

### Lessons

While the audit noted that the success of the campuses was “mixed,” it concluded that the universities had in place adequate planning and monitoring procedures. The audit report suggested that there had been four “lessons learned”: universities regularly overestimated student demand and “need to take a more conservative approach” in judging the financial viability of ventures; the importance of location in attracting students (the obvious observation that remote campuses are less attractive than central ones, while city campuses face greater competition from other providers); the benefit of selecting a partner experienced in education and the related need for the university to retain academic control; and the need to achieve an appropriate balance between local and expatriate staff.

Critics and proponents of TNE are inclined to focus on academic issues and to assume that the business aspect is robust. The case studies illustrate that there is a steep learning curve in dealing with the financial and business aspects of education as an export industry. In the case of international branch campuses, matters are further complicated by sovereign risk and regulatory regimes which may be significantly different from the domestic environment. Under the General Agreement on Trade and Services there may be further expansion of TNE, including international branch campuses. The work of the pioneering countries and institutions in this field underlines the need for appropriate regulation and monitoring in the interests of students, the host government, and the exporting country (specifically the taxpayer, in the case of public institutions). The prosaic operational and financial details, if mishandled, will inevitably impact upon academic quality and the educational experience of students. ■

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## Singapore Stings: Tales of International Malfeasance in Higher Education

*The writer is an education consultant living in Asia.*

I received an interesting invitation the other week, to attend a reception as “guest of honor” at the Washington Business School. . . . No, not Washington, D.C.—this was in Singapore. It was on the third floor of a shopping mall, sandwiched between a karaoke bar and an amusement arcade. One of the many commercial schools that have flourished in this part of the world through their franchise arrangements with British, American, and Australian universities.

All you need to open up a school in Singapore is approval from the Ministry of Education. You can’t call yourself a “university,” “college,” or “institute.” These titles tend to confer an aura of respectability. You can, however, use the title “school.” Hence, most of them are called variously “schools of business” or “management centers.” Even if technically speaking they might not teach business or management, it sounds respectable. All are privately owned. They are set up, often as a speculative venture, with the minimum level of investment. Apart from the usual red tape, the minimum the ministry requires is two rooms and a reception area and evidence that you are empowered to offer programs on behalf of a university or professional institution.

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Southeast Asia’s commercial school industry is a good example of what economists Brittain and Freeman termed “R and K strategies.” R strategists focus on setting up in industries that require little investment or are experiencing a temporary boom, like the commercial school industry. If it doesn’t work out for them, they can simply pull out and go and do something else. In contrast, K strategists invest in the expectation that they will build up a reputation and eventually become a market leader. In Southeast Asia there are probably no more than three groups of schools that could be described as K strategists. Because they are committed to establishing themselves within the market they also tend to be the more reputable ones. The others are all most definitely R strategists.

So how do the schools go about recruiting students? Some time ago I was invited to a recruitment evening. With some difficulty I found the school, located down a side street over a club. I had to push my way through a bar crammed packed with young Filipino girls to gain access. The marketing people had obviously done a splendid job and had managed to pack in 50 or more potential MBA and B.Com students. First came the usual sales pitch from the school’s business manager. Now I know what is meant by a sharp suit! Then came “meet the Prof time.” Enter a John Harvey-Jones look-alike, specially flown all the way from the U.K. for the occasion. The professor gave a vivacious presentation—although I did spot a few reckless oversights (e.g., the university was “one of the oldest in the U.K.”). Sorry, but I seem to recall that it was a poly up to 10 years ago. But, then again, it does have some oldish-looking buildings.

Anyway he was developing a good repartee with the audience. That was until someone produced a newspaper cutting and broached the sensitive issue of league tables. At this juncture the business manager began to look agitated and turned to the prof for support. Some of the audience were starting to turn ugly. A few mutterings in the back row. Meanwhile some of the Filipino women had started to drift in from downstairs. “Sharp Suit” was busy shooing them out. Things were getting out of hand. Fortuitously, the prof saved the day by whipping out a photo of the Queen opening a campus in the U.K., reeled off a list of Royals and members of the aristocracy who he was on first name terms with. Followed up with an open invitation to play golf with anyone who signed up for the program and finally offers to write them references as well! Phew that was close!

Lecturers are employed on a part-time basis by the schools, and they have full responsibility for the delivery of the program. This is where quality control takes a back seat. Part-time lecturers are nearly always locals. Many of them acquired their bachelor’s and master’s at the same institutions as the students they teach. An MBA lecturer would expect to be paid about \$50 (£38) an hour. Sometimes this includes marking but sometimes not. The tutor will set the exam paper. Usually they are asked to submit 16 questions, from which the university will select just 8. In many if not most instances, the students will be told the questions in advance. Often, there is a tacit understanding with the school that a high pass rate will be rewarded by the tutor being reappointed. Nor are tutors expected to deduct marks when assignments are handed in late, especially if the student is a “good customer.” Occasionally, representatives from the university will pay a flying visit—just to make sure that standards are being maintained and that everything is above board. . . .

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***Another scam is dissertation writing.***

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Another scam is dissertation writing. I mean doing the research, not just correcting the English. This is where I most definitely draw the line. Others, however, wouldn’t. Given that the dissertation can constitute anything between 40 and 100 percent of the total assessment of a master’s degree, a worrying trend indeed. Even more worrying, however, is that most universities know that it goes on.

The root of the problem is that Singapore has only three universities—National University of Singapore, Nanyang Technological University, and the recently opened Singapore Management University. Together,

they provide places for no more than 15 percent of 18-year-olds. Competition for places is tough. The alternative is going overseas to be educated. This is expensive. The only remaining option is to enroll at a commercial school offering an overseas degree. So why doesn’t Singapore create a fourth university? This is being mooted at present. The sticking point is that Singapore is loath to create what might be perceived as a second-rate university or something that might be on a par with a ex-poly that caters for anything more than, say, 20 percent of the youth population. It could tarnish Singapore’s image, and how they are perceived to the outside world is often seen as the all-important thing. Commercial schools cater for those Singaporeans who simply want the piece of paper. Library facilities (“library” is something of an overstatement in most instances) are sparse, and there is often heavy emphasis on rote learning and getting students through the exams by any means available. At the same time, Singapore has four excellent polytechnics (with from 16 to 18 nondegree programs), institutes of technical education, several junior colleges, and a state school system that is second to none. Underprovision at the postsecondary level places a huge financial burden on the parents of students who have to study abroad. Students going abroad means money going abroad. Also, a residual number of young Singaporeans don’t return.

Within about a decade, if no earlier, the shape of distance learning will have changed. The Internet will make it possible for institutions to offer programs without having to rely on a middleman to deliver them. The commercial schools know that their life expectancy is limited. The incentive is for them to make a quick killing before the market matures. This has the effect of intensifying levels of competition within the industry. This, coupled with the sheer number of privately owned schools offering overseas programs in Southeast Asia, and you have a classic Michael Porter scenario. The smaller the cake the faster the diminishing returns. In contrast, the K strategists are already investing in forms of Internet packaging and delivery. When the market changes they intend to change with it.

So why does Singapore make it so easy for someone to set up a school? One of the reasons is that the market forces model appeals to the Singaporean mindset. Let the commercial schools operate, and the bad ones will flounder. The more reputable ones will survive. In other words, the classic “coffee beans scenario.” A valid point. But in the meantime, what about the students who attend these less reputable schools?

For those who don’t qualify for one of the three national universities and can’t afford to study abroad, possibly the best option is the Singapore Institute of Management. Like the commercial schools SIM offer a

range of overseas degrees. But it also has a well-equipped campus, opened in 1997, that would put many U.K. campuses to shame. SIM is privately funded but with government backing.

Alternatively, there are the overseas degree programs offered by the British Council, the Singapore Human Resources Institute, the Singapore Productivity and Standards Board, and the Institute of Marketing. Because they are run by professional bodies, these institutions possess a greater adherence to academic and professional standards. Likewise, the programs offered by the bigger and often more reputable companies, or *K* strategists, which are underpinned by a more appropriate level of investment, tend to be of a better quality. But don't depend on it.

Meanwhile the CEO of one school has started offering students who enroll in their MBA program the chance to win a Mercedes Benz. "Because our students deserve the best!" What a nice man! So why doesn't he give them all a Mercedes? Sorry, does the Merc come with the MBA or is it the other way round? I'm confused!

And what of the prof? Last I heard of him he was cruising the Med. Happy cruising and give my regards to the Queen. . . .

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## Foreign Students' High Tuition Spurs Eager Junior Colleges to Fudge Facts

**Daniel Golden**

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It is only a 10-minute drive to Stanford University from Foothill College in Los Altos, California. In Foothill's marketing materials, the academic journey to the elite university looks almost as easy. Foothill, a two-year community college, has attracted 1,462 international students via aggressive marketing. A brochure it distributes abroad promises prospects their "choice of the most selective universities in the U.S." after they graduate, citing Stanford and Harvard as "common transfer destinations."

Foothill's website says international students transfer "every year" to Harvard. George Beers, dean of international education, said in an interview that Foothill

placed two graduates at Harvard and one at Yale last year, and that Stanford takes more transfers from Foothill than anywhere else.

Actually, Harvard has rejected all 15 of Foothill's transfer applicants in the past five years. Nobody from Foothill has entered Yale since 1998. And Stanford enrolls an average of three Foothill graduates a year, counting domestic and international students—fewer than it does from at least eight other schools.

"The numbers I use are not specific," Mr. Beers acknowledged in a later interview. "I have to be honest about that." Janice Carr, director of Foothill's honors program, says she interprets "destination" in the brochure to mean "that's where they'd like to go. It doesn't mean they get there."

By any definition, a growing destination for community-college recruiters is overseas. Since the September 11 attacks, they have curtailed some of their recruitment in the Middle East, though they still view the area as a source for students—chiefly because the financial rewards are so great.

International students overall spend \$11 billion a year on tuition and living expenses in the United States. With endowments and state support shrunk by the economic downturn, more colleges are wooing foreigners, who generally pay full tuition and receive no financial aid.

Surprisingly, community colleges are among the most aggressive recruiters abroad, despite the fact that the primary mission of these public two-year schools traditionally has been to serve their localities by offering open admissions, vocational training, and low tuition.

Since 1996, the number of international students at such community colleges increased to 91,727 from 64,920 and now accounts for 36 percent of all foreign undergraduates in the United States.

But some community colleges buttress their recruitment by misrepresenting transfers to more celebrated schools, waiving English-language requirements, or paying recruiters commissions, a practice discouraged by the best-known ethics code of the admissions trade, since such payments can lead to students enrolling in schools they can't handle.

"Community colleges are often more interested in income than enrolling students who are a good match," says Linda Heaney, president of Linden Educational Services, in Washington, D.C., which organizes college-recruiting tours overseas.

The website of Green River Community College in Auburn, Wash., says its international students "have transferred to top universities all over the U.S.," listing Georgetown, Cornell, and Boston universities, among others. Ross Jennings, Green River's executive director