table 15, in which the tuition fee of RMB50,000 Yuan, covering 1 year and half of the programme, has been charged only in the last couple of years and paid by the university that sent its teachers to the programme. For dual degree programmes, in particular in the mode of 4+0, the income of local tuition fees is often divided between the local and foreign institutions at 50/50. For other models, this varies from 80/20 to 40/60, depending on the contribution of foreign institutions.

Table 14 TNE programmes provided in institutions in China

| | Main models | No. of Programmes | No. of Students | Tuition fees |
|----|--|---|---|--|
| 1 | Contract agreement (1.5 yr, half yr practice in HK) | MA in social Work; MBA with Harvard | About 25 a yr, no more than 35 a yr (MA) | HK scholarship, 50,000 Yuan |
| 2 | Dual degree, 4+0 (in China) | 1 | 122 (2004); 236 (2005); 500 (2006) | 40,000 Yuan (50/50) |
| 3 | 3+1 UG; 1+1 Pre + PG; college + UG degree; dual degree (3+1) | Unwilling to say | Over 100 (2006) 85% continued with PG; 15% of in-plan students (400-500) to UK per yr | Unwilling to say |
| 4 | 2+2 foreign award | 8 (the Netherlands since 2000) | 10-20 for each programme, 140-160 to the Netherlands per yr | 28,000 Yuan, Euro 6,000 in the Netherlands |
| 5 | 2+2 foreign award (International college) | Unwilling to say | over 400 per yr (with 2 UK institutions) | Unwilling to say |
| 6 | Exchange of PhD students (dual degree 1+1+1 thesis in country); 3+1 (French not yet approved by MoE) | Programmes with Japan, Australia, Germany, France and Singapore | 30-40 a year | Japanese, German scholarships to go to Japan or Germany. |
| 7 | Flexible model (certificate + diploma + masters); exchange (UG) | 2 (1 yr Masters with HK; 3 terms Masters with UK) | Over 40 (2006); 30 for flexible model, may expand to enrol 30 more. | Studentships by BP & CP |
| 8 | m+n; exchange | None at the moment but waiting for approval | Plan to send 50 to each of 2 Welsh universities if come to agreement. | Not willing to say |
| 9 | TNE institution, dual degree | | 2006 enrolment in Jiangsu about 200 for 1st yr | 50,000 Yuan a yr |
| 10 | 2+2, 3+1, 1+1 (PG) | 7-8 | 60 a yr, 268 to UK, 100-110 progress to Masters | 25,000 Yuan, in UK £8190 (45,000 Yuan for 4 yrs) |
| 11 | 2+2, 2+3 (UG +PG, UK); 4+0 (Australia, dual degree); 1+2+1 (2 yrs in US dual degree) | 7-8 | 15 1 st yr, 60 2 nd yr (of 300 students, plan of 50, UK); 20 for US | 19,000 Yuan (10-20% discount of fees in UK) |
| 12 | 4+0 (Australian degree 2000, 2002 dual degree); | 1 | 100 a yr | 13,000 Yuan a yr (50/50) |
| 13 | 2+2 (Korea, dual degree); 3+1+1 | 1 | Over 100 a yr for 2 yrs | 13,000 Yuan, 20,000 in Korea |
| 14 | 1.5 +1.5 +1 (2.5 yrs in France) | 2 | Plan of 50 (2006 1 st yr) | 15,000 Yuan in France for 2.5 yrs |
| 15 | Pre-Master (half yr) + 1 | 1 | 7 (UK programme, stop | 30% discount of |

| | yr Masters (UK); | | now) | tuition fees |
|----|---|--|---|---|
| 16 | Dual degree; joint PG programmes; exchange; teachers training; 3+1 | About 10 (France, Germany, Italy, Australia, US, UK) | Not tell | Total expenses in France not exceed 10,000 Yuan |
| 17 | PG 2+2 (joint PhD programme); US branch campus | 3 | 20-30 Masters followed by 10 PhD students to France; 300 US students to branch campus a yr | 9-10 PhD scholarships by French government |
| 18 | 2+2, 3+1; summer school (2 weeks in UK); 1+3 (arts) | 7-8 | About 100 to UK for degree courses; 40 to summer school last yr | 24,000 Yuan inclusive for summer school |
| 29 | 2+1+n (2 yrs in China, 1 yr in Canada, if pass progress to degree course) | 1 | 120, sometimes to 130 but controlled number | 25,000 Yuan in China |
| 20 | TNE institution, UK degree | | 2005: 537 UG & 119 PG; 2006: 800 UG & 200 PG; 4000 by 2008 | 50,000 Yuan UG; 60,000 Yuan PG |
| 21 | Joint MA programme (half yr in China and 1 yr in UK); Joint PG | 1 education, UK, 1 biology Netherlands, 1 in Thailand | About 10 each yr (UK) | £5600-5700 |
| 22 | Dual degree (UG 2+2); UG+PG (3+3 dual UG degrees + Masters degree) | TNE institution | No more than 100 each yr (46 went to France 2006, of 56 examined, high %), | 200,000 Yuan for 4 yrs, incl. return flights to France. |
| 23 | Contract training course 2+1 (3 months, 1 month in Oxford) | 2; the 3rd in discussion (with UK students coming) | 35 a class, 2 classes a yr, 8 classes so far | Fees paid by local government |
| 24 | EMBA; exchange; study abroad | 1; exchange with over 20 universities in over 10 countries | No more than 40 each yr, 154 in total by 2006; over 100 for exchange a yr; study abroad 5 this yr | 250,000 Yuan or \$30,000 (50/50); study abroad a package fees |
| 25 | 2+2, 3+1, 1+3 (more 2+2 less 1+3), 4+1 (1 yr PG UK) | International College with 8 UK universities | About 30 to each UK university | 30,000 Yuan a yr |
| 26 | UG + PG (4+1; 2+2); exchange; 3+1+1 (waiting for approval) | Several | 50-60 a yr (for 5-6 yrs) | Not willing to say |
| 27 | 3+1 (college to UG degree, 1 yr in UK) | Many | 497 to a UK university since 1997 | £7,000 for students in UK (10% to China) |

3.2.2.1 TNE institution

The University of Nottingham Ningbo, China (UNNC)

UNNC is the first TNE institution established after the 2003 Regulations came into effect. According to UNNC's Executive Vice-President Ian Gow, for the most part, the University of Nottingham has been free to establish the parameters of the institution in terms of curricula and operational structure. Given that all teaching and management is in line with provisions at the home UK campus and all programmes are taught in English with students being awarded a University of Nottingham degree, the Chinese partner Wanli Group, a local education group, is sometimes regarded as an investor rather than a partner (Verbik and Merkle 2006).

Wanli Group set up an example of running schools in the model of private school owned by the state (guo you min ban). That is the school buildings and facilities are state owned but the state has no investment in its running. The school's maintenance and development depend on the income from student tuition fees. Therefore its operation is private and all its

risks are privately shouldered whereas the assets accumulated are state owned. Wanli Group has been successful running this model from primary and middle schools to FE colleges. In establishing the UNNC,

'Wanli's way is unique as it combines the advantages of both public and private education institutions in a specific period in China. On one hand, the government cannot invest more in HE to meet the demands of the society. On the other hand Chinese people now have higher income and want to look for better education opportunities. That's why the government allows private education but all the educational assets should belong to the state. So both Wanli and Nottingham are clearly aware that this is not an institution to make profit. Even if we had any surplus, we would re-invest it in further development of the institution.'

UNNC has been fully supported by the MoE and local governments from its original idea and initial negotiations to the approval and construction of the institution:

'For this piece of land of 1,000 Mu, it would require 2.5 to 3 billion Yuan if in business operation. Because we use the land for education, it only cost us 20 million Yuan. Both the Zhejiang provincial government and the Ningbo municipal government not only allocated land for the construction, but also invested money. When we signed the contract, both Ministers Chen and Zhou went to Nottingham for the ceremony. Last year when Tony Blair came to visit China, he spent 45 minutes in a TV programme introducing UNNC. So we've been supported by the two governments.'

The total investment in UNNC was 550 million Yuan. Over 60% was invested by Wanli Group, who believe that 'education is our mission, not business', and 'partnership is not a pure business or market performance and this is an education activity'.

In fact, the University of Nottingham's Chinese partner is not simply an investor as they helped UNNC solve issues such as 'the chicken and egg situation':

'We follow the regulations in our TNE but there are some in conflict with our reality. Many things are interesting, like to have a hen first or to have an egg first. For example, in order to get the approval from the MoE, we should have all the lecturers in the university. It's a simple question to the MoE: How can you run education programmes without teachers? However for the UK side, how can we send lecturers to China without students there? But without teachers here, we can't get approval, therefore unable to recruit students. We had to negotiate with the MoE and we were given great flexibility. So we use Wanli College to recruit our first year students but all teaching was done by us and all teachers were ours. Such issues need a transition and medium.'

The first cohort of students recruited in 2004 was over 200. In 2005 UNNC first appeared as an independent university in student enrolment. Because the approval came in late May and the national enrolment started in June, UNNC recruited less than 700 students in Zhejiang Province only. 2006 enrolment started within whole China, covering 10 provinces and cities along the coastal areas. The enrolment plan has been fulfilled with 800 undergraduates and 200 Masters students. In addition, there are about 100 overseas students coming from over 20 countries and regions. So far UNNC has about 2,000 students on campus. However 'before we have 4,000 campus students, we won't be able to

break even. That means we'll lose money until 2008. University of Nottingham put in money for these two years to balance the operation cost.'

With respect to the tuition fees of 50,000 Yuan a year as related to the sources of students, UNNC holds an optimistic view:

'The coastal areas, like Ningbo, Zhejiang Province, Shanghai and Jiangsu Province, are well off regions. If both parents are normal salary earners, they would be able to afford 50,000 Yuan a year for their children's HE tuition fees, as the annual salary for a teacher or civil servant is about 60,000 - 70,000 Yuan in coastal regions. Just imagine, the population of Zhejiang Province is 56 million and the population of the UK is only about 60 million. So one Zhejiang Province is almost a UK! Our students mainly come from Zhejiang. This is similar to the Fudan University and their students are still more likely to be local students in Shanghai. In general there are not many high quality HE in Zhejiang or in the whole nation. So long as we seriously do education to guarantee teaching quality, we can achieve recognition and win good quality students. There are 10 million students taking the national entrance exams every year, 10 million! So we shouldn't worry about student sources as long as we maintain our quality standard and have our own characteristics.'

UNNC's characteristics are mainly to train international specialists. 'If students don't have any international experience, they won't be able to become international. Our students, both undergraduates and postgraduates, will have at least one opportunity to go abroad to study, including going to the UK.' The teaching plan has this element of studying abroad for a semester or an academic year. The shortest course abroad is the summer programme of 6 weeks. Students do not pay tuition fees abroad as these programmes are exchange or study abroad programmes. Of the first cohort of over 250 students, 120 have been on exchange programmes with some going to Nottingham and some to Canada and France.

To make a joint TNE institution like UNNC successful, there are 2 important 'must haves', 'must have a good partner and must have a good bridge':

'Professor Yang Fujia is such an excellent bridge between the UK and China. He is the Chancellor of University of Nottingham. His communication between both sides has played a very important role in negotiations. Due to the cultural difference, contradictions and conflicts are unavoidable. Both sides have the same objectives but may not perform in the same way, for example, in legal details and in practical operations, such as teaching contents. So it's crucial to have a bridge in the middle that both sides trust. Without such a bridge, it's unimaginable how we can deal with all those issues. It's so important to have a negotiator in between. If you listen to the Chinese side or the MoE only, the UK side wouldn't agree. They did not come to run a Chinese university. Vice versa, the Chinese government wouldn't allow you to completely follow the UK way. That's our difficulty, we have to follow the HE regulations of the MoE and at the same time we have to meet all the requirements of the UK side, including their quality assurance because we award the qualifications of the University of Nottingham.'

Xi'an Jiaotong-Liverpool University (XJLU)

XJLU has formally been established this year with the approval from the MoE in May 2006. It is a new and independent university in Suzhou, a global manufacturing base in

Jiangsu Province. Both University of Liverpool and Xi'an Jiaotong University (XJU) regard it as a joint venture combining two highly ranked universities (in Chinese, 'qiang qiang lian shou'). According to both universities, 4 factors have been influential in the establishment of XJLU:

- The opening of the education market
- Suzhou Industrial Park and its HE Zone
- Contacts between XJU and Suzhou government
- Long-term partnership between XJU and University of Liverpool

'China's entry to WTO indicates the beginning of the opening of the education market. Recent regulations further set up the legal framework for TNE institutions. So legally it is allowed to establish such a new university and this is the first more regulated TNE institution jointly set up by 2 high ranking universities after the MoE's TNE regulations came into effect.'

'Suzhou Industrial Park, as a centre for advanced industry and technology development, has attracted many of top 500 companies in the world. From a practical point of view, Suzhou government hope to draw high quality education resources to meet the local demand. Therefore they set up a HE Zone within the Industrial Park to attract famous universities both in China and abroad to open campuses there so as to train universities students at both undergraduate and postgraduate levels. The attractiveness of the HE Zone includes the discount price of land and facilities etc. Both the market demand and local government's push have laid a good foundation for our TNE institution.'

'Why did XJU choose to go to Suzhou? This is related to some senior contacts between XJU and Suzhou municipal government. The former President of XJU is a close contact of the former Party Secretary of the Suzhou municipal government. XJU is strong in technology and engineering in China and there was a discussion if we could have a campus in Suzhou. However to have a campus in Suzhou would be problematic from the point of view of Shaanxi provincial government and Xi'an municipal government, as such a campus may affect the teaching and development of XJU in Xi'an. To establish a new university based on the collaboration with the University of Liverpool in the UK has solved this problem.'

'XJU has long term relationship with the University of Liverpool, which also has strong technology and engineering departments. We have close research contacts between the 2 universities since the 1980s. All these formed a strong base for this new TNE institution.'

XJLU's own experience suggests that a precondition of the establishment of such a TNE institution is the local government's fully support:

'Our building has been built by the Suzhou government and we have been given long term discount for all the land. This building is constructed on the land of 300 Mu, our first phase construction land. There is another 750 Mu for the second phase construction. The whole campus will be on a scale of 1,050 Mu. A university can't afford to construct such a campus without the local government's support. I can't criticise as there's nothing to complain about regarding the local government. They

have spent so much, I mean, within the whole Industrial Park, their leadership is very effective and responsible. Their help and support to our university is far more than we imagined originally, much, much more than you can imagine! They also helped us in our enrolments, we are new here and have no local contacts, you know.'

Unlike UNNC, XJLU combines 2 educational systems in its teaching plan and education outline. Its curriculum is designed by both University of Liverpool and XJU. 'Some are designed successfully combining strong points of both universities. Some new curricula have been taken to the University of Liverpool to pilot.' In terms of education concept of the institution,

It is closer to a UK university, for example, to emphasise the competence training. Teaching will be mainly in English with bilingual classes in the first year and English throughout the remaining 3 years. We hope students graduating from this university will have a grounded theoretical training which is the strength of the Chinese university but meanwhile also possess the ability of working independently as well as solving practical problems by using the learned theories. We'll emphasise the training of transpersonal skills, such as communication ability, project management etc. and our students graduated will meet the international demand. This is our university's strategy.'

In 2006, XJLU has recruited more than 200 students for the first year. The enrolments took place in Jiangsu Province only as there was only 2 weeks for advertising the university before the enrolments started. But it was better than expected: 'We thought we wouldn't have more than 100 students this year.' Students are from both north and south of Jiangsu, including Nantong and Yangzhou on the northern side of the Yangtze River, although the south of Jiangsu is economically more developed. Some parents and students in Shaanxi Province made inquiries about the university's enrolments and wished they took place in Shaanxi Province too. From next year the enrolments will be nationwide and in neighbouring countries and regions. XJLU initially focuses on undergraduate degrees in computer science, electronics, and IT, with projected enrolments of 8,000 students in 5 -10 years.

The tuition fees at the moment is 50,000 Yuan and 'it is a bit higher at the beginning because we have to have at least 1/3 teachers from Liverpool and 1/3 teachers from Xi'an in teaching before we can award our own degrees in 3-4 years' time.' According to the regulations in HE in China, a newly established university should have students for 3-4 years and then reviewed by the MoE before being authorised the degree awarding power. Therefore XJLU's first cohort of students will be awarded dual degrees by both University of Liverpool and XJU upon completion. In order to obtain a UK degree, students will spend half a year in the UK for English language training during their 4-year undergraduate programme, according to the requirements of the University of Liverpool. This half year will also be used to match the credit requirements by the University of Liverpool.

One unique feature of the XJLU is that all its credits are recognised by both the University of Liverpool and XJU. Therefore students of XJLU can choose to go to Liverpool after 2 or 3 years of study. In fact the University of Liverpool is also thinking of sending students to XJLU in China:

'From the point of view of education, if you want financial benefits, that should be very long term. A university should be aware of the non-direct benefits in the future. From our Liverpool angle, China's economy is developing so fast, in particular in the area of manufacturing. Our students in technology and engineering can go abroad, but where to? Our university has this in mind: to go to XJLU. Such benefits are global, aren't they? If a TNE institution is successful, it will raise the profile of both universities internationally. Therefore an open university would consider its international development in the context of global education.'

3.2.2.2 Dual degree

Dual degree is the favoured model in Chinese HE institutions, in particular in high ranking universities, partly due to the requirements of the MoE for TNE in China. Of our sample of 24 institutions, 10 universities have TNE programmes that award dual degrees by both partner institutions. Dual degrees can be 2 degrees awarded at the same level, e.g. undergraduate or postgraduate level, or 2 degrees awarded at different levels, e.g. one degree at the undergraduate level and one at the postgraduate level, or one Masters degree and one PhD degree.

Dual degree programmes at the undergraduate level may have the pattern of 4+0, 3+1, 2+2 or 1+2+1. The reasons for different patterns adopted by universities are varied. One high ranking university doing 4+0 explained:

'We started the negotiation with the UK university in 2003 and our application for this joint programme was submitted in April 2004 with the approval by the MoE in June 2004. So the whole process was relatively very fast. The initial aspiration was to provide Chinese students opportunities of international education. But since it is a programme, we also want to keep our own strength in it. Therefore we framed our programme in two places: recruiting good students, that is, in-plan students with as high marks in the national entrance exams as our other students and awarding dual degrees from 2 universities to students on completion. We don't do pre-courses for any other universities and we don't recruit students for foreign universities. So students come to study for 4 years in our university. Teaching has been divided 50/50 between the UK partner and our university. We teach most of the subject foundation courses in the first 2 years, including those common courses required by the MoE and they only teach 1 or 2. But in the third they teach more than us and the final year's courses are all taught by them. Students' final year projects are supervised by the 2 universities. All the teaching is in English. In the first year lectures can be in Chinese but all the teaching notes, assignments and exams are in English. Our programme has been reviewed by the MoE and it is a very successful one as it draws on the strengths of two universities and two education systems. This year the MoE gave us an enrolment plan of 500. In 2005 it was 250 and in 2004 it was 120. This programme has also been selected for the UK QAA audit, the first time that the UK evaluated their overseas programmes in China.'

A provincial university has the following TNE strategy which actually has been shared by several other universities in our sample:

'We have 2+2, 3+1, and 2+3 programmes with UK universities and other countries too. We also have 1+2+1 with US, that is, first year in China, second and third years in the US and students come back for the final year. It is also a dual degree programme. We

have different models but for each model I don't want too many students. The student recruitment for TNE programmes are all through in-plan enrolments. If you have more students for one programme, it will be troublesome when many students can't go out finally or if they all go out after the second year. So I only want 10% of our in-plan students to be on different TNE programmes in order to share the risks. For example, if a subject enrolled 500 students, I would feel very happy when 50 students can go abroad. We have 20,000 students in our university, 10% of them on TNE programmes would be a very good proportion. If more than 10% I would be concerned about the risky elements in it. For example, if I have all TNE students on UK programmes, what would happen if some of them can't get the visa? So I only have about 15 or 16 students on 2+2 UK programme. It won't cause great troubles to a small group of students. On the other hand, it's easier to expand if I have 10 TNE programmes. Even the government policy is constantly adjusted. So we could increase student numbers easily if we want. But if I already have 100 students on one programme, it would be more difficult to do it.'

The tendency of dual degree model is becoming more flexible particularly in combining TNE programmes at different levels. This is because the Chinese HE system recognises such programmes and students can be enrolled for such programmes in Chinese universities (in Chinese it is called ben shuo lian du or shuo bo lian du). Another reason is the TNE regulations require Chinese students on TNE programmes to study abroad for more than one year if a foreign degree is awarded. In the interviews with universities, the following patterns were mentioned:

- 2+3 UG + PG
- 3+1+1 UG + PG
- 4+1 UG + PG
- 3+3 Dual UG + Masters
- 2+2 Masters + PhD

Interestingly whilst only one university is doing 3+1+1, several other universities are also thinking about future TNE programmes in this pattern. This provincial university told why they chose 3+1+1 pattern:

'3+1 is not appropriate for dual degrees, as 3 years in China and only 1 year in the UK wouldn't help to validate the UK degree. We want a degree with full credits, not a false one. So students can study the first 3 years here and go to the UK in the fourth year. We recognise their credits for the final year and award our Bachelors degree on their completion. This year can also serve as a bridge between the undergraduate and postgraduate courses. Afterwards students can continue to study their Masters courses in the UK and obtain a UK degree. In this way our students can obtain our Bachelors degree and a UK Masters degree. But we can't guarantee students a UK Bachelors degree because it's difficult to validate it. We told our students clearly about it.'

3.2.2.3 Twinning

Twining seems to be the most common model in TNE in China. Most institutions in our sample have twinning programmes (fen duan shi bei yang), that is the pattern of m+n. The advantage of twinning programme is that 'it cuts the cost to the minimum because we don't need to change anything for our first two or three years and our teachers don't have to use partner university's teaching materials. We only add in more English language training.'

For students in such programmes, they have to pay their Chinese university a certain amount of fees if they want to keep their registration with the university. In addition the university with twinning programmes can attract good students as many parents want to send their children to study abroad. Within twinning programmes, '3+1 looks more popular than 2+2 nowadays and we have more students on 3+1 than 2+2.' However:

'This is a serious issue for the MoE because there may have fewer students in their final year on campus, sometimes a whole subject may have no students for the final year. It is a problem as if it is not a university but a professional college with students on campus for only 3 years.'

At the other end of the spectrum, twinning does seem to have significant implications for vocational or professional courses delivered in 3-year colleges. Many of 3+1 programmes can be equivalent to top-ups. One such college started their TNE programme in 1996 and came to agreement with a UK university in 1997:

We can only offer college qualifications, not degrees. So we do 3+1 with this UK university and students on this programme get our college qualification and UK's Bachelor degree. So far we sent nearly 500 students to the UK and parents and students like this "yang shen ben", that is, to obtain a foreign Bachelors degree based on a college qualification. This has solved lots of problems for our students as they are welcome by employers after coming back with a UK degree. Because of this programme, our teachers can go to the UK university for training every year - we get 10% of students tuition fees paid to the UK university, and UK teachers also come to our college for visits. This really makes a difference in building our teaching and research capacity.

In terms of the influence of recent TNE regulations, the college said that they won't be affected as they only offer college qualifications so their TNE programmes were approved at the provincial level.

To some extent, the m+n pattern can reflect the practical TNE operation in China. One polytechnic college representatively said:

'Our programme is in reality a degree programme in collaboration with a French university. Initially it was designed in the pattern of 1.5+2.5, that is, students study in our college for one year and a half, then go to France for 2 years and half to get our college qualification and a French Bachelors degree. However, according to the MoE, we can only have joint programmes at college qualification level because our institution is a 3-year college. So we changed it to the pattern of 1.5+1.5+1 and the last one year is up to the students' own preference for a French degree or not. It's not a part of our programme, though students actually all want to have a French degree, so they will stay there for 2.5 years. But in this way we satisfied the MoE's requirements.'

Another institution, a provincial university, also has twinning in the pattern of 2+1+x. This is a joint programme with a Canadian university targeted at out-of-plan students who did not pass the national entrance exams. Because this is not in-plan enrolment, the university can't award degree to these students. Their strategy is to collaborate with a foreign university so that students can obtain a foreign degree upon completion:

'This is a very successful non-qualification programme. We have been doing it with a Canadian university for over 10 years. The key is to assure quality and management. Students recruited for this programme are those unable to go to a 4-year university because of lower grades of their national entrance exams. They study in our university for 2 years and then go to Canada to study for 1 year. If they pass they can progress to the final year of a degree course in that Canadian university and obtain a Canadian Bachelors degree. Of course they may stay longer to study for a Masters degree if they want. The programme scale has been maintained at about 120 students each year, sometimes it may increase to over 130 students. Our students are mainly recruited in our province with a few from other provinces. They have to present their national entrance exams grades, take an English test and a comprehensive test, and finally they will be interviewed one by one. We have good student markets and can select better students. We have created this brand and the programme is fully recognised by parents and students.'

3.2.2.4 Contract agreement

Contract agreement model is often seen in joint training programmes of high ranking universities. Their partners are usually famous foreign universities, therefore can be said to have drawn high quality education resources to China. Two examples from our sample institutions demonstrate that these contract programmes have significant impact both in terms of the subject areas and their unusual students. The first example is a one year and half MA programme collaborated between 2 top universities in China and HK:

'This is a joint programme of MA in Social Work. There was no Masters programme in Social Work in China at that time. Only in recent 5 years this subject has been developed. So there was such demand in China and that's why we started this TNE programme. We have had collaborations with that university in HK for 20 years and they looked for money to help with this programme. Actually their fund came from a UK foundation. They really wanted to help us train teachers in social work. Our students are all teachers from HE institutions and they lecture on courses in this area. The required teaching time is one year with another half year in placement in HK. There are 13 taught courses with 3 taught by our lecturers and 10 by them. The total tuition fees are RMB 50,000 Yuan. At the beginning students all received HK scholarships for the programme but these couple of years they have to pay the tuition fees. Actually it is paid by students' universities rather than students themselves. If a student's institution cannot pay for it, the student can still get the HK scholarship. So the HK university does not make any profit and neither do we. It is just to meet the demand for social work teachers in China.'

'This programme is based on a contract agreement. HK gave us 200,000 Yuan each year, half to our department and half to the Graduate Institute. Students have to take part in exams in order to come. All written and oral exams were done by HK side and students get HK degree. The first 2 years we had about 20 students each year and the intake is no more than 35 every year. Therefore even when we charge 50,000 Yuan for the programme, there is not much money left. But because students are from over 200 HE institutions, this programme is very influential in China.'

Another example is a short training course of 3 months jointly run by a high ranking university in China and the University of Oxford:

'This is a civil servants training course started in 2002. The Vice Chancellor of the University of Oxford was one of senior consultants to the senior management of our province. They talked about this training programme and the provincial government decided to do it in our university. We piloted the programme in 2002 and from 2003 we started to recruit students twice a year. The programme is for 3 months with one month in Oxford. Each class has 35 students who are all senior civil servants in our province. So far we've had 8 classes and students' feedback is excellent. Many of them didn't have learning experience in public administration so it's the change of their conception of management that is the biggest benefit. Students spent 27-28 days in Oxford and all the accommodation and meals etc. were arranged by the Oxford. The timetable in Oxford is very intensive and students studied very hard. We have interpreters and our lecturers together with them there. The tuition fee is very high in Oxford so our programme is not profit-making one. All the programme cost is paid by the provincial government. But the UK side often mentioned 'lost', as we didn't increase the percentage of their income from the programme but they have annual inflation in the UK.

'We've had 2 collaborative programmes with Oxford. Now we are discussing a third one which was proposed by the University of Oxford. They want to organise a training course for UK civil servants and entrepreneurs. Their plan is to send 10 civil servants and 10 entrepreneurs to come here for a week, attending courses delivered by us, visiting our science and technology development zone and meeting famous entrepreneurs in our province. I think the UK government should support such programmes as they can further their understanding of China. UK's investment in our province lags far behind that of other countries e.g. Germany.'

3.2.2.5 Flexible model

The flexible model, to some extent, is twinning in another pattern but leaves more options for students to choose. One of our sample institutions has joint programmes with a UK university:

'Our programme is a 3-term Masters course. Students can study for a certificate in the first term and for a diploma in the second term. If they want to obtain a Masters degree they'll do a dissertation in the third term. They pay tuition fees each term. If they don't want to study the second term after completing the certificate course, they can keep their registration with us and may come to study next year. But they have to go to the UK for the final term if they want to obtain the UK Masters degree. During the first 2 terms UK teachers come to teach and we also teach part of the course.

'The tuition fees for this programme were decided internally. Most students wouldn't be able to afford it. But we've got fund to grant scholarships. Our fund is from China Petrol and the UK side from BP. This is because we have very strong chemistry discipline and the programme is in a cutting edge area where such research is even very limited in China. We want to strengthen our research and build our capacity in this area. We have 2 kinds of students: graduates and professionals, so different needs. We may go to big enterprises, e.g. China Petrol to run a class. But this is different from management training classes because our targeted students are technicians and white collar workers, therefore we'll have more students at this middle level.

'The UK university that collaborated with us is not a high ranking university but it's similar to our university as its operation is based on funding from enterprises. We have good relationships and their Vice Chancellor and our President visited each other's universities.'

Another flexible programme was designed in the pattern of 3+1+1 by a provincial university. The first 3 years are mainly students' time spent in obtaining a college qualification in China. After completion students can study for 1 year in China, improving their English and attending bridging courses. The last 1 year students go to the UK for the final year degree courses so as to obtain a UK Bachelors degree. This model is actually equivalent to top-ups but its difference is in the student market:

'The first 3 years have nothing to do with the UK institution. Students for this programme can be our students and they may also come from other institutions with a college qualification. There's a big potential in student recruitment at this level! In the first 1 year of the programme, both the UK institution and our university provide teaching at 50/50. The UK side asked for a very small percentage of this year's income from students' tuition fees. They only want to cover their cost for fly-in teachers. Their aim is long term as students go to their institution in the second year paying overseas fees to their university. What's more, these students are very likely to continue their study for a Masters degree in their university.'

'We agreed with this model because the UK partner showed positive intention in the joint programme. Their teachers come here for 50% of teaching and our teachers will go with our students to the UK. They also gave us very good discount of tuition fees in the UK, which is used in sending our teachers to the UK. This helps our teachers training. So our university also benefits from this programme.'

3.2.2.6 Branch campus

The branch campus in China refers to foreign institutions coming to set up branch campuses jointly with Chinese universities in order to send their students to China for international experiences. In the sample institutions branch campuses are mainly set up by US and HK institutions. One of the institutions has signed a contract with a university in the US:

'They decided to come to our university to set up their overseas campus. They have such campuses in Paris and in Africa. In Asia this is their first one. Our university has very strong Humanities and they want their students to be international. So they will come to construct a teaching building and improve teaching facilities. There will be 300 students coming here every year. We'll deliver courses for their students. Their students will enter into our society on a large scale. At the end of last year both universities came to agreement and the project has been formally in operation. In September 2006 first 20 students will come. We'll send junior teachers to their university every year from this year. They provide all the expenses and fees. Our PhD students will go to their university every year too with expenses paid by their university. Their students in different subjects can come and their teachers will come together. The courses delivered by their teachers will be open to our students and our curriculum is combined with their teaching plan. They also recognise our credits as our programmes have been validated by their curriculum committee. We can benefit from firstly, receiving foreign education by high ranking university without going abroad; secondly

our postgraduates can have the international training experiences; and thirdly our junior teachers as a whole can get trained abroad, not just individually.'

3.2.2.7 Exchange

About one third of our sample institutions have exchange programmes with foreign institutions. The countries mentioned are mainly the US, Canada, Australia, France, Germany, Japan, Russia etc. Only two institutions mentioned exchange programmes with the UK institutions. However there are very few UK students coming to China so often an agreement was signed but no actual student exchanges. One institution has to send students to the UK as study abroad rather than exchange:

'We have student exchange programmes with more than 20 foreign institutions in over 10 countries, e.g. the US, Canada and Europe. China is now a hot place for their students to come. We have foreign students every semester. This semester we have 18 students and they usually come to study for one semester. We send out our students every semester too and each year there are over 100 students on exchange programmes, including both undergraduates and postgraduates. We have exchange programmes with 2 UK universities but if no UK students come, our students cannot go to the UK. So we also have study abroad with them, that is, our students will pay overseas fees if they want to study there for one semester. Students hope to go as an exchange because the tuition fees can be waived. It's not worth of spending so much money for one semester abroad as this is not for a UK degree. We've only had 5 students going to the UK universities as study abroad. We have few students from the UK and it seems they are not willing to come?'

3.2.3 HK overview

The main TNE models talked about in our interviews with HK HE/FE institutions are:

- Top-ups
- Mixed model
- Joint award
- Branch campus
- Exchange

In HK, UGC funded universities tend to have TNE using the models of joint award, branch campus and exchange whereas community colleges and self-financed institutions are more likely to have top-ups in the modes of franchising or fly-in teaching. Table 15 shows that the number of students for a top-up programme is usually around 120-160. For mixed models that combine DL and face to face tutorials, the number of students can be several hundred to over 1,000. The tuition fees for each programme is generally around HK\$ 60,000, ranging from HK\$ 57,000 to 65,000 with one or two programmes charging up to HK\$ 80,000. The income from the tuition fees is divided at 60/40 or 50/50 between the partner institution and local institution, depending on how much teaching provided by the partner institution. For franchising top-ups the local institution usually gets more, up to 70% of the income from the programme.

Table 15 TNE programmes provided in HK institutions

| | Main models | No. of Programmes | No. of Students | Tuition fees |
|---|---|---|--|---|
| 1 | Joint award, mixed model of DL, on-line & face to face teaching | 5 | About 11,000 graduated | About HK\$ 65,000 |
| 2 | Top up degree by UK universities; fly-in teacher; franchise | 5 (35 AD programmes) | 160 a yr | HK\$ 60,000 - 80,000 a yr |
| 3 | DL with tutorial support; 2+2; branch campus in China | Over 1,000 & 60 overseas partners, about 20 from UK | 2,000 in China; 20,000 FT equivalent | Various |
| 4 | Top up (no fly-in teacher); deliver degree course in China | 3 | 120 | HK\$ 60,000 (60/40, 50/50, 30/70 franchise) |
| 5 | 1 yr top-up; fly-in teacher; franchise | 2 | 20 Business (2 intake/yr); 120 Accountancy (4 intake/yr) | HK\$ 57,000 for whole course, 50/50 |
| 6 | Exchange programmes | 138 exchange programmes | About 20 to & from UK a yr; 600 each yr | Waiver (no financial benefit) |

3.2.3.1 Top-ups

The predominant TNE model for community colleges and self-financed colleges is top-ups. In HK, generally school graduates prefer a degree course to be offered by:

- Local universities
- Overseas top-ups (delivered overseas)
- On-site top-ups (delivered in HK)

On-site top-up programmes can be delivered by local institutions or jointly by local and overseas institutions. HK institutions favour this model as it also helps to recruit more students for postgraduate programmes in universities. But most importantly:

'We could not just rely on our associate degree. We have to do different things to offer different kinds of programmes or programmes at different levels to make sure that we can get a sufficient income. Top up degree is one of the solutions and also the short course like a course lasts for one semester only or one year only, and also courses for children, courses for adults, courses for parents, we have to run all these courses to generate extra income. So this is one of the reasons why this community college started doing top up degree and a mandate of the community college is to make sure, I think, that the community college can survive. This university prescribes that the mandate of the community college is to run associate degrees, short courses, certificate courses, and also top up degrees awarded by the overseas university but not top up degree awarded by the local university, because this would compete with the university itself.'

Around 60% of students who take an associate degree actually go into a top up degree programme and the inspiration of these students is to get a degree. Therefore another important factor that pushed the expansion of top-ups in HK, in particular on-site rather than overseas, is related to these students' expectations of an associate degree course:

'It is only that they could not get into a degree programme right after their A level examination that they have to take up the associate degree education. So we see that it is the aspiration of our students to do a degree, and also if your associate degree programme is linked with a top up degree, there is more certainty that you can recruit

good students and larger numbers of students. So it is not just for money, but in order that our associate degree programmes can survive or attract enough number of students, we must link it up with a top up degree. In the past before we set up this we used to sign a simple articulation agreement with an overseas university, so for the time being we have articulation agreements with over 50 universities in the UK, Australia, mainland China and a few from the states, the majority from the UK. So we provide these opportunities for students to go overseas to do their top up but because it is very expensive and not many students can afford it. And most of the students in HK have part time jobs while they are doing associate degree. So students prefer to stay in HK. Gradually we understood that despite signing all these articulation agreements and allowing students to go overseas, in fact of the 50 articulation agreements many are inactive, because after signing the agreements, no students managed to go there.'

Top-up TNE programmes can be franchised by an overseas university, that is, the awarding university is not involved in the teaching and administration of the programme and it is only responsible for granting the award and for quality assurance. All the teaching is taken up by the local institution. One institution commented on franchising top-ups:

'Some top up programmes also used this franchising model. Personally I do not agree with this kind of operation I quite insist that because this is a UK university award part of the teaching must be taken up by the UK, by the faculties of the awarding university. Otherwise, I think, it is a shame to say that you get the award of the university but actually you haven't seen any of the faculty of that university. So personally I am very against this kind of operation but it is easier to operate this way and it gives you more income because you use your existing staff to deliver the teaching.'

Another popular mode adopted in top-up TNE programmes is fly-in teacher + local support, which means both universities provide teaching staff. Generally HK institutions welcome UK fly-in teachers in their top-up programmes, but issues related to fly-in teaching, such as intensive teaching, follow-up work, local relevance, etc. are real problems:

'We insist that 50% of the teaching must be taken up by the awarding university and this is the arrangement for the top up with one UK university which started one year earlier than the second UK university. In the negotiation with the second university I insisted on this model that 50% of the teaching to be by them. But they didn't expect that and this created a lot of troubles to us because we have to arrange for the timetable of all the UK faculties to come in. They cannot stay here for a long time so we arrange for intensive lectures and seminars throughout the whole semester. Because of this arrangement our colleagues have to pick up. We say that for those academic courses the UK colleagues will take up the lectures and our colleagues take up the tutorial. This is the 50/50. But because of the intensive lecture arrangement the follow up work is intensive as well. When the lecturers have left students will direct all the questions to the tutors in the seminar and students they do not discover that they did not understand what was actually said in the lecture until they are actually preparing for the examination or doing their assignments. So we have to do a lot of make up classes of remedial teaching after the lecturers have left on top of the tutorials. We actually do a lot remedial teaching and also for 50/50 all the dissertations are supervised by the colleagues here. Dissertation supervision alone is a workload much much bigger than the teaching of the whole programme. So our colleagues have to put in a lot of manpower for the dissertation supervision. Also the overseas colleagues are

not able to have students applying what they have learned from classroom into the actual situation, into the actual environment. They use UK examples and we have to look for local examples in the tutorial to help students understand how these theories can be applied into the local scenario. So it is an awful lot of preparation for the tutor. It's not just sticking to tutorial and student discussion, it's not that simple. And also we have no say in the selection of lecturers.'

3.2.3.2 Mixed model

TNE programmes using mixed model are mainly DL programmes offered jointly by overseas institutions and local institutions in HK. However the teaching form of a DL programme usually combines on-line and face-to-face teaching, as 'HK students prefer face to face teaching and rely very much on teachers and tuitions.' It seems that is also why HK institutions preferred using 'mixed model' to 'DL model', emphasising the face-to-face tutorial support in the programme. The scale of programmes in mixed model can be very large as shown in an example of a UGC funded university which has mixed model of DL and face-to-face teaching programmes. So far there are 11,000 graduates from those programmes since they started in 1990. Their students are from HK, China and other Asian countries and also English students, though there are only a small percentage of international students. Another institution affiliated to a UGC funded university described it:

'It's a school of the university, a very special one. We are much larger than the university itself. Every year we have over 100,000 enrolments translating into full time equivalent approximately 20,000. The university itself has 12,000 full time equivalents. So we offer a whole range of programmes for full time students, adult students, different types of students for upgrading interest course at different levels, from short courses to certificated diploma, degree to doctorate level so a very wide range of programmes. Now our role in HK is to provide opportunities for the upgrading of human resources. One way to do it is we have to have a variety of programmes so we work with, apart from our own programmes and university programmes, we also bring in many overseas programmes, so we work with over 60 overseas partner universities to bring in programmes to HK in order to provide the choice and variety of programmes for students in HK. This is a very substantial part of our work, to work with overseas institutions. The school is entirely self-funded and the scale is 20,000 so this private part is bigger than the public part. We run over 1,000 programmes and sometimes with one partner we have many programmes. We have programmes with a certain UK university, for example, mainly DL with some tutorial support. If they come here of course they would keep the sort of fly-in teacher. We are so large that we can afford to have any type.'

3.2.3.3 Joint award

Joint award model is preferred by UGC funded universities in HK as 'quality is monitored by 2 universities and 2 systems work together.' One UGC funded university has joint award Masters programme with a UK university:

'The joint programmes were approved by both universities and they are different from money-making programmes. It's the only one joint award recognised by the central government. Most of UK's 70s Masters programmes were not useful for industry. In 1980s industry-led programmes had started and our partner was one of the first few in the UK to start such programmes. This programme is part-time for 3 years and

students can take it in HK, UK, China and anywhere. This part-time industry-led programme adopts a 'multi-disciplinary' approach. Over 30 modules are available covering 3 major subject areas: 'Business Management', 'Engineering Technology', and 'Information Technology'. The teaching form is mixed: distant learning and face to face, combination of continuing examinations and assignments, online teaching and face to face. UK Education department audit our programmes. Assessment is mixed. Assessment is based on post-module assignments and in some cases, in-module assessments. There are no final written examinations. The part-time industry-led programme is professionally focused and adopts a specialisation approach. It was first in the market in 1990. Students are awarded joint degree by our university and our partner university. We also collaborate with a university in the mainland and students taking this programme there are also awarded this joint degree on completion, which is the only joint award approved by central government.'

3.2.3.4 Branch campus

The branch campuses mentioned by HK institutions are mainly in the mainland. What is worth noting is that in their TNE collaborations with universities in the mainland, HK HEIs imported programmes from the UK and then exported similar programmes to their campuses in the mainland. However, 'import of the programme from the UK to HK seems to involve no problem but to export to China would be very difficult, extremely difficult here, not only because of the regulations, even if you satisfy all the regulations you still need to know how to do it. You need the personal contact.'

One HK institution talked about their bridging role in TNE between the UK and China:

'We have many collaborations with the UK universities and what we have been doing is to offer similar programmes in China. In fact this is what we are doing, for example many of our programmes can be linked into our UK partner's programmes so the Chinese students can either come to HK or we can take the programme there. In fact you know we took the programme leader of our UK partner university to our campus in the mainland last year. He was very keen and they want to offer programmes with us there. They don't want to do it alone. We have a very good collaboration in HK, it's natural to extend the collaboration into the mainland China and we have our network there. So we are in fact planning to introduce UK programmes in our campus there.'

3.2.3.5 Exchange

One HK university told in the interview that their main TNE activity is student exchanges, though 'it may not fall into your definition'. They receive around 600 exchange students each year, 40% are from the US and the other 60% is shared by Europe and Asia, they call it 'Australasia' - Australia, New Zealand and Asian countries. Of the 600, 500 students are just on regular term time exchanges and about 100 came during the summer term - they run a summer term for exchange students.

The university has exchange programmes with 38 institutions from the USA, 22 from Japan, 12 from Canada, 10 from Australia, and only 7 institutions from the UK, which is the same number of institutions as in the mainland, as shown in Table 16. 'This coming year we are going to receive about 20 students altogether from the UK. It's not a big number, but then it's not small really, small is less than 10 so we're happy.'

Table 16 Exchange programmes of a HK institution

| Countries with over 10 institutions | Countries with 6-9 institutions | Countries with 3-5 institutions | Countries with 1-2 institutions |
|-------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| USA (38) | Sweden (8) | Netherlands | Ireland |
| Japan (22) | Germany (8) | Spain | Italy |
| Canada (12) | UK (7) | Finland | India |
| Australia (10) | Mainland (7) | Denmark | Norway |
| | France (6) | Switzerland | Belgium |
| | Korea (6) | New Zealand | South Africa |
| | | Singapore | Mexico |

Total institutions = 138

Source: The exchange programme brochure of the university.

The reason why this HK university has so many US partnerships lies in the fact that 'our first Vice Chancellor was the Dean of UC Berkley so he brought with him his American connections as well as the American system.' Like lots of universities in the US, this university also requires their students to 'all take one year abroad' so as to gain international experience. Talking about exchange programmes with UK institutions, the interviewee gave a very good analysis:

'In the UK you then see institutions we work with are not a lot. Part of my work is to go out talk to people who represent universities, attend conferences, meet with people who visit our university like yourself, and identify opportunities and negotiate partnerships including student exchange partnerships. It has only been in the last one or two years that we've been quite successful in securing UK partners. We have had quite a lot of difficulties securing UK partners. I had asked around quite a lot and my understanding is the reasons include it's not typical of UK citizens to go abroad. They don't go abroad. Their abroad is inland Europe so a lot of UK students if they want to go abroad then they make use of the European exchange programmes, so it's a culture. The other factor which only hit in about two years ago was that there was a tuition rise in the UK. Because typically with student exchanges most students will need to prolong their studies for another year or at least half a year, and that means bigger tuition fees. About two years ago tuition fees increased in the UK, so students were even more reluctant to go abroad and spend that extra money. And for that reason, this is from talking to people who we work with, it's because the UK runs a very strict module system so there is little flexibility. If their curriculum to take courses that students like, the students must take a course which is exactly equivalent to whatever the course that they were offering in the year that they were going to be away, so that they do not fall behind and I'm guessing that the falling behind affects both the students and the university. A lot of universities that we have spoken to have been very reluctant, they want to do TNE. Their concept of TNE is to bring us more students, bring us more fee paying degree students. Because HK has over the past couple of years established what we call community colleges so we've run associate degrees. But two year associate degrees will not do students a lot in terms of their career so the UK universities amongst others have been particularly interested in articulation, so graduates from associate degrees could go to universities in the UK. So these are the kinds of problems that we have come up with.'

This HK institution's experience of exchange with UK institutions is by no means an isolated phenomenon. According to the internal information from the BC HK office, there were exchange studentships of £50,000 funded by the UK DfES to UK students in the

academic year 2006/07. However only 9 UK students applied for exchange programmes in HK so all the applicants were granted a studentship of £3,000 as there was no competition.

Nevertheless this HK university with student exchange as their main TNE began to see more and more UK institutions interested in establishing partnerships with them:

'In the past one or two years we've had some success, and to our surprise they've been people that we've not approached before so people from what we call research intensive universities (tell me if you've heard this before and I won't repeat it), and there are teaching universities. So we've looked for and we have approached universities that are very prestigious, well established and had good research strengths and probably ones that are very comparable to ours, because most of our TNE always starts with a student exchange. What we hope to see happening is to have post graduate students taking part, and research and collaboration as part of that partnership. So that's what we look for, research intensive ones in the UK. And we've not had much success. But to our surprise we've had a lot of people approaching us in the last couple of years, some people like universities A, B, C and D. These people have been very proactive. They've come to us and said we want to do this, are you interested, we want to learn more about your university.'

Furthermore, often TNE programmes were developed on the basis of student exchange programmes. A good example is:

'We run a joint programme with the Copenhagen Business School and the University of North Carolina. It's a jointly taught business programme so both partners started as student exchange partners. And once the student exchange programme has worked well, we started to look at what else can we do with those universities.'

3.3 Institutional experiences

3.3.1 Partnerships

In interviews with FE/HE institutions in the UK, China and HK, questions relating partnership were asked, such as how to identify, select and approach partners. In all the three places, a most important factor in establishing a partnership is to have a partner institution 'comparable to our institution'. In another word, a key determinant in partnership decision making is to look at the partner institution's brand and reputation and make sure it matches 'our ranking'. In China some universities also look for 'high ranking departments' with strength in specific disciplines, 'even if their university is not a high ranking one'. It is worth noting that whilst university rankings in a league table appeared critical for Chinese institutions in consideration of comparable TNE partners, universities under 50 in ranking would not be considered as high ranking universities in China. This has implications in terms of Chinese perception of high ranking universities in the UK where HE league tables are not from official sources.

However some Chinese universities also realised that 'the ranking of the university is very important but it's not just the rank because they may not be the best partner', for example, programmes delivered by high ranking universities are too expensive, 'so you have to be practical.'

Nevertheless there is a tendency to form TNE partnerships between high ranking universities (qiang qiang lian shuo, an expression constantly used by Chinese universities) and between lower ranked institutions particularly for twinning programmes or non-qualification programmes. There are exceptions, though. Some high ranking universities in China and HK have UK partners not very comparable to their rankings and some UK universities have FE colleges in China or community colleges in HK as TNE partners. Key factors in establishing a successful partnership, apart from the brand and reputation, identified in our interviews include:

- Long term relationship
- High level contacts
- Committed individual

3.3.1.1 Long term relationship

Many institutions mentioned their long term relationships with their partners. One HK university has been working with a UK university for over 30 years and they are thinking of expanding into China together. Another HK institution would not think of ending the partnership with a UK institution, which to some extent cannot fully satisfy the HK partner, because they have had a top-up agreement for 7-8 years. One UK university stated:

'Because we are not a high ranking university this often puts potential partners off, as they want the established universities, such as Oxford etc. However the fact that we have around 13-14 years experience in China has been beneficial because we have built up a number of contacts and we believe that our university has established an excellent reputation within China.'

In one case in China, the university appreciated the long term relationship with their UK partner, which is 'not in the same ranking as our university'. They started research collaboration 20 years ago and gradually developed joint TNE programmes. 'We want to keep this partnership because we understand and trust each other, though we'll look for more comparable partners in our future TNE.' The significance of long term understanding and trust has also been recognised by some UK institutions:

'The British council asked me if I would do some consulting on a world bank project in China on the development of their higher education, and we are talking about some 24/25 years ago now. I am quite decrepit now, and so as with all things Chinese. So much of it is long term and also the Chinese having a trust and commitment, you know. They like a relationship which they know and where also the person from the West is sympathetic to their culture and to their development issues. So I've had this long standing relationship with Chinese universities throughout the past.'

As is partly the Chinese culture, Chinese universities like to build partnerships on previous research or teaching collaboration. This is often reflected in personal contacts between academics. The experience of a Dean in a high ranking university reveals the important role that Chinese visiting scholars can play in potential partnerships:

'I went to the UK as a visiting scholar in 80s. I collaborated with a professor in a UK university on a research project. Based on that collaboration, we applied for an EU research project together and worked on it for several years. When the project completed, we applied for more funding to extend it so I went to the UK for many times

during our research collaboration. I helped our university establish some contacts with UK universities based on my connections there and I also set up a TNE programme with a UK university at postgraduate level for those students who wanted to come to study a Masters degree in our school but were not successful. Now I want to contact the professor who collaborated with me before and I'm thinking about further partnership between our 2 universities. We have some foreign universities approaching us, but I feel a partner with someone you know and had collaboration before would be easier for us to work with. We two were getting on really well with each other anyway.'

From the financial point of view, a long term partnership is also key to TNE programmes, as a UK institution explained, 'TNE must be long term partnerships and this was on the basis that each course costs around £18,000 (an estimated figure) to set up, therefore TNE programme must be long term to be financially justifiable.' A Chinese university held a similar view: 'we invested a lot at the beginning of the programme and can't have any financial profit until its 5th or 6th year. So we want to have a long term partnership.'

3.3.1.2 High level contacts

The significance of senior roles in partnership establishment has been highlighted by HE/FE institutions in the three places. A typical example is UNNC's breakthrough in China, which has often been traced back to the University having appointed Yang Fujia, a former President of Fudan University, Shanghai, as its Chancellor:

'Well, no one can underestimate the work involved in setting up a campus, you know. You couldn't ever do that lightly and in a sense it's been a culmination of over 20 years work, because of the links that we've built as an institution and by our Vice Chancellor over the years. So this is a long term plan. It's not a short term fix something that we can do for a year, you know. I mean for example we appointed the first foreign chancellor of this university, Professor Yang Fujia. And that was very instrumental in what we've been doing there. He is a senior figure but very experienced. He's a brilliant man and has been able to advise and guide us.'

XJLU can also be said to have extended the long term collaboration between the University of Liverpool and XJU at the Pro-Vice Chancellor's level. One of the Pro-Vice Chancellors of University of Liverpool has a Chinese background and it was him that started the first research contact with XJU in 1980s. Similar to Professor Yang in University of Nottingham, he has been acting as a bridge between both the UK and China sides and stayed in XJLU in China devoting to its beginning phase of laboratory construction, curricula design and student recruitment.

Some UK universities used senior level contact strategically in TNE approaches:

'We get approaches all the time from potential partners and agents, and we reject nearly all of them, because generally we find the people who approach us are not really the sort of people we want to work with. The best partnerships are definitely where we've made the first move, so we select somebody and you know and make overtures to them, usually the Vice Chancellor or Pro Vice Chancellor start the conversation. And that's the way we want to work more in the future, so it's much more strategic and high level.'

HE/FE institutions in the three places often mentioned the exchange visits at senior management level between partner institutions. One Chinese university stated:

'The President of our university has an old contact in one UK university. He is a professor there so he talked to the Vice Chancellor of their university about our university. We decided to have exchange visits at this senior level in order to build a partnership between the 2 universities. And it proved that exchange at this level is very important because it became much easier for us to work with them after those visits. Everything was easier, from arrangements for discussions and negotiations to finally signing agreements, no block, one step after another, so fast and smoothly! We were also more encouraged and authorised more power in dealing with the whole process as our President supported the partnership, and the partner side also showed great enthusiasm and high efficiency, not like other UK universities we talked to.'

Another Chinese institution has a very successful dual degree programme with a UK university. It is a 4+0 programme and students study all 4 years in China with the possibility of progression to Masters in the UK partner institution. It was the only example of partnership based on mutuality rather than the sole delivery of UK qualifications in our sample, apart from the two TNE institutions. The agreement of the programme was based on discussions between the Vice Chancellor of the UK institution and the President of the Chinese university:

'The Vice Chancellor came to the first opening ceremony of the programme and also other important events related to the programme in our university. The second year he couldn't come due to time conflict with other events in the UK. He recorded a video of welcome for our students. The Dean of the School and their Head of Department also come frequently, every term. The Head of Department even came twice or three times a month if necessary. When he was asked why going to China so frequently, he said, 'they are our students, of course I should go to meet them'. I was moved sometimes by such devotion at different senior levels of our partner.'

3.3.1.3 Committed individual

In addition to senior level support and personal contacts, a good TNE partnership should have committed programme leaders or academics on both sides. One UK institution has a TNE programme which was considered by the institution as 'probably the most successful':

'Because I mean it is long standing for a start. It was supported at very high level. I think sort of VC to VC type initiation, so it's always had support at both ends I think. Obviously, to be honest the partner out there is top notch partner, and I think the key is the guy running it out there is very, very good, and that's what you need. You actually need your local partner to be extremely well organised, because you can't do it by remote control so the key is actually to get a decent, a very good partner, I don't just mean all in status but also in terms of administration control, you know, authority over the operations out there.'

Chinese universities shared similar experience in working with their partner institutions:

'You do need a committed staff from the partner institution. Our joint programme is lucky because the person who is responsible for the programme in our partner institution is very enthusiastic and committed. I communicate with him via email almost every day. He often flid in and discussed every detail with me. He said he liked to work with me and I feel the same too. We never delayed things until later stage and

both of us like to sort out problems soon as they came up. I often said if without such a dedicated person from the other side, it would be difficult for us to work on joint programmes.'

Such committed individual helped communication between TNE partners, which was considered key to good TNE:

It's a two way process really. It's got to be good communication between both partners, both the UK base and the China base. Also, because of the cultural side to China, it's got to really have nominated staff from the UK, you know they like to see the same person or have that named contact over in the UK, which helps greatly with a partnership. It doesn't have to be the faculty head or anybody, it might be the course manager who has the communication with them. It's communication. Communication is the be all and end all of everything and maintaining that communication, if you haven't heard from a partner for a couple of weeks, somebody from here e-mails them or you know, to find out what's happening.

In comparing with his competitor, a US university, a UK programme leader, who has successfully attracted Chinese students to his programmes, had such experience:

'Emotional and cultural commitment to China as a place, and going that bit further you know you've got to if you see it just as in country and relating, you may get something perhaps successfully for one or maybe two years, but without them feeling that you are genuinely supportive and enthusiastic of what they are trying to achieve it won't last so you've got to, people have got to make the effort go out there, you know and actually spend time to show that commitment that counts for a lot, for example with the American collaborators in George Town, I don't think they ever bothered once to go to any of the Chinese Universities.'

Whilst TNE programmes in both China and HK are managed in a more centralised institution structure, thereby commitment from the management level seemingly more important, the commitment of academics in TNE programmes appears to be vital in UK HE/FE institutions, in particular in delivering programmes in country. A head of international office in an UK university said:

'A good TNE programme has got support from the academics on both sides, because the international office staff can say things until we're blue in the face but it doesn't make any difference if the academics don't want to come on board. And whether or not the academics want to come on board that does largely depend on the relationships that they have with the Chinese partner.'

Such view was echoed by a HK institution:

'We are lucky enough to have conscientious faculties, I mean the programme leader. He is very serious and responsible for the programme. I don't know how he handles it, he is very grateful to those colleagues who are willing to come over to HK, because I think it's true for the first two or three times colleagues are very excited about coming over to HK. But then you ask them to come every year and three or four years later no-one is willing to come. So we cannot blame him because it's difficult.'

3.3.2 Drivers and approaches

Institutional drivers and expectations for engaging in TNE are distinctive in the three different places, albeit one common reason is to be international. Almost all the HE/FE institutions interviewed in the UK, China and HK referred to internationalisation as a key aspect of their TNE, which was often linked to institutional international strategy or development strategy.

Our interviews also confirmed that at one end of the spectrum is UK institutions' predominantly financial driver in TNE provision, as discussed in Section 1.2.3, whereas at the other end is the claim by the majority of institutions in both China and HK that they do not make a profit from their TNE. Whilst HK institutions were talking more about providing TNE programmes to meet the local demand, frequent references were made by institutions in China to importing high quality education, such as education system, management style, teaching concepts, course contents etc. What is most interesting, though, is the difference in TNE drivers and expectations uncovered at both institutional and regional levels, which has explained various TNE approaches that different HE/FE institutions focused on.

3.3.2.1 Research-led VS teaching-led

In the UK, research-led universities are generally cautious about franchising as what they expected from TNE is related to 'brand' and 'sustainability'. Therefore they are more likely to focus on quality control and learning outcomes, as in the following case:

'The most important thing is learning outcomes. The learning outcomes are appropriate to the learner in terms of what they actually want to achieve, and they are also the same learning outcomes as would have been demonstrated at a course on our campus. I think that's the very broadest thing that you can expect. But then I think you've also got to look at in terms of things like value for money, in terms of its being, its able to be delivered at a right cost for the home market. And I think sustainability, you've got to think of, because the 2+2 frankly isn't sustainable long term, you're going to hit against the sort of bums on seats. And I think finally you need something that actually can be delivered into different markets but can be adapted to the local circumstances.'

Unlike research-led universities which considered TNE as one of numerous income streams, teaching-led universities are more market oriented as TNE does bring in significant income. In one case TNE activity was considered as a business:

'We don't have a principle really. Because we're market led, we look at each one as a business plan in its own right generally. So if the market was tight in a particular country or for a particular product then we would both sort of share the pain, and we would perhaps take a lower price if we felt everybody was sharing the pain equally. So you know we look at the selling price we can achieve and we look at our costs and we make sure that we achieve a reasonable margin on our costs. So we do look at each one in its own right rather than have a sort of norm.'

In another institution, there was a mix of reasons for TNE, though the top one was still the financial benefit:

'There is a financial benefit, which is obviously worth having. It gives staff some international exposure as well. I think there is also a sort of peripheral benefit in that to our own campus recruitment, because obviously our name is banded around, because we are in advertisements and you know for the partners operating the programmes. So there is a sort of spin off I think into recruitment here. It's a mixture of both really. One programme came out of, the sort of methods of delivery and the programmes there delivered were designed to meet a specific market need. But another programme is a standard product that we developed, if you like, ahead of the market and then if somebody wants to do engineering we have a sort of set of materials that we can just sort of drop in. So it's a mixture. Most of our provision is generic and sort of off the shelf, and we do respond occasionally to specifics, and then also from the market we would determine, for example, if there was a demand, we would then respond to that but then we would try and offer them a standard product. So we would use the market information. We'd got to encourage the schools to develop a standard product rather than engage in what we call flying faculty, which is staff flying all over the world, because we find that model is very limited, because eventually staff do get fed up with going to HK, and it is expensive. So we try and encourage the schools to develop systems and processes that will enable them to do most of the work back here, and employ local tutors to do delivery overseas, so it is a mixture of reaction and of actually saying well we've got these products lets go and look for a partner in HK.'

3.3.2.2 On UK campus VS in country

Since the main driver of TNE is to generate income stream, some UK institutions are keen to develop TNE programmes that would bring students to the UK campus:

'I think the expectations from China would be the same as from other countries as well because our expectations from them, from any partnership in any country would be income. I mean, I've got to be honest there really, you know, I mean, we can stand up and give presentations all day about they're helping with the international aspect of the college and bringing diversity into it, which it is, and bringing aspect of other cultures to the college. It does do all that but at the end of the day I'm a business manager and you know, these international partnerships are all about income. We would not go into them unless it could be shown that they would break even, the in country partnership and would hopefully produce in the future, income for the UK by students travelling here. That may sound a bit hard but, there are other benefits, you know, it does bring international students here and it does give the opportunity for our staff to travel outside the UK to see how teaching or lecturing works outside, delivery takes place. It also subsidises other areas in the college, for example, staff development, you know if we're developing new courses. A college in China recently asked me about doing a business in music course, you know, so I've been able to say to people from the music faculty, can we run a business course and they've looked at developing a course which we can then offer in the UK, that's a good idea for a course, we can do it here. So we've funded course development in the UK.'

However there were differing attitudes towards TNE on UK campus. Whilst one interviewee thought that 4+0 in China as 'just insanity' because there wouldn't be students coming to the UK campus, another interviewee from a university delivering DL programmes raised the issue of campus capacity and related issues as consequences of on campus TNE:

I think logically that if you look at the students coming here it is one of the biggest industries now for the UK, most of the revenue of industry. So we are very important to bring students to this country. But we also realise and I think everybody realises that there is a limit to the capacity and also those students coming here with the high expectations of finding jobs and settling down, where the British industry and the British life will not be able to satisfy most of people's needs, so you let them down and cause some problems. What we think and we hope the government agree with us the next stage is not simply getting the students, let the students have their UK experience but for the students who can't afford to have a UK experience and perhaps for the students who at undergraduate, they should stay doing our courses in their own country and postgraduates coming out for one year and having the experience. We think that our model should be greatly encouraged by both sides with Chinese government and the UK government, because we don't really want China to lose that bunch of students, you know four years to us, although it's good for the UK, but I think for sustainable growth that China will not lose these talents and China will also, by working with us, be able to enhance the academic research and teaching ability.

3.3.2.3 Qualification VS non-qualification

In China, TNE drivers and approaches differ between institutions providing qualification programmes and those with non-qualification programmes. As discussed in 3.2.2, high ranking universities usually have joint qualification programmes. For them TNE is often intended to meet students' needs and draw high quality education resources to the institution. This is especially true for dual degree programmes. One state university doing 4+0 said about their TNE drivers:

'We considered more about students' benefits. At the beginning of the TNE discussion, the two universities didn't talk about profits. We didn't expect profit from this programme. But for students, they have more opportunities, to obtain a foreign degree together with ours, to go abroad after this programme, for example. Some undergraduates study here because their parents wouldn't let them go abroad immediately after they graduated from school. You know there are lots of examples of students going abroad but failed in their courses because they lack of the self-control ability. In better off families, one parent may go abroad to accompany their children in study but that's not common. So many parents now choose to let their children study undergraduate degree courses in China and then study a Masters abroad. Another kind of families can afford a tuition fee of RMB 40,000 Yuan a year but won't be able to pay 200,000 Yuan a year to study in the UK. So our programme can satisfy these needs. There is another important reason too, that is we feel we can learn something from our UK partner through our collaboration, for example, they have strength in education management and they will help us establish an advanced laboratory in our university.'

A provincial university would think more about their reputation and local affordability in providing qualification programmes:

'We are one of 211 universities, although we can't compare with top universities nationally. We pay much attention to our own reputation. I won't do a TNE programme to earn a little income to damage our university's reputation. This would never happen! So we'll first consider that a TNE programme should be feasible and sustainable, bringing benefits to our students, and to the university as well. Then we'll select who to collaborate. A university not in the league table wouldn't be considered because we

want a comparable partner and our students would be attracted by our partner university and their degrees. We'd also consider the programme budget as the cost should be affordable by our students. Then we'll think about how to operate practically in the context of TNE regulations. You have to be creative in doing TNE.'

For non-qualification programmes, TNE was often considered as a source of fund for staff development:

'We have both qualification and non-qualification TNE programmes. There are about 500-600 out of plan students for these non-qualification programmes in our university. They study for 3 years. In the past they could take another year in our institution to get a qualification. But now such programmes are not allowed by the MoE in universities like us. So we can't do this. What we do now is to jointly run another year with a foreign partner and students can get their qualification after the 4 years. That's not our qualification then. After the 4 years students can choose to go to the UK for further degree courses. What we expected from this non-qualification programme is our students can get a tuition fee discount in the UK. And we can have 10% of their first year's tuition fees. Anyway Masters programmes in the UK are only one year. We use this 10% of tuition fees for our teachers' training fund so we can send our teachers to the UK each year.'

3.3.2.4 Public VS private

In FE sector, public and private colleges have different motivations of TNE. The two public colleges in our sample both have dual qualification programmes and top ups with degree awarded by foreign institutions. Both of them stated that they hoped TNE would help to build capacity in teaching and research. One college has had a TNE partnership with a UK university for 10 years:

'We have collaborated with this UK university since 1996. Our TNE proposals were student exchange, teacher exchange and research collaboration because we wanted to encourage our lecturers to engage in research. In 1997 we sent our first cohort of students to the UK and we have students to their university every year since then. But this is not the only purpose. We also have teacher exchanges. Every year there are about 10-20 UK teachers coming to our college and we have 4 teachers going to the UK as visiting scholars. This has provided opportunities for our teachers to compare two education systems. The year before, we had a series of workshops. The aim was to compare UK teaching methodology and ours. We have also started research collaboration since last year, although it's not yet in many subject areas, only in biology, pharmacy and environment. We have trained our teachers and strengthened our research through our TNE partnership.'

The private college involved in the research actually was driven by the TNE trend in its establishment in 1999. The college has been funded by a private entrepreneur in Europe who had already collaborated with a private university in Europe before entering the TNE market in China. Therefore the aim of the college is to run TNE programmes which are mainly twinning programmes in patterns of 2+2 and 3+1 or 1 year pre-Masters course in collaboration with UK universities. In its TNE, the college is purely market, or in their word, student oriented:

'Our college is a non-qualification HE institution, that is, we can provide HE programmes but we can't award qualifications. So our students can only obtain a degree after they go to the UK. At first it was difficult to get students. We only had 12 for the first year. But our collaboration with UK universities is relatively pleasant. Actually I visited quite a few universities in the UK but only had one partnership established at the beginning. We sent 4 cohorts of students to this university and 3 of them have already graduated. We now have partnerships with several UK universities. We only collaborate with UK institutions because the UK brand and their high quality education is a selling point. We also run summer schools for our students who pay for all the expenses. They go to the UK campus for 2 weeks in summer of their first year. We told students and parents that our programmes will take you to the UK to get a UK degree and that's how we advertise our programmes. We don't consider students' grades of their national entrance exams in recruitments. We only make reference of their English grade and then test students' English ability in our own exams. We do all the visa application for students and our follow-up work is also very good. We do all these in order to create our own brand so as to recruit more students.'

In order to get more students, the private college strategically looked for niche markets:

'I've now had a pre-degree foundation course with a UK university in Arts Design. This is 1+3 and students will go to the UK for 3 years. I feel there is potential in this field in China because many students are learning arts but there's no good learning environment for arts design in China, including the employability of students in the future. So many Chinese students want to go abroad to study arts design. We have to find our niche place so we start this programme. Last year we had 8 students and this year our plan is 20. I feel it won't be too far away to achieve it as there's market potential. We mainly target at Jiangsu, Zhejiang and Shanghai. I went to the north but a couple of famous arts colleges there both have similar foundation TNE programmes. It's not appropriate for us to enter that market. Around our region ours is the only one that collaborates with the UK. So we should have enough students in this area.'

3.3.2.5 Guangdong VS Jiangsu

In China, institutional TNE aspirations and focuses can vary from one region to another under the influence of regional TNE policies. Take Guangdong Province as an example, 3 of the 4 institutions in our sample have teacher education programmes and professional training programmes jointly run with foreign partners as such training programmes are more likely to have financial support from the Guangdong government. On the contrary, none of the 4 institutions expressed intentions of building TNE institutions.

The interviews conducted in Guangdong Province indicate that the Guangdong education authority encourages TNE collaboration with UK HE/FE institutions. They think highly of the support from the UK government in joint training programmes in Guangdong and they have also been supported by the BC in many of their TNE programmes. What is more, 'UK's professional and vocational training is at the cutting edge level and this is relevant to our TNE focuses.' Guangdong government actually will invest 300 million Yuan in an effort to encourage the region's substantial labour force to engage in vocational education in the next five years. The provincial government will investment 200 million Yuan to build a new senior polytechnic school that can accommodate more than 10,000 students in Shantou City. The government will also allocate 20 million Yuan to Shantou, Shanwei, Chaozhou and Jieyang each for expanding vocational schools. Besides building and

expanding vocational schools, the provincial government will also set up a training centre for vocational education in Shanwei, Chaozhou and Jieyang (NEWSGD 2006). Vocational education is a good way to transfer the region's rich labour resources from limited farmland, according to experts at a recent conference on promoting the development of the eastern region (Ibid.).

Whilst professional training and vocational education has been emphasised frequently during the interview with the Guangdong education authority,

'Guangdong is not ready to consider setting up TNE institutions with foreign institutions, at least not in next few years. It's not possible for UK institutions to enter our HE Zone, unless Oxford or Cambridge is thinking of it, then we might consider such partnership in our HE Zone.'

Compared with HE/FE institutions in Guangdong Province, institutions in Jiangsu Province talked very little about professional and vocational training. Instead their interests are mainly in joint qualification programmes with expectations of drawing in high quality education resources and building capacity in order to increase competitiveness internationally. Three of the 4 institutions in our sample have dual degree or dual qualification programmes and all the 4 institutions stated that TNE had helped in staff development and built their disciplinary strengths. However none of them has obtained financial support from the provincial government in their TNE.

According to the interview with the Jiangsu education authority, the province has established 232 TNE institutions and programmes. Of which, 30 are TNE institutions and 202 are TNE programmes, up to 1/5 of the total TNE across China. Among all these TNE institutions and programmes, the majority are HE qualification programmes (171) with 17 at the postgraduate level, 34 at the undergraduate level and 120 at diploma level. The rest are 2 vocational education programmes, 19 programmes at senior middle school level and 37 non-qualification education programmes at different levels. Apparently Jiangsu's TNE focus is in the HE sector, therefore what is encouraged in Jiangsu is 'to attract high ranking universities from Western countries to come to our University Zone to set up branch campuses or independent TNE institutions, like XJLU in Suzhou.'

In a speech at a meeting with a US HE delegation consisted of presidents and deputy presidents of US universities in 2005, Jiangsu education authority introduced its plan of constructing Jiangsu International HE Park, which will be located in the middle of Nanjing Xianlin University Zone. This HE Park is open to world class universities to set up a new type of HE institutions, 'either in the model of TNE institution or other models of TNE programmes, including twinning (fen duan shi bei yang).' Its enrolment plan will be 40,000 students on campus, mainly at degree level or above. It also aims at establishing cutting edge research institutes. Jiangsu government will 'provide financial support in its basic construction and initial operation' as well as 'offer discount policies to the maximum and reduce the setting up cost to the minimum'. Given that there are 115 HE/FE institutions with a student number of 123,770,000 and there are 11 (8 in Nanjing) 211 universities (of 100 in China) in Jiangsu Province, the driver of Jiangsu International HE Park is to go international.

3.3.2.6 UGC funded VS self-financing

In general HK institutions all want to bring in more programmes for HK students. For UGC funded universities they want to have more exchange programmes and joint programmes in order to develop internationally:

'I think that first of all for HK students I'm bringing in more programmes. HK students would have a wider choice so it's good for HK itself. And secondly everybody says this long arm government they should make HK the heart of education within the region. But to do that you need to bring in programmes, you need to have more international students, more international exchanges and so on.'

In terms of TNE with China,

'For China, really I think as far as we are concerned, for China definitely we are not going to make any profit. We don't want to make any profit there. In the long term if we can break even it would be extremely good. But we think it's our role to be able to influence the educational development and I sit on several committees on the Manpower, the requirement for China and so on. And it's so clear that mainland China and HK can compliment each other in education, and that we can do much more. But because education is very sensitive it's taken a long time.'

Clearly HK's TNE in the mainland aims not to pursue a profit, at least not for the short term, but to have an influence over the HE and FE in China, which is very instrumental:

'We are not doing it for profit even long term but what I expect is in the long term we should break even. We have no money to subsidise the long term but in the short term we are prepared to make to the investment.'

'What we are doing is we have influenced greatly to the development of continued education in the mainland... Some universities came to look at our operation and the way of operating is better thought about. Three years ago a university finally decided they would follow our model. And now their continued education is the most influential education in all of China. So indirectly we have tremendous influence, now directly we offer programmes there. So these are two levels of collaboration: on programme basis and bringing programmes to HK.'

For self financing institutions, one of the main drivers of TNE is to enable the survival of associate degree programmes, usually through on-site top-up programmes in collaboration with non-local HE institutions, as the market sees optimistically the demand of HK students who very much prefer to do a degree locally (3.2.3.1). 'The reason why there are over 1000 overseas degrees operating in HK is because they are official places for local degrees.' Therefore the financial reason is strong for continuing education programmes, which are mainly provided by self financing community colleges. TNE programmes usually charge higher tuition fees - an additional income especially for self financing institutions. However:

'Financial benefits, as I said, HK universities are unlike UK universities, it would not be possible to make money from education. I mean for continuing education would have to be self financing, but it is not the expectation to make a lot of money by exploiting education. This is unlike UK and Australian universities.'

On the other hand, community colleges also want to develop their global mission and TNE can help them to achieve internationalisation:

'Personally I prefer closer working relationships and more collaboration and the respect of the awarding university. I prefer that we try our best to follow what they want to offer and the way they want to offer. I think this is the real spirit of collaboration and this is what we should do. If we are collaborating with a UK university and we do everything in the HK way and in a community college style, we are not growing. We are not becoming more international just because we run a UK award programme here. And I think to extend our position and to become more international, we should follow the UK style of management and the UK way of offering education programmes.'

3.3.3 Perceptions and roles

In the interviews with HE/FE institutions, questions were asked about institutional perceptions of TNE partners and collaborations. Unsurprisingly issues relating cultural, social and educational differences emerged, which may start at the very beginning of TNE negotiation and continue throughout the learning, teaching and assessment process. Again there were differing views based on individual institution's diverse experiences.

3.3.3.1 Setting up TNE

One of the first issues in TNE programme setting up was to map levels of programmes in different education systems. UK institutions generally perceived that university systems in China and HK were good but there were uncertainties about associate degree level in HK or the English standard and curriculum contents in China, as illustrated in the following example:

'In HK because a lot of it is very British still, it's a lot easier to map and so on, and it's you know obviously a lot clearer, the standards do vary particularly in the associate degrees in HK, you know in terms of articulation, sometimes we can articulate them into levels three but often into level two. So the sort of term associate degree doesn't have the same sort of level of currency that perhaps you might expect. It seems to vary by college, but they are normal school system and everything is fine I think. It's very good obviously, it's not small and their university system is very good. But it's the new emerging associate degrees where I think it's going to be quite difficult to pitch. If you look in China I mean if you are just looking at general qualifications, I mean because there is a lot of standardisation goes on, it's relatively easy to look at qualification there, and decide at what level they are. The bigger problem in China is English, then its much bigger subject, the competencies and so on. So I think China because its more centralised control and it's more standardised, you know it's much easier to articulate. But of cause the syllabus is also full of other stuff that we are not particularly interested in so, you know the thoughts of Chairman Mao and things like that are all curriculum items, seriously curriculum items. So you know there is a bit of that in the curriculum but generally you find things like maths and science and stuff the preparations they are really very good. The real problem in China is English I think.'

In TNE discussions, one UK institution felt that Chinese institutions were not clear about what they wanted:

'Chinese institutions would not do good research before they come in. So they come to visit everybody and they have not a clear sort of what they would look for, they would not have good presentation by themselves. They are very open minded in a way but on the other hand they do not have a specific goal. So it's quite time consuming and you spend much longer time than dealing with other partners that you know what to figure out. Another difficulty is the competition, there's some fears so the Chinese either tend to embrace everything, ok, again it's very Chinese mentality, we'll pick all these in the basket and take home and sort it out rather than I want to sort it out now with you face to face. So it takes much longer to sort things out, then eventually they manage to do the sorting out a bit then they find that actually you are not something that we want at all, or if we want this we want you but the Chinese government won't let us to have you. So we find that we've been spending a lot of time meeting with every single visitor but the return is very low, almost zero.'

One UK institution held a very positive view of HK partners but a rather 'foggy' one about China:

'My discussions with HK universities lead me to think they are very respectable well run and serious organisations, and you know I would be delighted to work with them, I mean they are a world class university. I am less clear about China, the problem there is, it's so difficult to know who you should be talking to and where you need to get approvals from. In China there are regional approvals and national approvals for programmes, so it's very foggy in China, very complex and difficult to understand, and I have a feeling that they are very wary of being exploited as well. So it can be quite difficult to get money out of those sorts of relationships, it's hard to get the money out of China, but you know I detected a certain wariness when we've been talking to Chinese agents, that they think we might be ripping them off.'

Such impression of hardness was shared by another institution:

'They're very hard business dealers and they want everything for nothing you know. We never have a problem getting the money out of China but getting it is sometimes slow but we're a huge institution so we're not waiting for the odd £20,000 to come in. But if you were a small institution or a small business I would imagine it would be, you know when you had a cash flow problem. So there's issue like that and you know they're constantly pushing the boundaries back or, well you promised a diploma, well is it not a higher diploma or well we've now enrolled 101 students on this programme so can we have bigger discounts, it's constantly, you know what I mean, it's often difficult to deal with on that side.'

Interestingly, Chinese institutions also used the word 'hard' to describe their TNE negotiations with UK institutions:

'The impression I have of the UK is that they regard education as an industry. So it's hard to discuss with them. If we send our students to the UK it's exclusively based on paying overseas fees. We have nothing so far like exchange programme with the UK but we have exchanges with many other countries. It's very hard to have further development with the UK in TNE.'

Echoing the view that the UK provision in China is 'money driven,' one local education authority summarised UK TNE with China in 3 'lacks':

- *Lack of really high ranking UK universities coming to deliver TNE in China;*
- *Lack of UK universities coming to China for the purpose of education because more to pursue financial benefits;*
- *Lack of good FE and professional training institutions coming to China to deliver education programmes.*

Sometimes institutions in China felt it hard to negotiate with UK institutions because 'they are not clear about our situation':

'UK institutions appeared to be very inflexible in negotiation. We had a couple of discussions with our potential partner. They looked very careful and cautious. Their entrance requirements are so restricted, for example, IELTS 6.5 - 7. We explained to them that not many students would be able to fulfil this English requirement after the first 2 years in our university. If they can't go we'll have problems as they are out of plan students. If they are all left in our university we'll have big pressure. But they just don't understand what we are saying. They kept saying we can only take students who can get this score. So we can't continue the negotiation because we don't want to run the risk of having all these students staying on our campus and asking for a degree from us. They are not our in plan students, you know.'

3.3.3.2 Learning, teaching and assessment

Perceptions of the learning, teaching and assessment process were very much culturally diverse and coupled with dilemmas about roles and responsibilities in TNE. Many UK institutions had a good impression of Chinese students on TNE programmes. One institution commented on Chinese students studying their programmes:

'Very good students, they work very hard. The majority have got jobs back in China. In fact all of them have, I think, we hear from them regularly, yes, we enjoy teaching them. That's all I can say they are very, very good students, they cause no problems and we are delighted to have them.'

Another institution with an adult training programme also enjoyed teaching those adult students:

'I have to say that teaching an elite group of Chinese students is one of the most enjoyable things you could possibly do, I mean they are such generally well educated and so good at English speaking and writing and they are just incredibly hard workers. So that is one of the major job satisfaction elements for me is working with such intense and highly regulated group of students.'

However, one institution expressed doubts about the standard of students recruited to international colleges in China, which, on the other hand, indicates that the role of international colleges in China is not explicitly clarified to UK institutions:

'Sometimes when I see that there are specific international education colleges you know the places that recruit the students who are going to come on these programmes, it's a little bit easy to look at it quite cynically, as to why the students are in and if they

actually meet the standards. I suppose my other concern often is that the Chinese universities use it as purely a marketing campaign with one partner which they said that in order to get the ball rolling on the programme that they'd lowered their entrance requirements, which meant that the entrance requirements were lower for the international programme than they were for the normal programme, so students had applied for the international programme purely as a way to get into the normal programme. And it's a difficult situation because on the one hand you can look at that very cynically and say well they don't they're not actually interested in recruiting students for the international programme they are just doing it as a way to get to increase their own numbers and increase their own finances.'

Cultural conflicts are inevitable when 2 totally different education systems work together. What the UK teachers perceived of Chinese learning style is an illustrative example:

'Often you know back here people will say their English is crap and it isn't the problem, the problem is that their learning styles and the way in which they communicate and the respect for the tutor and everything is different. So they don't engage in debates with the tutor because they assume the tutor is always right, and even though they might think not, so the whole issue I think in China is learning styles and English is sort of one really.'

In terms of teaching, UK institutions saw the dominant style of teaching in China was still didactic, although there were more qualified teachers:

'Well, when I first started working with them, because you know some of our current partnerships are now completely stand alone and are running their own courses so you know, I've been involved with this probably for about 10 years now. In the beginning it was very difficult because they just didn't understand, you know, marking of work, students' assignments, essays, projects, case studies, without having to give it a percentage, they just didn't understand, it's either right or it's wrong. You know they didn't understand that an answer to a management problem, two people could give two varying answers to it, you know as long as they gave reasons to why they've said that, you know the research behind it. But they have moved along quite a lot now, you know a lot more people have been over to the UK for training, here and other places, so they're actually putting quite a lot into the courses now. They've certainly got qualified staff, you know for you can pick up people with Masters degrees and even PhDs and all sorts of high flying qualifications to deliver. But at the moment they are still quite knowledge based, you know back to what I was saying, 100 in a class, very didactic teaching but they can offer, you know quite good facilities in a lot of the government colleges.'

From the Chinese perspective, most of institutions with dual degree programmes felt that UK's provision was 'good' and sometimes 'impressive'. One university commented:

'They have their own requirements. Often students feel very hard to meet them. However students' feedback is positive. They feel this is real TNE and they have to make great effort in order to get a UK degree in China, because if they failed 3 modules in the first year, they have to redo the course. We have 2 students who redo the first year. We all feel this is really good to students. And their teaching materials

are also good and English teaching in classroom is most welcome by our students as they know English is important in their future work.'

For international colleges, they usually organise teaching for the first two or three years, depending on the model of the programme, with the UK awarding institutions involved in making teaching plans and selecting teaching materials. One international college thought highly of the UK curriculum but 'we have to be practical in teaching':

'Our teaching is organised according to the awarding university's requirements. Our 2 years equal to their first year. So our curriculum is designed on the basis of the modules in the UK. They make changes every year and they don't have fixed textbooks which can change every term. So we just follow their teaching plan and their selected teaching materials and make changes every year. This is not the most difficult thing. The difficulty is our students are out of plan students so they don't have very good English as in-plan students. We have to use Chinese in classroom teaching in the first year and gradually transfer to English teaching in the second year, although the teaching materials, assignments and exams etc. are all in English. To be honest, our education system is different so we can't change everything according to their way. We can only selectively "borrow", in a sense, rather than "copy". You are in China, anyway.'

One HK institution mentioned the issue of local relevance in the teaching:

'I think for the teaching parts, it has created some problems, like for one UK programme when teaching heritage management, they always site examples in managing castles and those things. Our students, most of our students have not even seen a real castle so it's difficult. So students query this but because they are doing a UK programme they must know how to manage a castle even though it is not relevant to their work. And so in the remedial teaching we have to teach how HK manage their HK heritage and you can quote examples like the Great Wall.'

With respect to UK requirements in TNE programmes, dilemmas concerning local autonomy and overseas control were mentioned:

'In quality assurance, because it is their programme, the institution, I shouldn't say this, that they adopt a couldn't care less attitude. They do not care about their programme but on the other hand we are quite happy that they do not control. They give us all the free hand and all the autonomy to run the programme. The other one, the faculty is more conscientious and frankly the first one in this programme, like doing a business, maybe because this programme is under the school of business. But the second one, people are more conscientious, they are more academic and they don't want to do it like a business. I think the way they operate this programme reflects their determination and their commitment to educational activity so they have high hopes on this programme. They really look for quality and they really look for something that they are proud of. They are really doing education in this programme so they have more expectations and they want to have more control, they want to have more say and they want this programme to reflect their belief and reflect what they think an education programme should be run. But on the other hand we have to cope with their expectations we have to follow their way of doing things, we have to adopt their belief so it gives us more work. So it is this sort of dilemma on the one hand when we are

working too hard and we found that it is so difficult to cope with their expectation, then when we prefer the other way of doing things because they don't care what we are doing. But sometimes when our conscience comes back we say the second one is doing a more responsible programme.'

The standard of learning, teaching and assessment is closely associated with the reputation of a country's TNE, as commented by a HK institution:

'Some overseas programmes I think has been given a bad name because the programme they offer, for example, in HK is not necessarily the same thing or same standard, I think it's so clear they are here to make money. So I think TNE itself is a good think but the financial motive has damaged the reputation.'

In fact some UK institutions worried about the issue of quality as related to reputation:

'It's partly about the reputation of the UK HE, so we mustn't go in there and deliver bad quality product, because that will poison the water for everybody. So we require UK universities all to be playing fair, delivering quality experience, and dealing with their local partners in a honourable way, because you know it is the case that my university's reputation is partly based on the reputation of the sector in the UK, so I think we could easily screw it up really if we are seen as exploitative or shoddy.'

3.3.3.3 Legal framework

In view of legal framework in China, UK institutions generally felt that their TNE programmes had not been affected by the recent regulations in China. However there are institutions that are not sure what is legal and what is not in China:

'There are obviously cultural and linguistic difficulties, especially when you're trying to negotiate terms, so you know that's standard sort of international business problem. The Chinese are particularly different to negotiate with, really they don't work like western Europeans, so that there is always cultural boundaries in China. There are big problems around the legal environment and understanding what is legal and what isn't, and they are making sure you've got approvals or answers from the right people, so it's just hard to know if you are doing the right thing in China.'

Some UK institutions, in particular involved in non-qualification programmes, are not bothered about the legal regulations as their partners are not worried:

'I don't really know too much about the new regulations that are coming out, you know I have a brief overview of them but at the moment talking to our partners in China, they don't seem to be too worried about them, these are the Chinese partners, they reckon that the government initiative just ignore them, you know. So we're not sort of worried or bothered about them at this moment, I mean obviously we do like to keep up to date with will it affect us or won't it, is there another way round it but I think also, with our model of, well we have worked with institutions where they follow their own Chinese quality geisha in tandem with the UK quality geisha, then that's a way round it.'

3.3.3.4 Local value

The role of local institutions in TNE recruitments was emphasised in the interviews:

I suppose the thing that stands out is that students in that part of the world tend to expect some sort of face to face support, so a traditional DL model when people learn independently doesn't really sell in that part of the world, so you have to offer some sort of face to face teaching, so that's really what you get from a local partner, its presence on the ground. There is also the thing that, if they are providing a physical presence, and a local brand, it makes it much easier for potential students to find you and to trust what you are doing, because they can walk into an office and talk to somebody in their own language perhaps, and it's all to get their trust, where as if we just tried to reach potential students remotely they've never heard of our university, so you've got an uphill struggle. So I think local providers are adding some brand value really, you know without a local partner you can't get any students.

In TNE between UK, HK and China, one UK institution said, 'Chinese students entering university could have to deal with UK universities directly rather than going to a HK university, which is not wise,' whereas another institution perceived HK as a good transition place for TNE between the UK and China:

'One of the things that is quite clear to me is that lots of things are much more easily facilitated through HK. I don't think we attract any of the Visa problems that people have been encountering, where they recruited long term students from China, only to find right at the last minute that they've the students have not been able to get visas. And particularly about two years ago there was a lot of English language FE colleges that do a lot of the preparation work bringing people up to speed before they apply for the undergraduate courses were brought to their knees financially by having got all the documentation and everything sorted with the students to come to the UK and then right at the very last minute being denied visas. A couple of them I am told have actually gone out of business as a result of that. So when I am bringing students from mainland China we do everything through a university in HK so all the visas and everything that is all a lot smoother and more affective.

3.3.3.5 Other perceptions

There are other cultural or social expectations that may have influence over TNE partnerships. In China, institutions often mentioned their visits to the UK and would consider whether being equally treated during the visits as an important factor in continuing the partnership. One university talked about their experience of contacting a UK university for visits:

'Our university signed an agreement with a UK university for exchange visits. In the agreement we both agreed to provide conveniences for members of staff in visiting to each other's university. When they came we showed great hospitality and got everything ready for them, accommodation, meals etc. But when we wanted to go, we couldn't get their offer letter. The first time I emailed them and they didn't response quickly. The second time I talked to them again and they delayed until nearly the Christmas time. So they finally agreed but it was their holiday time. What's the use of this letter then? We had to cancel this visit. The third time I contacted them in a tone not very polite because I was unbearable. In Chinese there's the saying that no things would be repeated for 3 times (shi bu guo san). So I asked them to tell me immediately if they would give us the offer letter or not. If not, we would go to other universities. They gave us the offer letter. However when we arrived there they didn't do anything for our visit. We felt so inconvenient during our stay there. We were so disappointed

and felt hurt. It's a shame that we hosted them so warmly but they treated us like "beggars". To tell you the truth, we just came back from this visit and we don't want to continue dealing with them.'

One UK institution, however, talked about their experience the other way round:

'Wherever we went they always accepted us kindly and warmly, I mean entertained us delicious dinners and showed us around etc. But in discussions we often couldn't get any further. We went for business really, not for sight seeing.'

For UK institutions, Chinese people seem to be very 'status conscious':

'Well it has to be that personal contact, and also a perception of high quality on their behalf, they are very status conscious. One of the things that's helped me is being University of X. I think it would have been more difficult if I'd been, I was in a polytechnic system, previously new universities.'

One UK programme leader revealed pressure applied in relation to status:

'You know the role of status and influence, in China is sort of quite probative. So you know I think it could be easier for pressure to be applied there than elsewhere, whether it goes on or not I have no idea, but you have the feeling when I've done other things out there, and tell you then it's the daughter of the president, and you know pressure is put on you, so yes, but I am not doing them any favours by letting them in if they can't speak English. But you know those pressures are applied, I have seen those at first hand applied so, I think there is always that danger there.'

3.3.4 Difficulties and barriers

Our interview questions also covered institutional experience of difficulties and barriers in TNE. For HE/FE institutions in China and HK, frequent references were made to unequal partners, high UK tuition fees, barriers in obtaining a UK visa, and inflexible ways in TNE operation. For UK institutions, there were more constraints in getting to know the TNE procedures in China, keeping the academic staff on board, gaining TNE resources. In terms of the Chinese government's requirements for joint programmes, the request of 1/3 of teaching to be delivered by the awarding institutions was sometimes considered to be particularly difficult by UK institutions as well as Chinese international colleges in respect to its high cost.

3.3.4.1 Equality between partners

The issue of equal partnership were emphasised in interviews mostly with institutions in China and HK. It is not simply in terms of equal ranking statues of the partner institutions. More importantly it refers to the equal positions in collaboration and joint programmes, for example, equal contribution to the learning, teaching and assessment process, equal say about curriculum design and teaching plan, equal power in quality control, equal share of teaching and learning resources etc. One Chinese university did not want to continue their contract with an Australian university when the first contract was brought to an end, because:

'We are not equal partners. They didn't come much and left all the teaching and tutorial for us to do. The assessments were done by us too but we have no power to decide if the student passed the course or not as they insisted on this decision making power. They wouldn't listen to our suggestions and we had no say about students' performance, although we organised and delivered all the teaching. They took all the exam papers to Australia to mark and nearly half of students failed. This is not fair to students and to our lecturers because we taught according to the teaching materials they agreed and they didn't come to teach so students didn't understand what their requirements were, our lecturers didn't know! You know in China 98% of students can pass and get their degree. This TNE had nearly half of students failed. Who would come to this programme next year with such high percentage of failure? They said this is quite normal number failed in Australia and students can redo the course next year. But this is in China! And it also indicates they don't trust us and wouldn't give us the power in course assessment. If they contributed more to teaching this wouldn't have happened.'

In another case, students were not allowed to get internet access to the awarding university's library, neither their course web site for lecture notes. Only the tutors in this Chinese institution had access to the course web site of the UK university. The Chinese institution said that they didn't have an equal relationship with their partner because the awarding university wouldn't share their teaching and learning resources with them and their students were not treated equally as students on the UK campus. Such unequal feeling was also reflected in a case in HK where students wanted an ID card with the awarding university's logo but this request was refused.

One HK institution also mentioned issues relating equal partnership in TNE with UK universities:

'I do the staff appraisal. I have more control in quality. But for this kind of collaboration we are not involved in staff appraisal, although we can give feedback. Our feedback can be taken seriously or can be ignored and we have little control of the quality of the programme. We have no say in selection of lecturer.'

'We can give opinions but actually they decide. Like one UK university, they said the top of curriculum is accepted the year three curriculum in the UK, so our students take the same examination at the same time as the students in the UK. We have to fit in the semester term the assessments, the examination timetable and we have to take all the courses that the final year students take, because there are some elective courses in the final year. So we can sort of choose those elective courses and they also introduced some new courses for this group of students, like they designed a course for this group of HK students. This course is not taken by the students in the UK. So we work out the curriculum together but of course there are some constraints. And for the assessment, I don't know why but we are not involved in designing the assessment. But because students complained a lot about the assessments, so they took it back to revise. We just don't have a say about it.'

3.3.4.2 UK tuition fees

Many HE/FE institutions in China complained about the high overseas fees in the UK. Often this pushed away potential TNE partners. One institution said that it was the tuition fee problem that prevented them from further TNE with a UK institution:

'It's the problem of the tuition fees. It's universally acknowledged that the UK has the highest tuition fees. If we do TNE with them, we are TNE partners then, so we should have some discounts in students' fees, for example, to reduce £800 - £1,000 a year, so students would feel this is a more beneficial programme. Otherwise there's no difference and students won't apply for our programme. If it is collaboration and partnership, we should both have benefits. But they only think about their own benefits.'

Another institution located in Jiangsu Province pointed out:

'Why we can't have more students on 2+2 programmes with the UK, virtually we have none recruited to this model though we have agreements with several UK universities, it is because of the high UK fees! To study 2 years in the UK would cost 40,000-50,000 Yuan and not many ordinary families can afford it. So for UK programmes we mainly have students on 3+1 programmes. It's a real barrier in TNE with the UK.'

One HK institution also mentioned the tuition fee problem as the UK institution they collaborated wanted to increase the tuition fees:

'The normal fee for a university student fixed by the government is HK\$ 42,000. For self-financing top-up degree programmes, the tuition fee is usually 60,000 a year and some 80,000 a year. But it is cheaper to run more cost effective to run a top up by local university because the staff are there the teaching materials are there and they can enjoy all the facilities of this university. So the onsite top up offered by overseas university we can charge is only around 60,000. I think the one we have with one of our UK partners is 80,000. But they asked can we increase the fees and I said no way! They won't be able to recruit students because 80,000 is the maximum.'

3.3.4.3 UK visa

Visa problem was frequently highlighted in the interviews with Chinese institutions. Many institutions complained about the visa application system in China. One institution said:

'We had 84 students who were ready to go to the UK to continue their studies last year. We did all the visa application documents for them. However 26 students were refused their visa application and more than a quarter of the applicants! This caused great problems to us and added to our workload. We had to review their documents again and sent out for the second time. This time 4 were refused. We then sent out their applications for the third time and another 3 got the visa. The student who didn't get through applied again and he was refused again. He applied for 5 times but he just can't get the visa so finally he didn't go. It's such a shame as he passed all the courses here and his parents had all the money ready for him to go.'

One institution had a very negative view of the visa centres in China:

'There are many problems with the visa centres. Lots of confusions are actually caused by these centres, from the appointment for meetings to the submission of visa applications, in addition to the extra fees to these visa centres. If you have a contact (guang xi), you can go through 'back doors' and get the appointment earlier. If not you have to wait and may wait for very long time. This year we did very good documents

for our students' applications, but still some of them couldn't get the visa. They were refused for a couple of times and we don't know why! Some students go to London but don't study there. Our students all study on their programmes after going to the UK because we have tutors following them there. So why did they refuse our students' application for the visa?'

Another institution complained about the overseas study agencies and their relations with the visa centres:

'I think those agencies should not be allowed! They charged huge fees from students. They can get visa for the students but we can't. This seems very absurd because they only do it for profit whereas we are doing it for students' benefits. If a student can't get the visa, the advice would be to look for an agency to do it for you. Why should we do this through an agency and let them earn big money from students? We are very disappointed with the UK in this visa issue. We are thinking of increasing joint programmes with Canada and reducing the number with the UK because this visa problem has made us fed up.'

3.3.4.4 TNE procedures

How to actually operate TNE effectively in China and HK seems related closely to local TNE procedures which often caused confusions to UK institutions. One institution said:

'The biggest problem in China really is the legal framework which is very unclear at the moment. DL doesn't seem to be really recognised, there is sort of legal provision to operate what they called joint programmes now, and the application process is torturous and as I understand it no one has ever got approval yet. So whilst the law says they are welcoming some of these partnerships the reality is that not many are really off the ground yet, because you know the process seems to be clear but the reality is on the ground is different. One of the key things really is that the way in which the law is framed out there, and the documents that you have to produce and sign are very constrained in how they expect you to operate in terms of percentages, delivered by locals and all that sort of thing. I mean I know what happens is in reality people don't do what they say they do on the Chinese documents, but you know that is a frustration and a difficulty.'

Another institution shared this view:

'There is a bigger problem. It's the filtering back of information isn't it, like you know if you go to a university in Beijing then they follow the rules really closely and then if you go further away then you know they maybe following really old fashioned rules or they may be not following any government rules at all. So I think the hardest bit actually is getting information back to the central people who will give you approval and let them know that you are supporting in different ways.'

In China the approval procedure of the MoE is a 'must' particularly for dual qualification programmes. However the process of preparing documentation and application is time consuming, as stated by one international college:

'I want to do more joint programmes at different levels and in different subject areas in order to have a variety of TNE programmes for students to select. But it takes more

than 2-3 months to get ready all the required documents for application. We put in so much for this programme. You see all my staff working here are women, many have small children. We just can't do more at the moment because of the time consuming application procedures.'

In HK the bureaucratic procedure sometimes made TNE not easy:

'We had reviewed off the curriculum earlier this year when the UK programme leader was here and we decided to revise the content of one course. There's another constraint because we have to apply to the Education and Manpower Bureau of the HK government for running this kind of local programme and in the application we have to specify all the courses and the assessment pattern of all courses. So whenever we revise it we have to inform the EMB about the revision. Although I don't think the EMB would disapprove of the proposed revision, it's this kind of procedure that discourages you to do that revision.'

One UK institution had another problem with the HK system:

'One of the major problems we have across the world is local recognition, of UK degrees, and that doesn't seem to be a problem in HK, I don't know if it will be in China, but it's the sort of thing that the BC could help with a lot actually. And this is out of your scope but it puts it in context that we are having problems in Cyprus at the moment, which is part of the European union and our degrees are not recognised there, so you have to go through a local accreditation process, now that's, and I've just spent £20,000 on legal fees trying to sort this out in the last three weeks. And it's just the sort of thing that I feel individual institutions shouldn't be going into battle on their own. I mean in HK to say it's not a problem, but we do every year for each programme we offer there we have to go through quite a onerous and reasonably expensive local recognition process with the oh, what's it called, the HKQMA I think, which is the local accreditation validation body, so that's a pain in the neck and it's just irritating and it's a barrier to entry into some of these markets. And it's a risk as well because if you loose accreditation you've got some very angry students on your hands.'

The TNE admission procedure can be problematic too if it was not carried out in country:

'It is more complicated with the administration procedures, like for the UK one last year when we first started the programme. We had encountered a lot of problems in the student admissions because of the pronunciation of names. After so many runs they could not get it right and so students cannot apply for their subsidies and so they do not have money to pay for the fees. So there were so many problems and it took them some time to process the applications. If everything is done here it is much easier, just one or two part time staff and they can process it in one day and we won't get the name wrong you know.'

3.3.4.5 Academic staff constraints

One of big challenges for maintaining long term TNE partnership, according to UK institutions, is to keep academic staff on board. Reasons are mainly lack of time or interests:

'It's hard to get academic staff over there to teach, and then to find an academic who has got some time here to look after another foreign member of staff, it's quite difficult. When you find a fantastic opportunity or the academics have a fantastic opportunity and they are just not interested either because they've got too many other things on or they just don't see it as a priority for them. I mean within that would include when a department has agreed that they'll send over staff I mean a department won't make that sort of commitment unless they know they have the staff to do it but even if staff have agreed, then you know they're entitled to change their minds and to not like to go into places anymore. So that even in other overseas programmes that we have in the university that is one of the biggest challenges that they have.'

From the point of view of a UK academic, on the other hand, the lack of TNE interests is also related to other aspects of academic work:

'After all you might think the issues about globalisation international relations etc. we pay exactly lip service to that but when I actually say to my colleagues, well what about becoming involved in the delivering the course in mainland China for example, well you know I've got to think about that in terms of my publication of articles, the research agenda which of course is big in universities in the UK, well I am not so sure it means me going visiting and doing those sorts of things, so there's quite a bit of not resistance exactly but a degree of internationalisation I think in many cases for many people it sounds like a good idea but...'

One UGC funded university in HK also mentioned the issue of academics' interests in TNE:

'I think the university would offer programmes in China more and more. But still I think it depends on really two factors: the first one is until the education market in China opens up or they change the regulations to make it easier, and secondly the universities in HK are very different, unlike the UK universities generally, they don't think of exporting education. Our university for example most professors are not interested. Why should they do it, there's no benefit. Their interest is to do more research to get promoted. In the UK universities you only rely on the government, for I think the proportion of funding from the government for universities is 30% - 40% but HK is 100%. Except the school fees 100% comes from the government. So in the past there was no culture no incentive for the universities to export programmes. They don't need to get additional income by exporting education. The government has encouraged universities to obtain donations but has not encouraged universities to export education, this is very different to UK or Australian universities.'

3.3.4.6 Cost of fly-in teacher

In response to the government requirements of one third of joint programmes in China to be delivered by award universities, both UK and Chinese institutions expressed their feeling of difficulties, which was mainly associated with the cost of fly-in teachers. One UK institution felt it was just impossible to add the cost of fly-in lecturers to their existing programmes:

'If you enter into a collaborated project in China, you have to, this is what I understand maybe wrong, you have to provide a third of your lectures flying third of lecturers to China and lecture there. For us this is more face to face collaboration. And if you do not enter this sort of arrangement and the students when they graduate on the degree

will not be recognised. It's a high cost market, and it's too high a cost at this moment. They're academic too take part of this. It's not only the financial side but it's more that our lecturers are more keen about research and find China is not something they are very keen. And also it's a third of the course to be taught by the lecturers it's not possible, and I know that down in China that people bend the rules by employing contracting scholars in China do to it, but we do not really want to go to that route because if we send our lecturers we want to make sure it's our lecturers not just contracted for this.'

Chinese institutions, in particular international colleges that mainly work on TNE programmes, are facing the same issue of high cost of fly-in teacher, as in the following example:

'Our programme is very popular and we have very good feedback from parents and students. It was approved by the local education authority, which said it is a good TNE programme too. However, if according to the MoE, it wouldn't be a good programme because it is not a dual qualification programme and we don't have many fly-in teachers from the awarding university. Last year we had 2 UK teachers to come and teach for 5 days. They cost us £5,000 each plus other expenses. So that was £7,000 each for a total of 7 days. If we have a programme with 50% of teaching delivered by the awarding university, we can charge 18,000 Yuan tuition fees according to the provincial regulation. If we have 30% of teaching done by fly-in teachers, we can only charge 13,000 Yuan tuition fees a year but we need to pay for 1/3 of teaching by the awarding university. What are we doing then with such a high cost of foreign teachers while tuition fee level is so low?'

3.3.4.7 Other issues

There are other issues that would make TNE difficult, such as lack of TNE resources:

'What we'd like to do is to expand on postgraduates, and so we've expanded the scholarship from that we have with the undergraduates, been extended to Masters students coming to these programmes. We'd also really like it if the university gave us money to support short term more short term for scholars to come over, particularly say PhD students and actual academics to come over and do joint research and joint work that would be great. But the problem is its getting the money from this side of things.'

One problem mentioned is the sensitivity in response to the TNE market demand:

'I think some of the problems in HK are that the market in some subjects like computer for example is sort of collapsed really, and I think institutions still think that they can book the trend, so they tend to be over optimistic about delivery numbers, in subjects which are in a declining market, you know computing is a good example, where you know we've had one or two partners who have really tried to sell our programmes and have failed, and eventually have had to concede that there isn't a market whereas when you first meet them of course there is, or they think there is, so I think actually in HK is probably unrealistic expectations as the biggest problem.'

The UK FE sector has the difficulty in providing top-ups as compared with HE institutions:

'We would see us where possible, you know extending partnerships and you know opening dialogue with new colleges, you know recommended through yourselves, the BC, you know or often, we do work with the various education commissions in China and you know in Beijing and Shanghai and places like that, so we've got a number of dialogues open at the moment, we're looking at moving forward. The draw back for us is because we're a college and we don't award our own degree, at the moment we can offer the higher diplomas, the first 2 years of the degree outside of the UK but we can't offer final year of degree and a lot of UK universities now they are very much looking at setting up campus sites and looking at offering the third year of the degree outside of the UK now. I know they've been doing it for a while in HK but looking at doing it in mainland China.'

With institutions in China, the issue of inflexibility was raised in the interviews. One university talked about the inflexible financial system in the UK:

'We want to have our own bank account in the UK but the partner institution said you can't. It's the money from the 10% of our student tuition fees, so it's our own money but we can't have it. Each time we have to show receipts in order to claim money back. It's rather inconvenient. We need the money as soon as we stepped onto the UK but we have to wait until they agree to give us our own money. Very upset! Do they have a more flexible financial policy?'

In another case, the inflexible English language requirement seemed to be a barrier:

'We have our English training courses and students have to take both written and oral tests. We wanted our UK partner to accept our English training so that our students would not need to take the IELTS test. This would enable more students on our programme to go to the UK. But they wouldn't agree and they insisted on students getting 6.5. This is too hard really. Many students were actually turned away from our programme to those who wouldn't require IELTS test. We know some universities have this agreement with their TNE partners.'

3.4 A competitive market

Our interviews with institutions offering joint programmes with the UK as well as other countries confirmed that TNE market in China and HK is increasingly competitive. This is especially true in China with the entry of more and more other European and Asian countries. The commonly perceived TNE competition is from:

- Major competitors like Australia and the USA
- European countries with government supported TNE initiatives, which lead to programmes granting scholarships or not charging tuition fees
- New players in other European and Asian countries offering programmes with lower costs
- Expansion of domestic provision
- HK's regional hub of TNE

3.4.1 UK perspective

3.4.1.1 Overseas providers

In general the main competitors in China and HK markets perceived by UK institutions are from Australia, the US and Canada, although other European countries and some Asian countries were mentioned as well. The most 'worrying' TNE competitor, according to most UK institutions, is Australia:

'Australia is the most worrying, they tend to be cheaper, and they tend to offer more face to face support, and they are closer so that's easier for them to fly faculty in to teach, they also quite entrepreneurial, so I think the Australians have taken quite a lot of our market in the last couple of years.'

The UK high quality standard was sometimes considered not an advantage in the competition with overseas providers:

'At the moment the problem is there are so many overseas providers rushing to China and it gives such easy options so you look at model in the UK, Canada, Australia, wherever, America, you know everybody is rushing in and they say, ok, we give you this whatever you want we will do and this is not helping us because we are very quality TNE. Our programme is high quality, very difficult, very challenging so the Chinese public sector are not motivated to do very difficult programmes especially if the success rate is not as high as it is usually in China.'

In terms of other Asian countries, they were not seen as a big threat yet by some institutions:

'Malaysia most certainly, Singapore and India are trying to offer in country partnerships in China but, I've got to be careful how I say this, they Chinese don't like working with the India institutions, it is a cultural difference, so they're not really competition but they are trying to break into the market. Malaysia and Singapore because a lot of Malaysians, Singaporeans speak Chinese, they are making some inroads, but not competition because the Chinese really want a UK qualification so you know, they might houses them in some smaller skills or colleges, you know the cheaper end of the market but not really good enough so they're sort of not working with them.'

3.4.1.2 HK's moving in

However, HK has moved into China as a consequence of their strategy of becoming the educational hub in the region. One UK institution was delivering TNE in HK but also competed with HK institutions in China:

'HK is still one of the two largest markets, and from the very beginning that is our strategy so that we are looking at parallel. We are looking at 3 HK supporting institutions and at the same time we look at Guangdong because we don't want to put eggs in one basket so we've been trying in the past two years to approach these two kinds of strategies and so far we only have very limited success. We now have signed an agreement with a school of continuing education which is part of a university and they are going to start our programme. But they can only start part of our programme and one HK institution has moved in and set up a branch campus in Shantou Industrial Zone.'

3.4.1.3 Local HE expansion

UK institutions also noticed the local expansion of HE which has changed the market demand of certain TNE models or levels:

'There is a fundamental change in the market from three year degrees into more top up type courses, and more into Masters degrees, and the Chinese undergraduate market is expanding at home so why would they want to spend money coming to England, you know. So I mean the market is under intense competitions, as well as from Australia, New Zealand, America, Canada.'

3.4.1.4 Between UK institutions

TNE competition was also seen from other UK institutions:

'Well, most UK universities, a large number of Australian universities, the Americans to a lesser degree, and increasingly local providers actually, I mean especially where it's more in Singapore, the local providers are getting much, much stronger. But I feel we are probably in competition with almost every university in the UK in these markets, you know particularly X has invested a lot in that part of the world, Y seems to be everywhere I go, but there is a long, long list of special in this area.'

For HE/FE institutions in Scotland, their competitiveness is shown in their more generous visa policy, that is, overseas students can have 2 years to stay to work after completing a degree course in Scotland. This compares to the one-year stay after a degree course in England:

'Certainly we do use it as a selling point. The TNE programmes were started and discussed about before the Fresh Talent was announced but yes, I do think it's an influencing factor as to why students decide to apply. It could be that many of the students are already thinking about their postgraduates and their Masters next so yes, I do think it makes a difference.'

In spite of the feeling of competition with other UK institutions, there is a tendency for UK institutions to collaborate:

'We did try to get people together and set up offices together, set up an office in India. But currently we are not sure, the local college is not sure about the federal system. And there is a tendency at the moment people want to work on their own, they do see more freedom and they see less benefit and also a lot of logistic problems. But I think UK universities as a whole more of them will collaborate to actually enter a market and there are numerous examples of this, when you start looking around, and there are examples of sort of campuses being set up you've got things like the Northern Consortium. The most recent example was in Nigeria. There wasn't a British council exhibition being put in the second tier of cities so they went out and did it themselves you've got the same thing sort of happening in Pakistan. And also I see this year when we approach other universities saying like look, our students if they want to transfer to your universities whether you're happy to accept them. And this year because things are so tough you know life is so tough for them and most of the universities say yes delighted to, we'd like to work with you so there is certainly a big change and the change is more pushed by the markets.'

3.4.2 Provision by other countries in China

Our interviews with Chinese institutions which have joint programmes with other countries demonstrated that where countries have government support, financially and diplomatically, they may become more competitive both in programme cost and TNE scale.

3.4.2.1 Top level university visits

Looking at the frequencies of recent visits of overseas universities to Jiangsu Province organised by their governments, it is not surprising to see that UK HE/FE institutions have strong competitors there. Table 17 shows the intentions of TNE collaboration by HE/FE institutions in Jiangsu Province. More than 100 institutions filled in the intention form by late 2005. When asked about the countries where the institution intended to develop TNE partnerships, 40 institutions mentioned the US and Australia respectively, followed by Canada (32) and other European countries (31). 24 institutions expressed interests in the UK. It can be arguably linked to the fact that Jiangsu Province received American university president delegation in 2005, as mentioned in 3.3.2.5. They also welcome over 200 presidents of French universities to promote French universities the year before, as it was the year of French culture. A German university delegation went to Jiangsu too the year before. According to institutions in Jiangsu, they did not have as many opportunities to be in touch with UK institutions, unless through personal contacts. In addition, there is no BC office in Nanjing whereas Nanjing is a centre of HE both historically and contemporarily, 'to go to Shanghai to talk to the BC is not that convenient, is it?'

Table 17 TNE partnership intentions of HE/FE institutions in Jiangsu Province 2005

| Institution | UK | US | Canada | Australia | Europe | Japan | Other Asia | No restriction |
|--------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|----------------|
| National | 2 | 6 | 3 | 5 | 4 | 1 | 1 | 1 |
| Provincial | 13 | 25 | 16 | 27 | 18 | 13 | 6 | 9 |
| Municipal | 5 | 5 | 8 | 5 | 7 | 6 | 1 | 6 |
| Private | 4 | 4 | 5 | 3 | 2 | 3 | - | 2 |
| Total | 24 | 40 | 32 | 40 | 31 | 23 | 8 | 18 |

Source: *Institutional Intentions of TNE in Jiangsu Province 2005*.

3.4.2.2 Government subsidies

Many institutions in China compared TNE with the UK and with other countries, where TNE programmes or initiatives were funded by their governments. The government financial support seems to be a key factor in entering and expanding TNE market in China. Taking the investment by the Australian government in Chongqing's vocational training as an example, which was nearly AUD 2,000:

'It was an initiative between Chongqing government and the Australian government. We encourage TNE in vocational education. We are establishing a Chongqing vocational education base and there will be over 10 HE institutions and a similar number of vocational education colleges as well with 89,000 students there. We'll establish similar bases in Yongchuan, Wanzhou and other main city areas according to the economic development plan of Chongqing. Australia has an office in Chongqing with more than 10 Australian experts here all the year round to promote their vocational training model. They provide fund for our senior managers and teachers to go to Australia for further training and placement. Their university presidents and experts also come here to make training plans and targets with us. UK's model of vocational education is also good and we talked to the British Consulate General about it. They arranged a couple of UK experts to come and deliver training workshops. But there's no real collaboration in this area. If they take

out £10 million or half of it for a 3-5 year project, it would be only about 1 million a year. That's not much for the UK. Then they can link education and their economy.'

A couple of universities in Shanghai mentioned French government studentships for their postgraduates on TNE programmes to study in France. 'Their university receives government money for these full studentships so our postgraduates don't pay tuition fees and their living costs are also covered by the studentship.' One university told about a conversation with a French university:

'Once I talked to the president of the university and asked why they run the joint programme with us because they wouldn't get any money from it and even lose money. What he told me is very instrumental. He said, "You must have known that Germany won the bid for the magnetic railway in Shanghai. It was because the senior person who dealt with the project graduated from Germany. If he studied in France, we would have tendered successfully. So you know now why our government invests money in HE in China."'

Another institution commented on students going to the US and the UK:

'If you look at our graduates you would notice that our first class students would choose to go to the US because they can get full studentship for their postgraduate studies in the US. Our students go to the UK are very likely to be the second or even third class students as they are difficult to get an US grant or to be enrolled in Masters courses in China. So they have to pay for their studies in the UK if they want to have a Masters degree. That's one of the reasons why students coming back from the UK wouldn't be regarded as most competent by the employers in China.'

3.4.2.3 Tuition fee waiver

Another disadvantage of UK institutions in TNE competition in China is that some European countries waive the tuition fees or do not charge it at all. One institution has dual degree programmes with France in the pattern of 2+2 or 3+3. Their students are in-plan students and most of them have a family background of ordinary salary-earner parents. To have TNE with French institutions seems most appropriate for these students:

'Public French universities don't charge tuition fees. So it's relatively cheaper for TNE programmes with them. Most of ordinary Chinese families, they want their children to receive high quality education offered by Western countries but they may not be able to afford going abroad. Our students are good in-plan students but the majority of them come from dual salary-earner families. So TNE programmes with French universities really have advantages of good quality but cheaper price for these students. They can go to France for 2 or 3 years without paying tuition fees. This is totally different from the UK. So there are good student markets for our programmes, although students have to learn French as their second foreign language.'

3.4.2.4 Lower cost

With the general impression of a lower cost of TNE programmes with other European countries, one Chinese institution did a calculation of the total cost of TNE programmes with France:

'Students coming to our university are different from those to the other side of the Yangtze River and there are not many from better off families. So if we recruit students to TNE programmes we need to do a calculation and see if this is affordable by our potential students. For this programme with French university, because they don't charge tuition fees, it saves big money. The rest would be the living expenses. In France the total living cost for 2 and half years is about 100,000 Yuan, plus 40,000 Yuan for French language training fees, so in less than 150,000 Yuan a student can get a French qualification. So this is a programme that we can do.'

Another institution told about the cost of their TNE programme with Korea:

'We have 2+2 with Korea which is good to both universities. Our students pay 20,000 Yuan a year when they study in Korea and 13,000 Yuan a year in China. The living expenses are not high there in Korea. So it's a cost that students can afford. We have more than 100 students a year on this programme for 2 years now. Their government also has funding for this programme. So we like to collaborate with Korean universities.'

3.4.2.5 Lower entrance requirements

Chinese institutions also talked about how their TNE programmes with other countries lowered the entrance requirements in order to send more students abroad. One institution has programmes in English with the Netherlands:

'The first couple of years we sent over 90% students to the Netherlands because their English requirements were lower. But in 2003 they requested students to take the IELTS and the pass rate was only 50%. That year there were only a dozen of students went to the Netherlands. These couple of years we have better students, though they are still out of plan students. About 70% - 80% of students can get IELTS 5.5 and it is very difficult to get 6. But if a lot of students can't get 6, they would organise pre-courses in the Netherlands in order to let students go. And this is really good for us. In addition the tuition fees in the Netherlands are much lower than the UK. So our programmes really have their advantages.'

3.4.3 Other factors

There are other factors that would enable HE/FE institutions of a country to be competitive in TNE. A Dean of a school in a university in Shanghai went to a French university for a visit. After he came back he received invitations to French receptions from the French Consulate General every year. He told that he had more updated information about French universities than about UK universities because of these receptions. One overseas study agency noted:

'This year the US visa control has become looser and this has affected the recruitment of students to the UK. For example I have 6 - 7 senior middle school students selected the US but in the past they all chose to go to the UK. To Chinese their first choice is still the US. Americans only require 1 year or 2 years financial guarantee, not the full fund for the whole period of study in the US. For ordinary parents it is not too difficult to show a bank statement of 300,000 to 400,000 Yuan. This is certainly much better than to ask them to pay 700,000 to 800,000 Yuan which is the minimum money

requirement for going to the UK for 3-year study. Besides it is easier to find part-time jobs in the US than in the UK.'

Whilst some institutions stated that they never had any difficulties in getting a visa for their students on programmes with France, Korea, etc. one institution has TNE programmes with the Netherlands explained why this was easier than to be granted a UK visa:

'To get the visa to the Netherlands, students don't have to show a lot of documentation. They only need to get ready the money needed. They are not asked where the money comes from. This is different from the UK and it's more complicated to get a UK visa as students have to tell where the money is from, to show parents' pay slips, tax statements etc. everything. This is really not helpful.'

3.4.4 Future opportunities

3.4.4.1 UK institutional strategies

Facing the increasing competition in TNE markets in China and HK, UK institutions appeared to be more strategic in TNE approaches in these two markets. One institution told about their strategy of steady growth which actually was partly related to the limited resources:

'I think we'd be saying that what we are looking for is steady growth, because in TNE it does have resource implication and certainly on some of our undergraduate programmes we are currently we need to restructure the way the programmes work because currently we are getting to the limits on top end of recruitment we simply can't get examiners, that sort of thing, there is going to be, so I suppose what we are probably looking at is we're probably looking at trying to ensure we've got that steady growth and the incomes.'

Another institution that is well known in TNE markets preferred to focus on existing partners rather than involving in too many partnerships:

'We do actively look for partners in specific regions but often because we're known we get approached as well so, and we would try if we'd got an existing partner to ask them to deliver things in parallel, so if we had a partner that delivered computer for example we would, you know if we're looking for a business partner in the same country or the same district we would try and get them to be the same, so as a university we would try and be strategic in what we did there, and not have too many partners doing different things unless was appropriate to specialisms.'

One college worked strategically with the Chinese Centre for Scholarly Exchanges in Beijing:

'We work as well through CSE, well the Chinese centre for scholarly exchanges in Beijing, and they have a number of partner institutions of which your university is one, so they are taking AQA qualifications, Scottish qualification authority HND's and out of that students once they've qualified can actually chose to apply to a UK university, a range of UK universities, so we are part of that as well. So that's a strategic model set up by a number of UK universities and CSE in Beijing.'

3.4.4.2 Working with regional hubs

Whilst regional hubs, such as HK (3.4.1.2), become increasingly competitive in TNE, they were also considered to bring in opportunities. One UK institution hoped to start some new TNE programmes in China by working together with a HK institution:

'The main thing we are doing is talking to a HK university because they have various partners particularly in southern China, and are very well connected with the authorities in China. So we would be working through our HK partnership with them to reach into China, rather than trying to do it ourselves I think. Well I'd hope we'd have something off the ground early next year, perhaps the spring and that would probably be initially testing the water in a couple of locations in China, but it's not quite clear yet. I am actually waiting to restart negotiations with them in September because we just can't do it in August, so that will be clearer the end of the month I think. So we might be looking at a limited partnership perhaps with a college in China that is providing students who will then come to the UK to do the third year of a Bachelors programme, maybe offering one or two DL programmes, with local support, in two or three cities in China, that kind of thing, just to see if it works for us and for HK university.'

Another institution expected that their future growth would be through the Singapore hub:

'In the places where we can get serious growth over the next few years we're talking about Singapore because it's the hub in effect, and it's where it will go to, we've got very strong programme in terms of Singapore recruiting now from the regions, so we are getting students coming into Singapore from China.'

3.4.4.3 HK market

UK institutions had a consensus view of HK market being saturated. The future TNE growth in HK seemed in top-up degree programmes, according to a HK institution:

'For HK I think the growth will be very small because you see the participation rate is already 67% so its very, very high but there would be growth for top up degrees because the 67% consists of, apart from the 18% government's subsidized degree programmes, they are mainly self funded associate degrees, so these people need to upgrade, so they are self funded they are private, the self funded top up degree part I think would grow.'

For UK institutions, to find a niche place in HK market was particularly important:

'HK is particularly saturated anyway. I mean there is not too much scope there, you know, you're knocking somebody else out generally unless you've got something specific. So we see niche's in there, so a niche in environment, a niche in graphic design, you know a lot of people offering business and computing and everything already, so we don't see much growth there. Where as in China of cause I mean there are many legal impediments to operating over there at the moment, but eventually I am sure there will be opportunities and the market will go like Malaysia for example, where there is a significant number of students studying in country rather than coming to the UK. So I think as part of the international strategy you've got to have transnational otherwise you know eventually the numbers will decline.'

Another institutional strategy was to 'protect our position in HK' while expanding in China:

'HK numbers have declined slightly for us in the last three or four years, because of the increasing competition I think particularly Australian competition. So I am more looking to protect our position than achieve big growth in HK, I think expansion in that varies actually in China rather than HK itself.'

3.4.4.4 China market

Whilst UK institutions generally agreed that there will be more future TNE opportunities in China especially using the model of in country provision, there were differing views in terms of delivering modes and subjects. One institution commented that 'some UK institutions appear not to have learned from mistakes in other markets, particularly Malaysia, where franchising and private sector partnerships were problematic,' another institution, on the other hand, told about their potential TNE in China:

'Well we're talking with a number of partners at the moment, about potential top up mainly, and also, yes sorry the top up only and possible joint programmes, where we would be more like a franchise but I think in reality they'll be like 2+2 I suspect, two years there two years over here, but at the moment we are talking to a number of partners about offering a top up to HND's for example, in country.'

One UK institution perceived the demanded TNE programmes in subject areas of business and computing whereas other institutions recognised these two disciplines are saturated in China now:

'In China they don't seem to want to work with things like fashion design, graphic design or engineering, although we do have partners for those courses in other countries. But China seems to just want business and computing but we are looking to expand our partnership in whatever programme areas people want in China, you know if somebody came along and said we want to open a fashion school, can we run a high diploma in fashion, then yes we'd say yes, we'd like to look at it, and we'd like to look at those areas as well.'

With respect to the question 'where to go' in China, one interviewee with many years experience in China commented from a developmental perspective, politically and economically:

'I think you've got to keep, because of the rivalry between the two cities and the political groups, you've got to keep Beijing and Shanghai both in the frame. I think that some of the other provincial capitals particularly in the west like Chengdu and so on are good ones to cultivate, because Chinese government is recognising there is a huge disparity between the east coast cities dramatic growth and personal wealth as well as in a sort of success institutionally all along the coast line there, but inland there is still huge poverty and cultural miss matches with many of their ethnic minority groups especially if you look at Qinghai up to Inner Mongolia. So I think in terms of growth the Chinese government in its latest, it's not called a five year plan any more, they changed the jargon but in their latest planning round they've said that they are not going to go explicitly for more economic growth because that's just fuelling the extremes between the east and the west of the country. They want to bring the west on

so if people are looking to develop collaborations looking west and to the north probably would be sensible things to do.'

In fact some institutions have already started to target the Western China:

'We have a commitment with the central Chinese government in looking to work with western China because of economic development in Guangxi, Gansu and I can never say it where Urumqi is in. Very remote area, yes, but that's how we feel we can work well with the central Chinese government, to integrate these more remote areas into the wider economic development of China.'

Another region also mentioned is the Northeast of China, where was used to be the base of heavy industries in China. TNE collaboration there, for example, in Harbin, is mainly involved in subjects of engineering, electronics etc. as there are a couple of high ranking universities of technology there.

3.4.4.5 A Chinese perspective

Our interviews with local education authorities and HE/FE institutions in China revealed a range of TNE interests which would be both indicative and informative for UK institutions' future TNE in China. In particular the regional focuses and types of TNE programmes emphasised in the interviews signalled the TNE tendency in China, which will be TNE partnerships between high ranking universities at one end of the spectrum and joint programmes between lower ranked institutions or FE colleges at the other end, hence highlighting the importance of university rankings.

Regional focuses

As discussed in 3.3.2.5, Jiangsu Province, based on its concentration of HE resources, showed a determination in going international by establishing university zones to attract high quality education resources from abroad to Jiangsu. Similarly its neighbour the municipality Shanghai also focuses on high quality TNE in its strong HE sector. According to the local education authority, as of late 2005, Shanghai had 60 regular HE institutions with enrolments of a total of 131,800 students in the year, raising the total number of their students to 442,600. The number of newly recruited postgraduates hit 27,700 while 16,700 graduated, 3,230 of them with a doctoral degree and 13,511 with a master's. By the end of 2005, the city also had 807 secondary schools with a total of 770,220 students. The number of secondary school students broke down into 308,200 at common senior high schools and 136,700 at 81 vocational education institutions. Up to 99.9% of school-age children enrolled into the nine-year compulsory education, and 99.7% of graduates of junior middle schools entered high schools and vocational schools. Meanwhile, 84% of local high school graduates were able to enter colleges and universities. No wonder that one institution in Shanghai told about their student market for their TNE programmes as 'local students counted for half of the enrolment, of the other half, about 70% are from Zhejiang and Jiangsu, the remaining 30% from other parts of China.'

From the point of view of the HE sector of Shanghai:

'What the city needs is not quantity but quality TNE. This is perhaps different from other regions in China, as our HE enrolment is actually over 80% of secondary school graduates. We opened our HE market with the aim to draw better education resources to our universities. So we are cautious in m+n TNE models as such programmes won't

play an active role in building the HE capacity. In principal we don't encourage and support such programmes. What we accept more now is the pattern of 4+0 in joint programmes. We are not against students going abroad. However TNE programmes should be distinguished from self-funded students going abroad. We won't allow our universities to be turned into the second class institutions of foreign countries. So the joint programmes should be collaboration in a way that both share the teaching plan, teaching process and quality control. In terms of UK provision, it seems there are few actually collaborated programmes in Shanghai so far. We hope to see more changes in UK models.'

With respect to disciplines and areas of TNE, Shanghai wanted to avoid 'repeated building':

'So far many subject areas have not been covered in TNE collaboration with more programmes in management, humanities and languages. We'll be more restrictive in approving TNE programmes in these areas. Management and business schools perhaps should not come again. We'll look for joint programmes that we need but don't have capacity to develop, for example, advanced manufactures, modern service industries etc. We have science and technology laboratories of high standard and welcome collaboration in new science and technology, high tech materials, medical field and so on. In these areas we have a lot programmes with Germany, but not seen any with the UK.'

On the other hand, the municipality Chongqing, like Guangdong Province (3.3.2.5), expressed TNE interests in vocational education, as discussed in 3.4.2.2. Among 17-18 TNE programmes approved by the MoE in 2006 in Chongqing, there was a variety of HE programmes, vocational training programmes and secondary school programmes. Whilst the Northern Consortium's collaboration with Chongqing No. 1 Middle School was considered a good practice by the local education authority, it was also emphasised that universities in Chongqing would be discouraged in non-qualification programmes, which actually is a nationwide principle in TNE collaboration now. In Chongqing, 'we do not have a specified number for TNE programmes. Our guideline is to do one programme that one is counted, in good quality and with good reputation. We'll develop TNE steadily.'

Types of programmes

According to Chinese institutions, joint programmes will replace the previously dominant position of the twinning model. The following are thought to be of particular types of TNE for the future:

- Dual degree programmes in country, that is, in the pattern of 4+0, especially in high ranking universities
- Twinning programmes in international colleges with more 3+1 and less 2+2
- Joint programmes of dual qualifications with progression to Masters
- Non-qualification, pre-degree (foundation and bridging), and English language training courses in colleges (public and private) with progression to degrees
- Mixed model with increasing flying faculty delivery and on line support
- Branch campus of world class universities particularly in cities where universities are concentrated in HE zones
- More student exchanges between TNE partners
- More TNE programmes at postgraduate levels (Masters and PhD)

- More TNE programmes in vocational education and professional training, including school teachers training
- More TNE programmes in science and technology and less in management and business

3.5 Summary

This section has examined TNE models that emerged in the UK, China and HK which show an intricate pattern of TNE between the three places. The frequently mentioned models of TNE provision by UK institutions include top-up, franchising, dual qualification, DL and fly-in teaching, plus branch campus and contractual model. Whilst there were more top-ups delivered in HK by UK institutions, top-up was increasingly perceived a favoured model in TNE between the UK and China. Franchising model was often associated with quality issues. Dual qualification programmes can be delivered in country or in the pattern of m+n with more such programmes delivered in China. DL is a dominant model of UK provision in HK which brings in significant income for UK institutions. However there is the issue of capacity in expansion and also issues of recognition and affordability in entering the China market. Fly-in teaching is becoming a more important part of dual qualification, top-up and DL programmes, which indicates a trend towards 'blended learning' or 'mixture of models'. Branch campus has enabled overseas students to receive a UK education at a lower price and also offers UK students opportunities for international experiences. However there was the concern that whether the education delivered is comparable to that delivered on the UK campus. The contractual model is different in its student type, e.g. senior civil servants from China, who would help in establishing potential partnerships between the UK and China.

In China, TNE activity was described in different terminologies. Two UK branch campuses in China were approved by the MoE as independent TNE institutions. Both TNE institutions were supported by local governments financially and both had long term partnerships through senior level contacts. The difference between the 2 TNE institutions is that UNNC has the partnership between a UK university and a local education group whereas XJLU shows the joint strengths of two high ranking universities. Consequently the former has taken over all the teaching system of the UK campus and the latter combines two different education systems producing new curricula for its teaching, learning and assessment.

TNE programmes jointly provided in China are mainly using the models of dual degree, twinning, contract agreement, flexible model, branch campus and exchange. A most preferred model, in particular by high ranking universities in China, is dual degree which can be delivered in country or in the pattern of m+n. A new trend is to have two degrees awarded at different levels. Twinning is a common model of TNE in Chinese institutions which 'saves the cost to the minimum' and operates flexibly to meet the TNE requirements in China. The risk is, however, 'there might be fewer students in their final year on campus.' Therefore it is not encouraged by the MoE. Contract agreement programmes, similar to contractual model termed in the UK, have significant impact on their unusual students or certain disciplines. Flexible model is designed to meet the needs of different student groups. Different from the UK concept of branch campus, branch campus in China was referred to campuses set up by foreign institutions in Chinese institutions. Finally the model of exchange seems very popular in Chinese institutions. However fewer student

exchange programmes actually happened with the UK institutions due to the small number of UK students who were willing to come to China.

In HK, the main models mentioned were top-ups, mixed model, joint award, branch campus and exchange. The predominant TNE for community colleges and self-financed colleges is on-site top-ups, which are vital in the survival of these institutions. Its related issues can be not seeing any faculty of the awarding university in franchising top-up or intensive teaching by fly-in teachers and loads of follow-up work by local staff in fly-in teaching top-up. Mixed model in HK mainly referred to DL offered by overseas and local institutions with a combination of on-line and face to face teaching. Joint award is favoured in UGC funded universities and so is the same with branch campus in mainland China. HK institutions shared a similar view with Chinese institutions of student exchange with the UK, though the situation has been changing recently.

With respect to institutional TNE experiences, the section looked at TNE partnerships, drivers and approaches, perceptions and roles, and difficulties and barriers. A good TNE partnership, according to HE/FE institutions in the three places, was significantly related to long term relationship, as in examples of over 20 years relationship between academics in the UK and China; high level contacts, highlighted in both TNE institutions in China; and committed individual, both at the management level and from academics. Institutional TNE drivers and approaches were examined from different perspectives. UK research-led universities emphasised more on 'brand' and 'sustainability' in their TNE, although financially breaking even would be the bottom line. Teaching-led institutions were more market oriented with income generation as the main objective. The differing attitudes towards TNE on UK campus or in country reflected different TNE focuses of UK institutions. In China, qualification programmes by high ranking universities often aimed at bringing in high quality education resources whereas non-qualification programmes were seen as a source of staff development fund. At the college level, public and private colleges had different motivations of TNE with the former aiming at capacity building and the latter mainly for the survival. Regional differences were striking too as in the examples of Guangdong, focusing on vocational education programmes, and Jiangsu with expectations of more joint degree programmes and TNE institutions in its HE zones. HK institutions generally wanted to bring in more programmes for HK students with UGC funded universities more focused on developing internationally and self-funded colleges more motivated by the financial benefit. In general UK institutions had a positive view of HK partners in TNE negotiation and delivery but a 'foggy' one about TNE with Chinese institutions. Chinese institutions sometimes also perceived UK institutions as 'hard' to talk to, mainly relating to UK's financial driver in TNE. On the other hand, most of Chinese institutions had a good impression of the UK standard, which was considered key to the reputation of the UK HE by UK institutions. HK institutions, though, sometimes had a dilemma about TNE requirements by UK institutions, as in the perceived power and control in learning, teaching and assessment. There is no evidence that UK's TNE provision has been affected by the recent TNE regulations in China and UK institutions increasingly recognised the local value in TNE as well as the role of HK in TNE between the UK and China. Institutional experience of difficulties and barriers in TNE covered issues relating to equal partners, high UK fees, UK visa problems, time consuming TNE approval procedures in China, unclear legal framework in China and bureaucratic TNE procedure in HK. Other constraints include getting academic staff on board, high cost of fly-in teachers and lack of TNE resources.

In addition, issues relating TNE competition and future opportunities have been explored. The most 'worrying' TNE competitor perceived by UK institutions is Australia, followed by the US and Canada. Some major continental European countries and some Asian countries were also mentioned. HK, as an importer of TNE programmes, now exports TNE to China, actively playing a role of TNE regional hub. TNE competition was also seen from other UK institutions with the names of some big providers frequently referred to. However it is the financial and diplomatic support from some governments to their TNE in China revealed in the interviews with Chinese institutions that seems to be critical in TNE competitiveness. For UK institutions, their TNE strategies include looking for steady growth, building on existing partnerships, working with HE organisations in China, working with regional hubs, and finding a niche in saturated HK market whereas expanding into China market. Some of them have already targeted at Western China in light of the Chinese government's economic development plan for next five years. From a Chinese perspective, there will be more demands in future TNE programmes jointly delivered in country at different levels with increasing flying faculty and more programmes leading to degrees or higher degrees in China.

4. Conclusions

This report presents a complex picture of TNE in the UK, China and HK. Current developments in TNE contexts and regulatory policies indicate that TNE is becoming increasingly important to the UK as well as China and HK. Whilst TNE initiatives and approaches are primarily a matter at the institutional level in the UK, the implementation of TNE regulations by the government seems more pronounced in China. HK, on the other hand, has a transparent registration system for TNE activity as related to its HE provision.

So far UK HE/FE institutions are holding onto the biggest share of an expanding and competitive market in both China and HK. 30% of programmes at degree level or above in 2005 and 2006 in China were jointly provided by UK institutions, covering 18 provinces, municipalities and autonomous regions across China. In HK, the UK provision was up to 55% of non-local programmes in 2006 with 81 UK institutions playing a part in a total of 617 TNE programmes. Between the mainland China and HK, there was an increase of China's share to 8% of non-local programmes in 2006 in HK, whereas HK had a share of 4% of TNE market in the same year in China. HK's political and geographical links with the mainland, in addition to its strategy to act as the regional HE hub, placed the importer of UK TNE programmes in a role of both bridging between the UK and China and exporting TNE programmes to China.

The examination of TNE models has depicted a multi-dimensional as well as overlapping pattern of TNE in the UK, China and HK. Whilst UK institutions were more likely to highlight the mode of delivery, e.g. franchising, DL, fly-in teaching, etc., institutions in China and HK emphasised more the form of TNE programme, e.g. dual degree, joint award, twinning, top-up etc. With reference to the branch campus, however, UK and HK institutions mainly referred to their campuses in China, whereas institutions in China referred to branch campuses of foreign universities in their institutions. There are different terminologies used to suggest the same model, e.g. dual qualification, joint award and dual degree (more specific); or top-ups used in the UK and HK and 3+1 mentioned in China similarly referring to the 1 additional year on top of a 3-year qualification programme. What is most distinctive in China, though, is its enrolment system which distinguishes in-plan students from out-of-plan students in Chinese institutions. The various TNE models

that Chinese institutions adopted may be targeted at different students. Therefore nationally well known and key provincial universities talked more about the model of dual degree delivered in country, as compared with the twinning model of m+n for international colleges affiliated to universities or non-qualification programmes which are mainly designed for out-of-plan students. In fact, the pattern of m+n has been creatively used in the model of the dual degree as well so as to combine TNE programmes at different levels and to compromise between the TNE requirements in China and foreign expectations, as discussed in 3.2.2.2.

TNE provision is of increasing significance to the UK institutions, whether in terms of simple income generation or in a wider sense, such as increasing internationalisation. 2006 saw more research-led universities involved in TNE in China with an emphasis on institutional reputation and sustainability. The University of Nottingham and the University of Liverpool's branch campuses in China illustrate successful TNE partnerships based on long term relationships and high level support. UK institutions are also heavily involved in provision of non-qualification programmes, vocational education and professional training programmes in China with a tendency to expand from the coastal areas into the Western inland and remote regions where the Chinese government has recently called for more economic development. Whilst there are contradictions between China's expectations to attract the best foreign universities to deliver TNE programmes to students in China and UK's motivations to attract Chinese students to the UK campus, in both joint qualification programmes and non-qualification programmes in China, UK's brand was fully recognised and UK's quality provision was 'impressive', particularly with reference to dual degree programmes. Given that joint degree programmes are encouraged by the Chinese government in order to draw excellent foreign education resources, the Chinese TNE driver has impact on TNE collaboration between high ranking universities in the UK, China and HK. Therefore the issue of UK university rankings has to be taken into consideration at official level.

In HK, the TNE market was considered saturated. Whilst some UK institutions looked for a niche market in TNE, others who were already established in the HK market made an effort to protect their position. However the increasing number of self-financed community colleges and the HK education reform indicated that there will be more associate degrees, therefore a TNE demand in top-up programmes. UK institutions' partnerships with HK institutions were also regarded as helpful in entering the China market, though former and existing partners may become competitors of UK institutions in TNE in China.

In terms of difficulties and barriers in TNE between the UK, China and HK, there is no evidence that UK institutions have been affected by the recent TNE regulations in China, although the unclear legal framework and time consuming approval procedures made things 'foggy'. For UK institutions, there were constraints in keeping academic staff on board and finding more resources for TNE activity in both China and HK. For institutions in China and HK, other sorts of issues were raised such as equal partnership, high UK tuition fees and UK visa problems, with the latter specifically for China.

UK institutions are facing increasing competition from other countries in TNE provision. It is important to recognise that competition is not simply a matter of number of players, but level of support as well as scope for innovation. The examples of the investment by the Australian government in Chongqing's vocational education programmes and the French government's financial support to TNE studentships at postgraduate levels (3.4.2.2), and

the visits of US university president delegation to China (3.4.2.1) and the invitations to annual French receptions sent to Chinese scholars and academics (3.4.3), all these governmental, financial and diplomatic initiatives are critical factors in TNE competitiveness. Furthermore, institutional support systems and flexible policies (3.3.4.7), and student support mechanisms including convenient and efficient visa applications (3.4.3), all have implications in TNE competition.

Looking at future opportunities for TNE in the UK, China and HK, there will be:

- More in-country partnerships in China with more dual qualification programmes;
- More in-country delivery of top-ups in both China and HK;
- More well constructed and supported 4+0 with progression to Masters in China;
- More twinning arrangements m+n with the favoured option of 3+1 in China;
- More student exchange programmes;
- More in-country vocational education programmes in China;
- More flexible and mixed models at different levels in both China and HK;
- More segmented market between research-led and teaching-led UK institutions as matched into high ranking universities and other institutions in China, and UGC universities and self-funded colleges in HK;
- More collaboration between the mainland and HK with increasing market share of HK in the mainland and the mainland in HK.

5. Recommendations by contributors

At the end of the interviews, institutions were asked for further issues or recommendations that they thought should be included in the report. Again different issues were raised in the three places and the following were suggested.

5.1 UK

PMI:

- To increase the funding for TNE marketing and communications
- To spend more money on TNE research
- To spend money on letting people know the external opportunities
- To lobby the MoE to recognise DL

The BC:

- Could do a significant amount more in support of TNE, e.g. to provide handouts suggesting what to do and what not to do, to point UK institutions to regulations, to produce a top-up hand book
- To help UK institutions promote brand of individual disciplines
- To understand the role of UK colleges (not to forget the college sector)
- To make known QAA procedure to Chinese HE sector (different from Australia and the US)
- To push on TNE links to try to give a longer visa at the end of study (so we can give work experience)

- To provide a TNE forum for HE/FE institutions (would be helpful if there was a sort of TNE practitioner special interest group)
- To provide support in getting local recognition
- To be a match maker in TNE
- To provide cultural preparation for coming to the UK
- To present market research
- To disseminate the project findings, e.g. what type of worries other universities have by entering into China, interesting to see the different models, why other universities do 4+0, how many do what models, etc.

5.2 China

The BC:

- To have more activities in education research and discussion
- To provide more opportunities for UK institutions and Chinese institutions to meet, not through agencies
- To promote relationships between Chinese visiting scholars and the BC
- To provide a forum for UK companies and Chinese universities including visiting scholars
- To let us know your research findings

UK government:

- To conduct risk assessment (in particular language colleges)
- To take measures to protect Chinese students in the UK (safety issues)
- To grant longer visa for Chinese students to gain working experience
- To reconsider the visa application procedures
- To collaborate with Chinese institutions in consideration of TNE students' visa applications
- To reduce the overseas fees for TNE students
- To offer studentships to good TNE students
- To invest money in TNE programmes (like other countries)
- To set up a TNE foundation to encourage good students
- To fund TNE research so as to inform Chinese universities of good practice in TNE with UK universities (we are also willing to tell other institutions about our experiences)
- To invest more in education
- To send more UK students coming to China
- To recognise credits in TNE partner universities in China

UK institutions:

- To send good lecturers to TNE programmes
- To avoid condensed teaching

The Chinese government:

- To speed up the approval process
- To support private colleges in TNE

5.3 Hong Kong

The BC:

- To encourage more UK students to exchange programmes with HK
- To send good teachers for TNE programmes
- To inform of the research findings

5.4 Concluding comment

TNE has strategic implications for HE/FE institutions in the UK, China and HK. By the end of this report, it is clear that TNE partnerships must be of benefit to both sides as well as to students. The complex picture of TNE presented in this report has confirmed the global, national and institutional challenges in general, as discussed in Section 1.2, whereas the examination of TNE models and provisions across the UK, China and HK has shown a diverse and changing pattern of TNE in the three places in particular.

For the UK, action is required at national level to guide, monitor and invest in TNE, at regional level to develop TNE strategies that support HE/FE institutions in TNE partnerships, and at institutional level to strengthen staff development in TNE and shift the focus away from income generation to collaborative and joint education activity. More specifically:

- To establish a national TNE registering and monitoring system;
- To provide TNE country guidelines, consultancy and 'matchmaker';
- To utilise national quality assurance bodies, promoting the use of national code of practice and clarifying the UK university rankings;
- To inform HE/FE institutions of regional partnerships and links in China and HK in both economic development and education areas;
- To allocate resources to support collective and institutional TNE initiatives;
- To provide funding for further research in TNE, e.g. case studies of good practice in TNE, case studies of institutional capacity in delivering TNE using different models, TNE in the FE sector, UK students' interests in studying abroad, TNE intentions of Chinese institutions by subject areas, HE and FE sectors and geographical regions.

Appendices

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B E-questionnaires for survey of UK HE/FE institutions

| Transnational Education in the UK, China and Hong Kong | | |
|--|---|---|
| Survey ID: 4433E86E, Created By: Ning Tang Created On: 5 Apr 2006, Expires: 31 Dec 2006 | | |
| Page type | title / sub-title | No Q Possible replies |
| 1. start | Transnational Education in the UK, China and Hong Kong <i>(Transnational education refers to education provision from one country offered in another.)</i> | <p>Button: start UK-China-Hong Kong TNE project</p> <p>This is a British Council commissioned project to investigate transnational education (TNE) in China, Hong Kong and the UK HE sectors, including models of collaboration, motivations, capacity and expectations and future opportunities.</p> <p>The findings of the project will be presented to the British Council in two ways:</p> <p style="padding-left: 20px;">Presentation at a BC conference in October 2006 in Beijing; A final report submitted to the BC at the end of the project.</p> <p>Confidentiality</p> <p>All your answers will be treated in the strictest confidence by the research team and the British Council. Your questionnaire responses will not be shown to other institutions and organisations. No individual institution will be identified in the conference presentation or the final report.</p> <p>Please click 'start' button now.</p> |
| 2. textbox | Please give the name of your institution. | multiple lines of text |
| 3. radio | In which region is your institution located? | 12 <ol style="list-style-type: none"> 1. Scotland 2. North West 3. Yorkshire & Humberside 4. North East 5. East Midlands 6. West Midlands 7. East Anglia 8. Great London 9. South East 10. South West 11. Wales 12. Northern Ireland |
| 4. text | How many TNE programmes is your institution involved in? | single line of text |
| 5. checkbox | In which countries and regions do you have TNE programmes? <i>Please click all that apply.</i> | 3 <ol style="list-style-type: none"> a. China b. Hong Kong c. Other (with explanatory text) |
| 6. m_num | In which type of TNE provision are you involved? <i>Please total the programmes in all that apply.</i> | 6 <ol style="list-style-type: none"> a. full distance learning b. fly-in teacher c. branch campus d. twinning/franchising e. joint degrees f. Other (with explanatory text) |

| | | | |
|--------------|--|---|--|
| 7. textbox | What criteria does your institution use to judge the success of TNE programmes? | | multiple lines of text |
| 8. radio | Is TNE in your institution led by | 4 | 1. individual academic departments 2. an international office/department 3. another central department 4. other (with explanatory text) |
| 9. radio | Is TNE in your institution supported by | 4 | 1. an international office/department 2. another central department 3. a central committee or group 4. other (with explanatory text) |
| 10. textbox | Which institutions, if any, provided you with support in setting up your TNE programmes? (e.g. DFES, FCO, UKTI, CBBC, BC, etc.) | | multiple lines of text |
| 11. textbox | Briefly, what do you think makes TNE difficult? | | multiple lines of text |
| 12. textbox | Briefly, what makes TNE partnership effective? | | multiple lines of text |
| 13. textbox | What does your institution hope to gain from TNE? | | multiple lines of text |
| 14. checkbox | What is important in identifying TNE opportunities in China and Hong Kong? <i>Please click all that apply.</i> | 6 | a. subject specialism b. locality c. personal contacts d. university agents e. Proficiency of English language f. other (with explanatory text) |
| 15. checkbox | Which other countries do you perceive as your main competitors in TNE in China and Hong Kong? <i>Please click all that apply.</i> | 3 | a. USA b. Australia c. Other (with explanatory text) |
| 16. checkbox | Where might there be future TNE opportunities for UK HE/FE institutions? <i>Please click all that apply.</i> | 3 | a. In China b. In Hong Kong c. Other (with explanatory text) |
| 17. textbox | What are your future plans for TNE? | | multiple lines of text |
| 18. radio | Are you willing to participate further in the research? (e.g. to be interviewed or further comment on TNE provision in the UK) | 2 | 1. yes 2. no |
| 19. textbox | If you answered 'yes' to the previous question, please give your name, phone number and email address. | | multiple lines of text |
| 20. finished | End of the questionnaire. | | Button: finished URL: http://www.shu.ac.uk Thank you very much for your assistance in this research! |

Transnational Education Provision by UK HE/FE institutions

Survey ID: 44314819, Created By: Ning Tang
Created On: 3 Apr 2006, Expires: 31 Dec 2006

| Page type | title / sub-title | No Q | Possible replies |
|------------|---|------|---|
| 1. start | <p>Transnational Education Provision by UK HE/FE institutions <i>(Transnational education refers to education provision from one country offered in another.)</i></p> | | <p>Button: start UK-China-Hong Kong TNE project</p> <p>This is a British Council commissioned project to investigate transnational education (TNE) in China, Hong Kong and the UK HE sectors, including models of collaboration, motivations, capacity and expectations and future opportunities.</p> <p>The findings of the project will be presented to the British Council in two ways:</p> <p>Presentation at a BC conference in October 2006 in Beijing; A final report submitted to the BC at the end of the project.</p> <p>Confidentiality</p> <p>All your answers will be treated in the strictest confidence by the research team and the British Council. Your questionnaire responses will not be shown to other institutions and organisations. No individual institution will be identified in the conference presentation or the final report.</p> <p>Please click 'start' button now.</p> |
| 2. text | Please give the name of your institution. | | single line of text |
| 3. text | Please give the name of your department or faculty. | | single line of text |
| 4. radio | In which region is your institution located? | 12 | <ol style="list-style-type: none"> 1. Scotland 2. North West 3. Yorkshire & Humberside 4. North East 5. East Midlands 6. West Midlands 7. East Anglia 8. Great London 9. South East 10. South West 11. Wales 12. Northern Ireland |
| 5. textbox | <p>What is the name of the TNE programme that you are involved in? <i>(Please select one programme and complete the rest of the questionnaire in relation to that programme.)</i></p> | | multiple lines of text |
| 6. textbox | Please indicate why you have chosen this particular programme? | | multiple lines of text |
| 7. radio | What type of qualification does this programme lead to? | 10 | <ol style="list-style-type: none"> 1. Undergraduate certificate 2. Undergraduate diploma 3. Foundation degree |

| | | | |
|-----------|--|----|--|
| | | | <ul style="list-style-type: none"> 4. Non honours degree 5. Honours degree 6. Postgraduate certificate 7. Postgraduate diploma 8. Postgraduate masters 9. Professional qualification 10. Other (with explanatory text) |
| 8. radio | What is the subject area? | 20 | <ul style="list-style-type: none"> 1. Medicine & dentistry 2. Subjects allied to medicine 3. Biological sciences 4. Veterinary science 5. Agriculture & related subjects 6. Physical sciences 7. Mathematical sciences 8. Computer science 9. Engineering & technology 10. Architecture, building & planning 11. Social 12. Law 13. Business & administrative studies 14. Mass communications & documentation 15. Languages 16. Historical & philosophical studies 17. Creative arts & design 18. Education 19. Combined 20. Other (with explanatory text) |
| 9. radio | In which country/region do you provide this programme? | 3 | <ul style="list-style-type: none"> 1. China 2. Hong Kong 3. Other (with explanatory text) |
| 10. radio | Which type of provision does this programme fall within? | 6 | <ul style="list-style-type: none"> 1. full distance learning 2. fly-in teacher (i.e. UK academics fly out to deliver some elements) 3. branch campus 4. twinning/franchising 5. joint degrees 6. other (with explanatory text) |
| 11. radio | If you clicked twinning/franchising, please indicate the type of provision. | 6 | <ul style="list-style-type: none"> 1. 3+1 2. 2+1 3. 2+2 4. 1+1 5. 1+2 6. Other (with explanatory text) |
| 12. radio | How long is the programme? | 6 | <ul style="list-style-type: none"> 1. 1 year 2. 2 years 3. 3 years 4. 4 years 5. 5 years 6. Other (with explanatory text) |
| 13. radio | In which year did the programme begin? (not this particular cohort) | 12 | <ul style="list-style-type: none"> 1. Before 1996 2. 1996 3. 1997 4. 1998 5. 1999 6. 2000 7. 2001 8. 2002 9. 2003 10. 2004 11. 2005 12. 2006 |
| 14. text | How many students do you have on the programme? (for your current cohort) | | single line of text |
| 15. text | How many teaching staff in the UK work on this | | single line of text |

| | | | |
|--------------|---|---|--|
| | programme? | | |
| 16. text | How many teaching staff in the other country work on this programme? | | single line of text |
| 17. text | How many administrative staff in the UK work on this programme? | | single line of text |
| 18. text | How many administrative staff in the other country work on this programme? | | single line of text |
| 19. textbox | What are the fees per year for the programme? | | multiple lines of text |
| 20. radio | Did you develop this programme...? | 3 | 1. to react to a market opportunity 2. as part of strategic planning 3. Other (with explanatory text) |
| 21. textbox | Briefly, what helped you in setting up this programme? | | multiple lines of text |
| 22. textbox | Briefly, what are the barriers and obstacles, or difficulties in providing this programme? | | multiple lines of text |
| 23. textbox | What is good about this programme? | | multiple lines of text |
| 24. textbox | What is not good about this programme? | | multiple lines of text |
| 25. checkbox | What is important in identifying TNE opportunities in other countries/regions? <i>Please click all that apply.</i> | 6 | a. Subject specialism b. Locality c. Personal contacts d. Role of agency e. Language f. Other (with explanatory text) |
| 26. radio | Are you willing to participate further in this research? <i>(e.g. to respond to a telephone query etc.)</i> | 2 | 1. Yes 2. No |
| 27. textbox | If yes, please give your name, telephone number and email address. | | multiple lines of text |
| 28. finished | End of the questionnaire | | Button: finished URL: http://www.shu.ac.uk Thank you very much for completing this questionnaire! |
| | | | |

C Selected interview schedules

UK-China-Hong Kong Trans-national Education Project

Interview schedule

(With UK national and regional policy makers and enablers)

Self introduction

Brief introduction to the TNE project

- Definition of TNE (*Transnational education refers to education provision from one country offered in another.*)
- Commissioned by the BC
- Objectives: to identify successful models of collaboration between China, Hong Kong and the UK HE/FE institutions; to understand TNE motivations, capacity and expectations; and to look at future opportunities in TNE.
- Methodology: e-survey in the UK, qualitative interviews with national and regional higher education policy makers and enablers, HE/FE institutions in the UK, China and Hong Kong.
- Dissemination: Final report + presentations at a BC conference and seminars.

Confidentiality

- Anonymise any names of individuals or organisations referred to in the interview
- Check if mind interview being taped
- Ask if want to check transcript

Today's interview

- To have an overview of the national/regional context of TNE and to understand TNE motivations, capacity and expectations from a UK perspective.
- About an hour in length.
- Feel free to ask questions and make comments on the project.

Topics

Drivers in the UK

Can you briefly introduce the UK/regional context for TNE?
What is the significance of PMI 1 in HE internationalisation?
How will PMI 2 further influence TNE between UK, China and HK institutions?
What's the government's/regional strategy in TNE with China and Hong Kong?
What do you expect and hope for from TNE in China and HK?
Is this different from what you expect and hope for from TNE in other countries?

UK TNE provision

What kind of TNE programmes do you encourage and expect UK HE/FE institutions to deliver in China and HK? Why?

Show card: Distance learning
 Flying teacher (UK academics fly out for elements).
 Branch campus
 Twinning/franchise.
 Joint degrees/ share expertise.
 Other

What procedures are there that UK HE/FE institutions should go through in establishing TNE partnerships with China and HK?

What is the strength of UK TNE provision in China and HK?
What are the problems and obstacles in TNE provision in China and HK?

What do you think of the high tuition fees for overseas students in UK universities, as compared with the lower cost of HE in some other European countries?

Future opportunities

What issues are important for UK HE/FE institutions in identifying TNE opportunities in China and HK? (**Prompt:** brand, reputation, subject specialism, locality, personal contacts)

What are your plans for future TNE? (**Prompt:** short term and long term) (at regional level)

Blue-sky thinking questions

What do you think of recent regulations on TNE by the Ministry of Education in China? Will they affect the future development in TNE collaboration and partnerships between UK and China?

What do you think of the role of the private sector in TNE?

What is good TNE in your opinion?
For collaboration between China, HK and other countries, what is required for TNE to be successful in the UK?

UK-China-Hong Kong Trans-national Education Project

Interview schedule

(With HE/FE institutions in China)

Self introduction and presenting the business card

Introduction to the TNE project

This is a **British Council funded project**, aiming at investigating both transnational education (TNE) demand and supply markets in China, HK and UK HE sector. We hope to identify successful models of collaboration between China, HK and UK HEIs, to understand your expectations and perceptions of UK HE/FE institutions in TNE collaboration and partnerships, and to look at future opportunities for China, HK and UK collaboration in TNE. The timescale for the project is from March to November 2006. The findings of the project will be presented to the British Council in two ways:

- Presentation at a BC conference in October 2006 in Beijing;
- A final report submitted to the BC at the end of the project.

Confidentiality

We will treat everything you say as strictly **confidential**. No individual institution will be identified in the conference presentation or the final report. Here is the BC endorsement letter, which will tell you how the project findings will be used and disseminated. However, to ease the process of analysis and writing up I would like to **tape** and **transcribe** the conversation. All the tapes and transcriptions will **only** be used by the research team and the BC. No HE/FE institutions or other organizations can have access to these original data. Do you agree?

Today's interview

This is supposed to be an informal conversation, please feel comfortable to speak freely and say what you think. Please also feel free to ask questions about and make comments on the project. Do you have any questions?

Topics

About TNE market in the China HE sector

How many TNE programs do you have in your institution?

您的学校一共有多少合作办学的项目？

How many UK staff are involved in these programs?

共有多少英国大学的工作人参与授课？

How many staff from other countries are involved in your programmes with them?

与其他国家的合作办学项目中，共有多少外方工作人员参与授课？

How many local staff are involved in these programs?

你们大学有多少工作人员参与授课？（教学，行政和管理人员）

(Prompt: teaching, admin and management staff)

How many students are on TNE programs?

这些合作办学项目招收了多少学生？

Where do students for your TNE programs mainly come from?

学生都来自什么地方？（省，市，地区，国际学生）

(Prompt: which provinces, cities, regions, international students)

What is the cost to students of a program?

合作办学项目的学生每年学费是多少？

What benefits are there to your institution? **(Prompt: financial benefits)**

大学能获得哪些利益？（经济收益）

Did you develop this program to react to a market opportunity or as part of strategic planning, or both?

当初发展这个项目是由于市场机遇还是因为这是大学的战略计划的一部分？

Models of collaboration

What models of collaboration in TNE do you have with the UK, HK, UK and HK, and other regions and countries? **(Show cards of 6 categories defined by the BC + other)**

这些模式中哪些是你们的合作办学型式？（分别与英国，香港，英国和香港，以及其他地区和国家）

远程教学（网上授课）

国外教师定期前来授课

自学+当地辅导

国外分校

分段式培养

双学位/共同授学位

其他

- *Fully distance learning* (e.g. delivered fully on-line with no face-to-face)
- *Fly-in teacher* (UK academics fly out to deliver some elements of the course)
- *Independent study / locally-supported*
- *Branch campus* (e.g. Nottingham University Ningbo Campus in China)
- *Twinning / franchising* (a local partner teaches part of the UK institution's course then the student transfers to UK campus to complete the course)
- *Joint degrees / sharing of expertise*

- *Other*

(**Prompt:** type, level, size, with what country, region etc.)

(各种模式的形式, 程度, 规模等)

Can you give an example which you think is a successful collaboration in TNE delivery?
请您谈谈您认为的合作办学中的成功例子。

Drivers in China

What do you expect and hope for from contact with the UK for TNE?

您期望从与英国的合作办学中有何收获?

Is this different from what you expect and hope for from other countries?

这和您对与其他国家的合作办学的希望值有何不同?

What are your perceptions of UK HE/FE institutions in TNE collaboration and partnerships?

您如何看待与英国学校合作办学的合作及伙伴关系?

What are your views on the contributions required by these UK institutions in order to deliver the courses? (**Prompt:** teaching, marking, etc.)

您对英国高校在合作办学中对你们学校提出的要求有什么看法? (授课, 考试等要求)

What is the strength of UK HEIs in TNE provision?

您认为英国高校在合作办学中的优势是什么?

What is the strength of other countries in TNE provision? (**Prompt:** better than UK)

其他国家高校的优势是什么? (哪些超过英国)

Future opportunities

How did you select your partners in TNE collaboration? (**Prompt:** brand, reputation, role of agency, personal contacts etc.)

您是怎么选择合作办学中的合作学校的? (学校排名, 声誉, 中介的作用, 私人关系等等)

What issues are important for your institution in identifying TNE opportunities? (**Prompt:** subject specialism, locality, personal contacts)

在寻找合作办学机会时, 你们学校认为哪些问题需要重点考虑? (专业, 地点, 私人关系等)

What are your plans for the future?

你们今后的发展计划是什么?

Blue-sky thinking questions

What do you think of the regulations on TNE by the Ministry of Education?

您对国家教委在合作办学方面的规定有何想法?

What do you think of the role of the private sector in TNE?

您如何看待私营学校在合作办学中的作用?

What is good TNE in your opinion?

您认为什么是好的合作办学?

How is it possible to become successful in the Chinese context?

在中国的背景下, 怎样才有可能成功地合作办学?