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# The English Empire? Global Higher Education

**Professor Glyn Davis**
**Vice-Chancellor**
**The University of Melbourne**

**The 2008-09 Menzies Lecture**
**Menzies Centre for Australian Studies**
**King's College London**

Robert Menzies was a man for whom the importance of university education was a constant in his life: from an aspiration as a schoolboy, as a reality as a young man, as a policy priority as a politician, and as a university chancellor in retirement.

The path to university for a young man of Menzies' background in the early 20th century was not straightforward. His parents were well-read but had little formal education. The family business, a general store in the Victorian country town of Jeparit, in the words of Menzies' biographer Alan Martin, had 'survived rather than prospered'. With free public education finishing at the end of primary school, Menzies relied on scholarships to continue to secondary school. At the end of his secondary schooling, he won one of the twenty-five exhibitions for university study. In 1913 he commenced his studies in law at the University of Melbourne. He was one of a small number: the University had just over 1,300 students that year, out of Victoria's then population of 1.4 million.

Menzies completed his undergraduate law degree in 1916 and a masters degree in law in 1918, combining academic distinction with active involvement in student life, including the presidency of the student representative council. He went on to a successful legal career and then, in 1929, entered the Victorian state parliament. As Attorney-General a few years later his first act as a higher education policymaker was to take through the Parliament legislation creating the job I now hold: paid Vice-Chancellor of the University of Melbourne.

In 1934 he was elected to the Commonwealth parliament, and in 1939 became Prime Minister for the first time. He lost office in 1941, but returned in 1949, and did not lose another election. Menzies retired from office in 1966, the last Australian Prime Minister to leave on his own terms. In 1967 he began the first of three terms as Chancellor of the University of Melbourne, concluding in 1972. Menzies entered and exited his professional life through the University of Melbourne.

In his post-retirement book *The Measure of the Years*, Menzies records that on winning office he was immediately concerned with the state of the universities. In March 1950, he set up a committee to look at the issue. Though under the Australian Constitution universities were—and technically remain—the responsibility of the states, in his words he felt that 'the Commonwealth must be the saviour of the universities'. A series of acts and two major policy reviews followed, eventually creating financing structures that lasted until 1974, and institutional structures that survived until 1989. Enrolments at universities more than doubled under Menzies' Prime Ministership, and thousands more studied at teaching-only colleges of advanced education.

## The Colombo Plan

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In *The Measure of the Years*, Menzies argues that in addition to meeting increasing Australian demand for higher education, the Australian government had a 'great duty' to its Asian neighbours in training the 'expert minds' necessary for their development. Though he does not mention it specifically, he would have had in mind the Colombo Plan, an international project that began in 1950, including Britain, to assist development in Asia.

Though the Colombo Plan involved a range of activities, in Australia it was known mainly for bringing students from Asia to study in Australia. This was the beginning of Australia as an international higher education provider. Most students were from Malaya, as it then was, Indonesia, India, Pakistan, and Ceylon, as it then was. Smaller numbers came from Burma, Brunei, Cambodia, Korea and Afghanistan. These students, along with others from Asia, were noticed in Australia in the 1950s and 1960s because this was still the time of the White Australia policy, which since the early 20th century had made it very difficult for people of Asian background to migrate to Australia. The favourable impression many Australians had of the Colombo students is credited with being one of the factors contributing to the gradual loss of public support for the White Australia policy. It was not until after Menzies retired, however, that the rules on the permanent migration of non-Europeans began to be relaxed.

The Colombo students were financially supported by the Australian government in the interests of Asian economic development. There were also private international students. In the 1950s and 1960s they paid only a small proportion of their tuition costs, and for a short while in the second half of the 1970s enjoyed the same free university education as Australian students. However from 1980 they were subject to an Overseas Student Charge, and from 1986 full-fee international students were permitted and subsidised students phased out.

**The rise of full-fee students**

In hindsight, the decision to take full-fee international students was one of the most significant Australian higher education policy changes ever made. Its full significance was not, however, fully apparent to policymakers at the time. In 1987, when there were around 1,000 full-fee and 16,000 subsidised overseas students, a discussion paper released by then education minister John Dawkins remarked that though there was further scope to increase fee-paying student enrolments, competition from abroad, including the UK and US, would put a ceiling on their numbers. Though there has, of course, been competition from the UK and US, international student enrolments grew at double-digit rates for most of the next 20 years. Last year there were 273,000 international students enrolled in Australian higher education institutions, including about 65,000 enrolled offshore. In two decades, international students went from 4% of students to one in four students.

**Figure 1: International higher education students, Australia 1987-2007**

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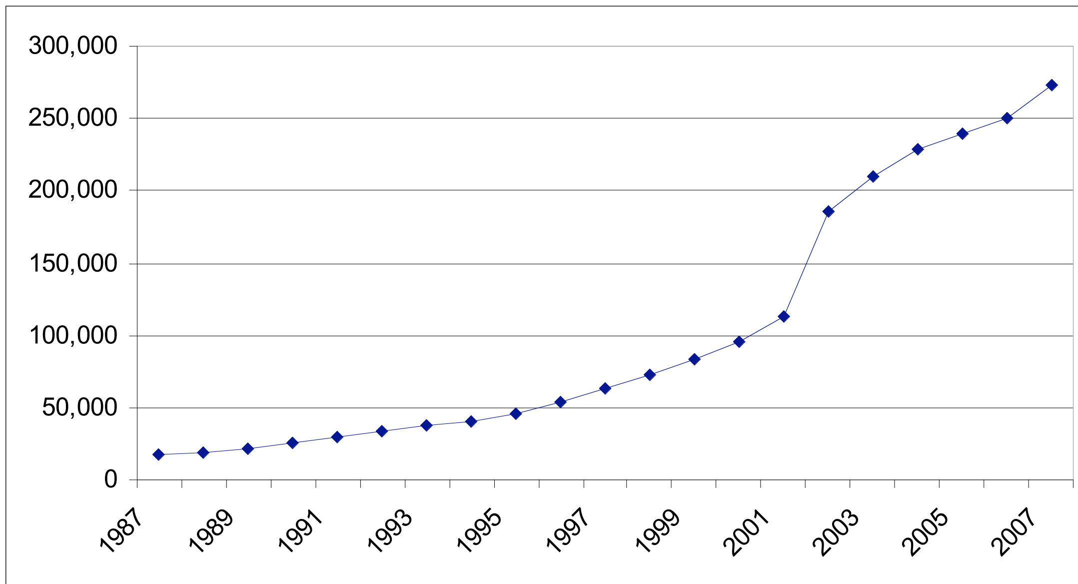
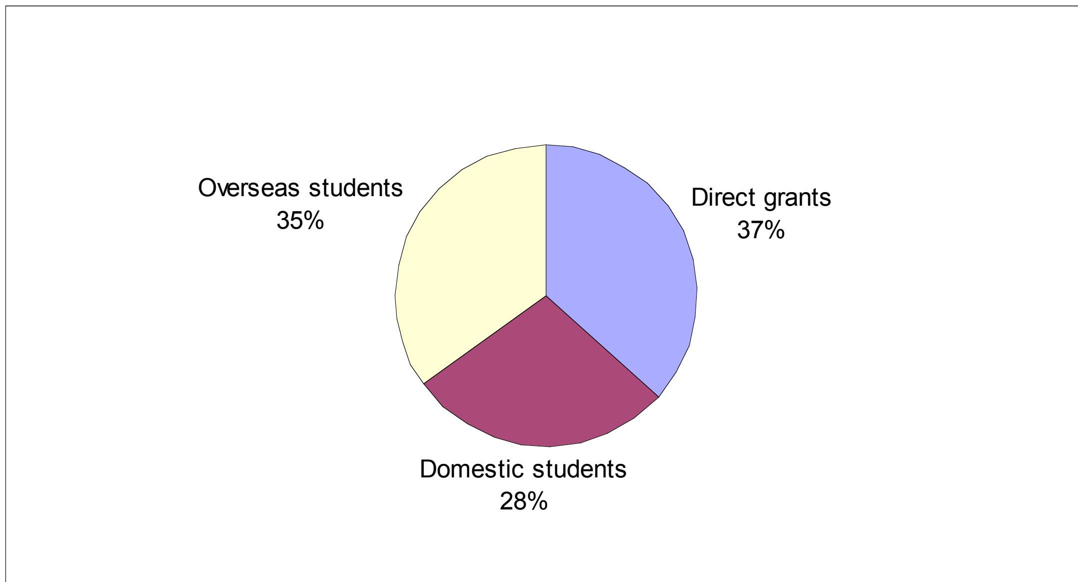



Source:
DETYA/DEST/DEEWR,
*Students: Selected Higher Education Statistics,*
various years
Higher Education Students Time Series Tables 1949 to 2000

The motivations for Australia taking international students have changed dramatically since the days of the Colombo Plan. With some justification, a submission from the University of Technology, Sydney to a recent review of Australian higher education policy described the current state of affairs as the Colombo Plan in reverse. Instead of Australian taxpayers subsidising development in Asia, the often high fees paid by Asian students are subsidising the education of Australian students. Successive Australian governments have taken advantage of strong international student markets to impose years of below-inflation indexation of grant and student contribution revenue for Australian students. Universities have been forced to seek alternative sources of income. For commerce and management courses, even the lowest fees available to international students are about 25% more than a university could receive for a government-subsidised place. In the more expensive universities, international students pay more than a 100% premium on the rate for a government-subsidised place. Australian universities now rely heavily on fee income from international students. At the University of Melbourne, overseas students are 27% of enrolments, but 35% of our student enrolment income.

**Figure 2: Sources of University of Melbourne university student income, 2007**




Source: University of Melbourne/DEEWR, *Finance 2007: Selected Higher Education Statistics*

**Human capital flows**

Not only has the financial relationship been turned around, but also the direction of human capital flows has changed significantly since the days of the Colombo Plan. Though the benefits of an Australian education are still being taken back to Asia, many Asian former international students remain in Australia after completing their education. A 2006 survey by Australian Education International, a government agency responsible for promoting Australian higher education overseas, found that around two-thirds of international higher education students wanted permanent residence in Australia. Australia's skilled migration system favours former international students. If they apply within 6 months of completing their courses, they are able to avoid the 12 months recent work experience requirement of other skilled migrants. The migration system is points based, with each applicant having to build up a target number of points before approved. Degrees from Australian institutions, particularly at postgraduate level, provide additional points on top of those available for the skills they possess. Attending a university in a regional area of Australia can add further additional points for those who need them.

With growth in domestic student course completions having slowed, skilled migrants now make a significant contribution to the Australian workforce's skills base. An Australian government funded study found that net migrant inflow provided a third of the growth in professional workforce over the four years to mid-2005. The top source countries for international students coming to Australia now overlap with the top source countries for skilled migrants. The United Kingdom is the only significant source of skilled migrants that is not also a significant source of international students. Though the proportion of all skilled migrants who are former international students is not routinely reported, in 2005 it was just over half.

**Table 1: Sources of students and skilled migrants, 2007**

| Students | Skilled migrants |
|---|---|
| **1** China | **1** India |
| **2** Malaysia | **2** United Kingdom |
| **3** India | **3** China |
| **4** Singapore | **4** Malaysia |
| **5** Hong Kong | **5** Sri Lanka |

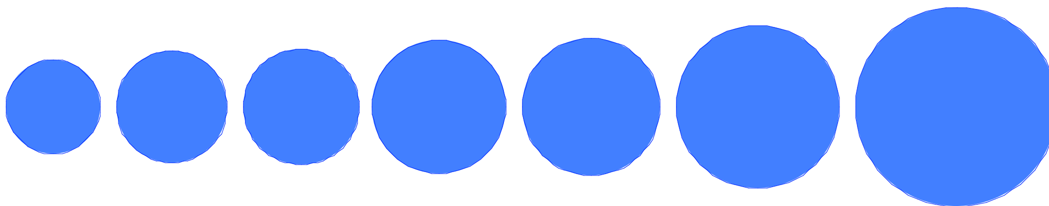
Sources: DEEWR, *Students 2007: Selected Higher Education Statistics*
Statistics supplied by the Department of Immigration and Citizenship, 2007-08

**The English empire**

Of course Australia is not alone in enjoying strong growth in international student numbers. This has been one of globalisation's great success stories. The number of students enrolled outside their country of citizenship had approximately doubled each fifteen years since 1975. With a two-thirds increase in numbers in the decade to 2006 the UK is on track to repeat this performance. Australia is growing at an even faster pace.

**Figure 3: Students enrolled outside their country of citizenship**

**Box C3.1. Long term growth in the number of students enrolled outside their country of citizenship**



Source: OECD *Education at a Glance 2008*

As the success of Australia and the UK suggests, a notable feature of this expansion has been the disproportionate role of English-speaking countries. According to OECD figures, English-speaking countries had 45% of the international student market in 2006. Australia was on 6%, and the UK on 11%. These proportions are conservative estimates, because within the EU the OECD cannot always distinguish those students who travelled to study from those living outside their country of citizenship. Citizens of one European country residing in another can appear as international students, even if they have not moved to study. And these figures significantly understate the commercial success of the English-speaking countries. The two non-English speaking countries with the largest enrolments of foreign students, France and Germany, charge international students only token tuition fees at public institutions.

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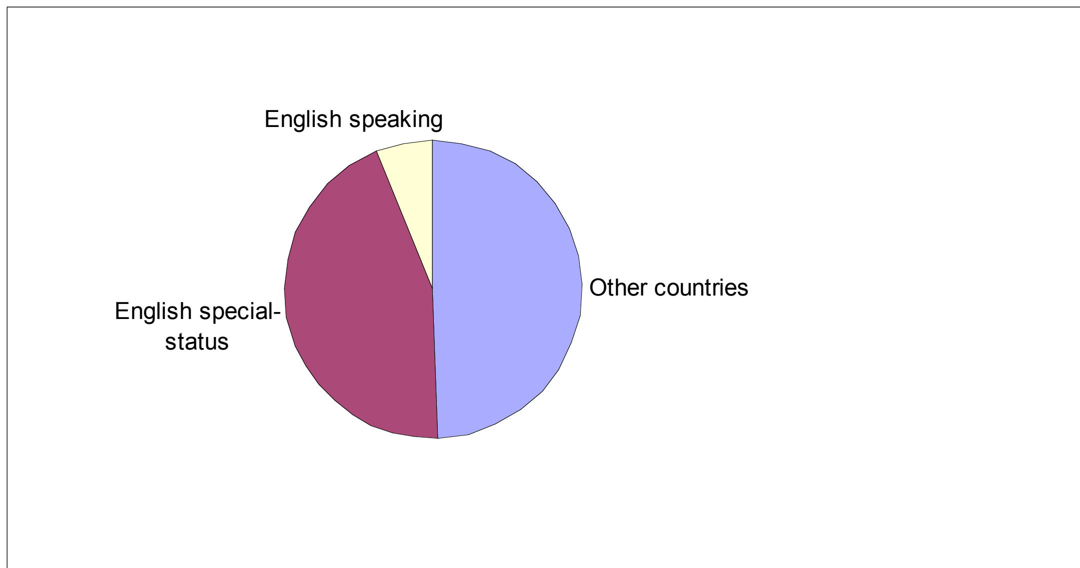
What explains the success of English-speaking countries in the international student market?

This is a story that starts several hundred years ago, as English colonists and traders began to spread far beyond Europe, into the Americas, Asia, Africa and Oceania. They were not, of course, trading educational services. At the time literacy was the exception rather than the rule. But they did begin to spread the English language around the globe, creating several new English-speaking countries and making English the language of local elites in many other places. According to David Crystal's book *English as a Global Language*, there are now 75 countries and territories in which English has some kind of special status, as the major language, an official language, the language of major institutions, or as a common second language for people in countries with multiple major languages.

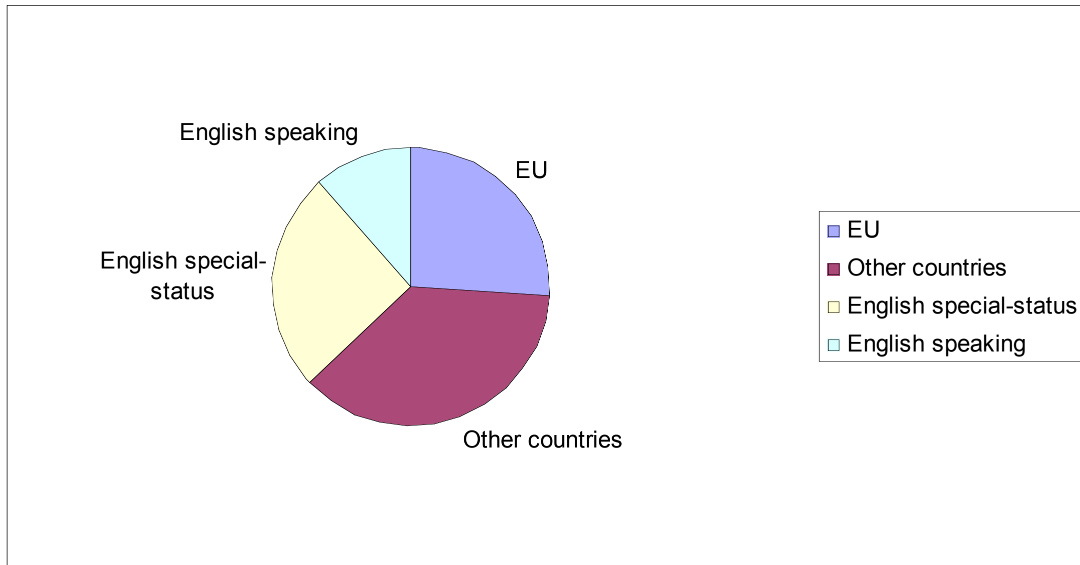
These countries, where significant minorities have some knowledge of English, or some immediate use for it in their home-country institutions, are a natural market for universities in English-speaking countries. In Australia, just over half of international students come from countries where English is the major language or has some other special status. In the UK, proximity to Europe and membership of the European Union creates a different situation, but still just under 40% of international students are from English-speaking countries or the countries in which English has a special status. The official English empire is long gone, but the empire of the English language remains. High international student enrolments are in part a late legacy of England's colonial past.

**Figure 4: Sources of international students, Australia 2006**




Source: OECD *Education at a Glance 2008*

**Figure 5: Sources of international students, United Kingdom 2006**




Source: OECD *Education at a Glance 2008*

English has been spread further by the cultural and business empire of one of those former British colonies, the United States. In the twentieth century, doing global business meant dealing with the United States, and more often than not that meant the trading partners rather than the Americans learning another language. As the labour market has globalised, English has become the language to have. It is not just that major importers of people such as Australia, the United States, Canada and Britain are English speaking. It is that multinational companies based elsewhere use English as their common language of communication. American popular culture has found large audiences around the world. The sheer number of American travellers helped make English the first or second language of travel almost everywhere around the world. The United States is the world's largest producer of research, and most research publications are in English. Getting on in the twentieth and twenty-first centuries has increasingly required knowing how to speak, write and read English, and this has been to the great benefit of universities in English-speaking countries.

The strength of English is evident in the study destinations of students from China, the world's largest market for international higher education. In 2006, more than 450,000 Chinese students were studying abroad, 15% of the global market. More than half were enrolled in the English-speaking countries. English has no special status in China's history, but large numbers of young Chinese are betting that it has a significant status in China's future. For Britain, English's status as Europe's main second language is also significant. Within the EU, the UK has by far the largest number of citizens of other EU countries enrolled at its universities. It has more than twice as many EU students as its nearest competitor, Germany.

**Figure 6: Chinese international students, 2006**

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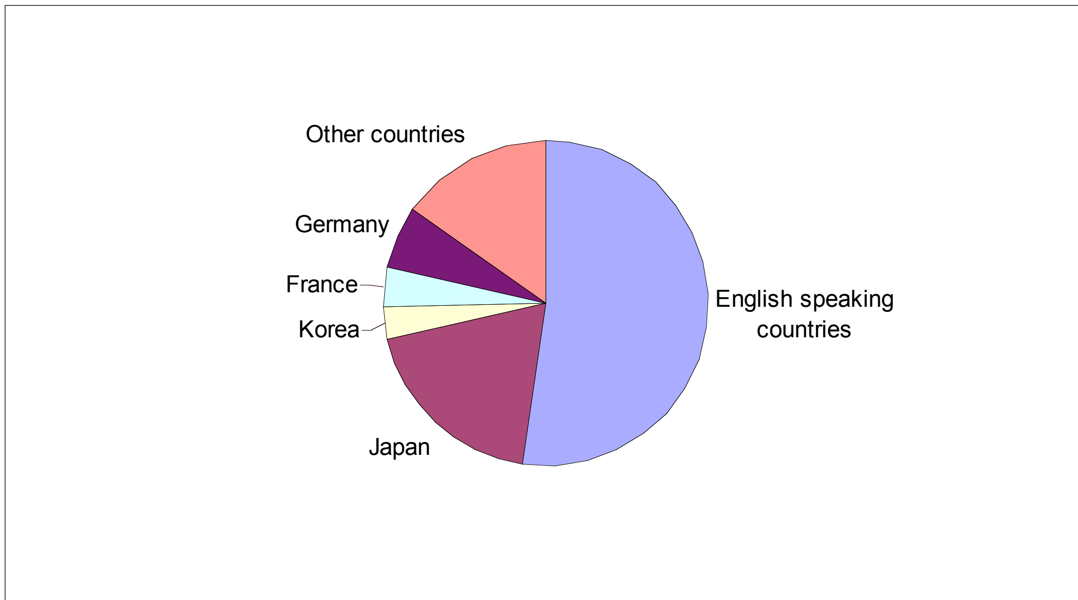



Source: OECD *Education at a Glance 2008*

**An enduring advantage?**

The place of English in global affairs means that universities in English-speaking countries are likely to enjoy some enduring advantages. While speakers of Asian languages are producing and consuming a growing share of world economic output, no Asian language is likely to replace English as the global lingua franca in the short or medium term. Indeed, the large numbers of people within Asia learning English, or coming to the West to learn English, without any corresponding trend among non-native speakers to learn Asian languages, are only entrenching English's position as the world's second language.

For the research activities of universities, the possibilities of enduring advantage for English-speaking countries are high. They start in a very strong position. In the Shanghai Jiao Tong rankings, the most reputable of the university ranking systems, 43 of the top 50 institutions are in the USA, UK or Canada. In the top 100, 75 are in English-speaking countries. The UK has two in the top 10 and eleven in the top 100. Australia has two in the top 100. In research, success breeds success. High rankings are a drawcard in global market for academic labour, a signal to researchers that they will work with the leading people in their field. Similarly, the leading research universities attract the most able postgraduate students. With most academic publications in English, non-English speaking countries are put at a disadvantage, requiring additional time and effort to achieve the English proficiency needed to read the relevant research literature and write articles for leading journals.

China in particular is working hard to improve the research standing of its universities. China has merged institutions to create new universities with higher research output. Research funding is concentrated on universities with the potential to improve their world ranking. Chinese annual scientific output nearly doubled between 1997 and 2004. Total R&D spending nearly tripled between 2000 and 2005. I could keep reeling off the impressive statistics. Yet the challenge of building research institutions remains daunting. In the Shanghai Jiao Tong rankings, China still has no universities in the top 200, much less in the top 100 or top 50.

The situation of Japan is possibly instructive here. Despite the size of its economy, which even after weak economic growth since the 1990s is still larger than that of Australia and the UK put together, and despite its strong record of technological innovation, Japan still has only

four universities in the Jiao Tong top 100, less than one-third the combined total of Australia and the UK.

So even with massive investment by Asian governments, it is unlikely that in the foreseeable future large numbers of their universities will enter the top 100 in the Jiao Tong research ranking. For most of the current leading researchers of the world, Western universities will provide a stronger research environment, a more familiar culture, and much lower risk of political interference. This is not a cause for complacency. China's huge population and the scale of its research effort will drive their leading universities up the Jiao Tong list over time. The familiar world will melt away in the decades ahead. But Western universities are starting from a strong position.

**Coursework competition**

For coursework education, the competitive challenge from Asia to the English-speaking world is greater. Teaching requires scholarship and communication skills that are far more widely spread than the infrastructure and human capital needed for high-impact research. In many disciplines, there is a body of knowledge that differs little between countries. The universities of Australia and the United Kingdom are currently educating thousands of students who are the potential academic employees of our current and future competitors.

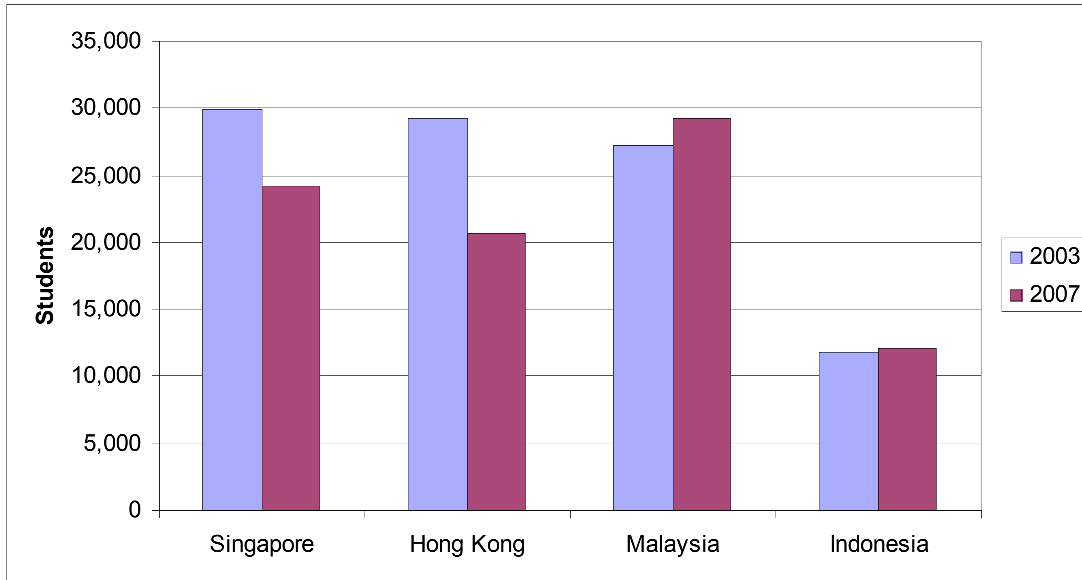
Though for research institutions their brand is likely to matter to potential students, there is clearly a significant market for low-prestige but also low cost education. Universities in Australia with local rather than national or international reputations attract thousands of international students. But these are the institutions most vulnerable to developments within Asia. Their English-speaking advantage is being diminished by the spread of English language instruction in the non-English speaking world. In Europe, Denmark and the Netherlands have led the way on this, with France, the Czech Republic and Germany following. In Asia, Singapore, Hong Kong, Malaysia, Korea and Japan offer degree programs in English, with China expanding its English-language programs.

Particularly for domestic markets in Asia, these programs offer the benefits of education in the global lingua franca without the expense of travelling and living overseas. English-language instruction is also helping traditional source countries of international students to become competitors in the international market. An article in the Malaysian newspaper *The Star* earlier this year quoted a Malaysian higher education official saying that Malaysia was attractive to Chinese students, as their languages were spoken locally, and to Indonesian students, because Bahasa Indonesia is similar to Bahasa Malysia. They cannot offer the immersion in an English-speaking culture that Australia or the UK can, but they can offer extensive English-language use in a more culturally familiar environment. The same article reported 30% growth in international student numbers since 2006. Singapore increased its international enrolments 80% between 2003 and 2008. The *Observatory on Borderless Education* suggests that growth is occurring elsewhere in Asia as well. China doubled its international enrolments between 2002 and 2006.

Australian universities have responded to Asian domestic demand by establishing campuses in Malaysia, Vietnam, and Singapore, and by offering courses in China, Thailand and Hong Kong. Just under a quarter of the international students enrolled in Australian institutions study offshore. But the cumulative effects of these developments in Asian domestic markets are beginning to be seen in stabilising or declining enrolments in Australian institutions from traditional source countries. Between 2003 and 2007, the number of students from Hong Kong fell nearly 30% and Singapore nearly 20%, while Malaysia and Indonesia showed only modest growth. The UK has seen similar patterns of levelling-off or declining demand from

countries developing their own education systems. To date, the effects of falling numbers from Hong Kong and Singapore on total enrolments have been swamped by growth in the Chinese and Indian markets. But China and India will continue to increase domestic provision of higher education, and eventually these markets will also mature.

**Figure 7: Maturing international student markets**




Sources: DEEWR, *Students: Selected Higher Education Statistics*, 2003 and 2007.

**Competition between Britain and Australia**

The English-speaking countries have some common advantages over competitors in the non-English-speaking world. But as in some other shared institutions, we are also rivals for that English-speaking higher education market, and as global international student markets tighten—perhaps more so than we anticipated even six months ago, with the economic downturn—that rivalry will intensify.

This is high-stakes competition. In both Britain and Australia, universities have come to rely on international student revenue to supplement, or even to sustain, their core teaching and research activities. A substantial loss of international student fee revenue could set off a downward spiral, with reductions in teaching quality and research output diminishing the international standing of our universities, making it harder to recover credibility in the eyes of potential students.

In Australia, our student surveys indicate that a significant minority of our international students believe that there are similar but better courses available in the UK or the US than the one they actually took in Australia. This may in part be because the UK and the US have more famous and more highly-ranked universities than does Australia. We lack institutions of the global status of Oxford or Cambridge. But for us it is a warning that though we are geographically closer to the main source markets, and though we offer lower overall costs, strategic vulnerabilities arise from gaps in what we can offer. Local higher education policies oriented towards generating similar courses and standards across the public university system make it difficult for us to target some segments of the international student market.

Australia's vulnerabilities are even greater in the market for international research students. We attract relatively few international research students, given our otherwise disproportionate share of the international student market. The UK has five times as many international doctoral students as Australia, giving the UK a major larger pool of prospective future academics and much greater potential for strong international research networks and collaboration.

**The long term**

These competitive pressures make it all the more important than policymakers in both countries solve the underlying domestic policy problems behind over-reliance on international student markets.

In the last few months of 2008, two major Australian government-appointed policy review committees released their reports.

The first was a review of the national innovation system, chaired by industry consultant Terry Cutler, and with a panel of which I was a member. Though obviously ranging more widely than innovations generated by university research, it made some important recommendations for the higher education sector. Among these were measures that would end the need to use international student fee revenue to support government-funded research projects, and a longer-term goal of lifting research expenditure to match that, as a proportion of GDP, of leading OECD economies.

The second was a review of higher education policy, chaired by former Vice-Chancellor Denise Bradley. It proposed a major structural change to Australian higher education, switching from the current system of allocating government-subsidised places centrally to a student demand driven system. It endorsed a 10% increase in government spending on teaching and learning, much of it to be allocated based on performance criteria relating to teaching quality and access for members of disadvantaged groups. It suggested some improvements to the way Australia markets its education internationally, and that more scholarships be made available to international research students. It backed some of the Cutler recommendations on research. All these are welcome, though the debate continues as to whether the Bradley Report's recommended improvements in public funding will be sufficient to maintain Australia's competitive position.

**Diversity**

One key issue faced by both the British and Australian higher education systems is diversity. Most people favour a more diverse system, but any funding proposal with that explicit policy aim is criticised as elitist, favouring some institutions over others.

Yet if the overall higher education sector is to remain attractive to the broadest array of international students, greater system diversity would seem important. Diversity can take many different forms: institutional size, mission, student mix, course offerings, mode and language of instruction, undergraduate and postgraduate, generalist and professional. And there can be many variations and combinations within and between these categories.

This is a topic that will be central to the implementation of the Bradley review – what will diversification mean in practice, and through which policy instruments will it be pursued? A more student-demand driven system with modest public funding increases should help Australia strengthen what it offers at the low-cost end of the market. By allowing public vocational education institutes and private higher education colleges to expand with

government-subsidised places at the diploma and bachelor-degree level, we are likely to see more low-cost institutions offering good pathways from vocational into higher education. This is likely to be attractive to some international students, but as noted earlier this segment of the market is also open to competition from within Asia. If price is the main selling point, domestic providers within Asia acquire a major advantage just by cutting out international travel.

But without a large increase in public funding, and a recommendation against further general increases in student charges, high-cost forms of diversity will remain difficult to provide. Lower student:staff rations will not be an option. Small institutions, unable to generate economies of scale, will also continue to struggle. But there are some diversification options within the funding levels proposed by the Bradley report.

At the University of Melbourne, for example, we have just completed the first year of a new higher education model that offers students greater choice within the Australian market. In Australia, as in Britain, the historical practice has been to move straight from school to a professional degree. Vocational choices are made very early, and sometimes prematurely. Undergraduate courses have often been focused narrowly on the expected career. At Melbourne, we are gradually moving most of our professional courses to the postgraduate level, where they will be taken by older students with greater experience of university education and a clearer career focus.

While our postgraduate programs will preparation for a professional career, our undergraduate programs will offer depth and breadth. Eventually, we will have only six undergraduate courses: science, arts, commerce, biomedicine, environments and music. Within each of these courses, students will take 25% of their units as a breadth element, in a field or fields of study outside their degree. Some of these subjects will be specifically designed multidisciplinary units structured around broad themes, such as climate change, human rights and global justice, and language and computation. Core subjects from other disciplines will also be available as breadth units. Melbourne graduates will, we hope, leave the university with wide-ranging knowledge and understanding.

We know that the Melbourne Model, as we call it, degree structure is not for everyone. But we believe that it will show its value as part of a more diverse system. I am glad to say that applications for 2009, like those for 2008, indicate strong student interest in Melbourne's new degrees.

**Conclusion**

Though some of the buildings in which Robert Menzies studied at the University of Melbourne nearly a century ago still stand, the institution has changed in ways that he could barely have imagined when he stepped down as Chancellor in 1972, let alone when he graduated in 1918. The Melbourne Model is the latest in a long series of changes brought about as the University adapts to a changing world. When Menzies graduated in 1918, the University was still nearly three decades away from offering doctoral degrees. Now research, so critical to modern living standards, is a defining feature of Melbourne and other Australian universities. Menzies was one of just 1,300 students when he commenced his studies. Since then the university has been transformed twice by mass higher education, first in Australia, and then again as our Asian neighbours sent thousands of their young people here for an education they could not find at home.

But there are some constants. Worries over money have been a regular feature of the University's history, even if the source of that worry changes over time. Perhaps a particular

lesson of the last forty years is that financial opportunities bring risks. The generous public funding of the mid-1970s, on condition that private fees be abolished, put all Australian universities into a precarious financial position when successive governments decided to cut grants for higher education. Since the late 1980s Australian universities have seized the opportunities created by being an English-speaking country near Asian countries unable to meet their people's demand for higher education. This entrepreneurial effort averted the financial crisis that would otherwise have accompanied declining public funding. But now as those Asian markets mature and turn into competitors, we must start to think again about how Australian higher education will be financed over the longer term.

While university leaders, along with those of almost any institution, must be alert to and focused on potential dangers, we should never forget the positive constants that explain why so many people find university education such a rewarding and life-changing experience. As classicist Edith Hamilton once observed

> It has always seemed strange to me that in our endless discussions about education so little stress is laid on the pleasure of becoming an educated person, the enormous interest it adds to life. To be able to be caught up into the world of thought – that is to be educated.

In Australia and the United Kingdom, the main medium of that thought, a medium that Robert Menzies loved and used with great skill, is of course the English language. This English empire, this common language of commerce, culture, travel, politics, research and education, offers protection and possibility to its speakers around the world.