

The end of transnational education? The view from the UK

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Introduction

Over the last ten years, the growth of transnational (higher) education has been a major focus of attention for the UK sector. During a period when international student recruitment has stagnated and the UK has lost market share to competitors like Australia, Canada and New Zealand, transnational education (TNE) has been widely seen as an alternative way of diversifying revenue and building international profile. If foreign students are increasingly unable (due to visa restrictions) or unwilling to come to the UK, then taking education to students in their home countries provides a way to keep enrolments growing.

The UK dominates the global TNE market. In 2017/18, approximately 700,000 students were studying for UK higher education qualifications in their own country, more than twice the number of international – ie, non-European Union (EU) – students who travelled to the UK to study (Higher Education Statistics Agency n.d.). Successive UK governments have made the expansion of TNE a political priority, with the aim of cushioning the slowdown in international student recruitment by encouraging universities to increase their offshore enrolments.

Despite the interest in TNE and the increase in offshore enrolments, there has been growing scepticism about the nett economic benefits of TNE and the sustainability of TNE models. A pathbreaking official study (Department for Business, Information and Skills 2014) revealed that the revenue from TNE activities was much more limited than had been widely believed and some authors have highlighted the inherent riskiness of TNE partnerships (Shanahan and McParlane 2005, McBurnie and Ziguras 2007, Smith 2010, Healey 2015, 2016, Wilkins 2016). There have been some high-profile failures of TNE projects, notably the University of Central Lancashire's ill-fated ventures in Sri Lanka and Thailand (University and College Union 2014), and some leading universities are closing their branch campuses – for example, University College London in Qatar (Bothwell 2019a).

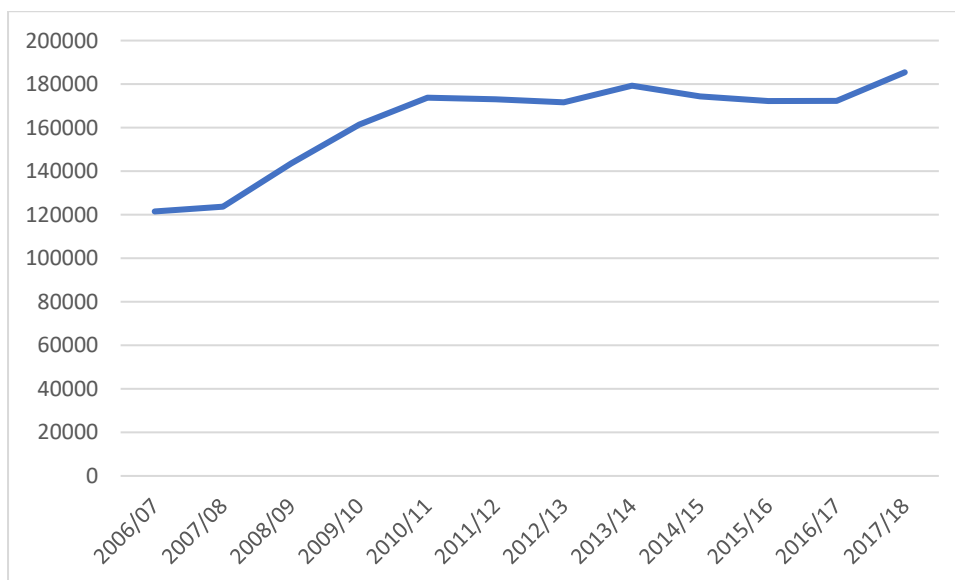
A handful of data points does not make a trend and it would be foolish to declare that TNE is finished because a few universities have closed their operations. However, this article analyses

the fundamental drivers of the internationalisation of higher education in general, and of TNE more specifically, and concludes that the forces that once drove the UK's interest in TNE are weakening and the high-tide mark for UK universities may now have been passed.

The stagnation of international student recruitment

Chart 1 below shows the trend in international student enrolments at UK higher education institutions (HEIs) since 2006/07. After a steady expansion in the late 2000s, the growth in first-year international (non-EU) students has flattened off sharply and stagnated at around 180,000 since 2010/11. This stagnation is attributed to the change in the international student visa scheme ('Tier 4') after the 2010 general election, which restricted the right to remain in the UK to work after graduation (Universities UK 2013). The removal of automatic post-study work rights particularly impacted South Asian enrolments (India, Pakistan) where students traditionally came to the UK to earn a postgraduate qualification and work after graduation (both to gain valuable work experience in the UK and to repay the cost of their qualification).

Chart 1: International (non-EU) first year enrolments in the UK

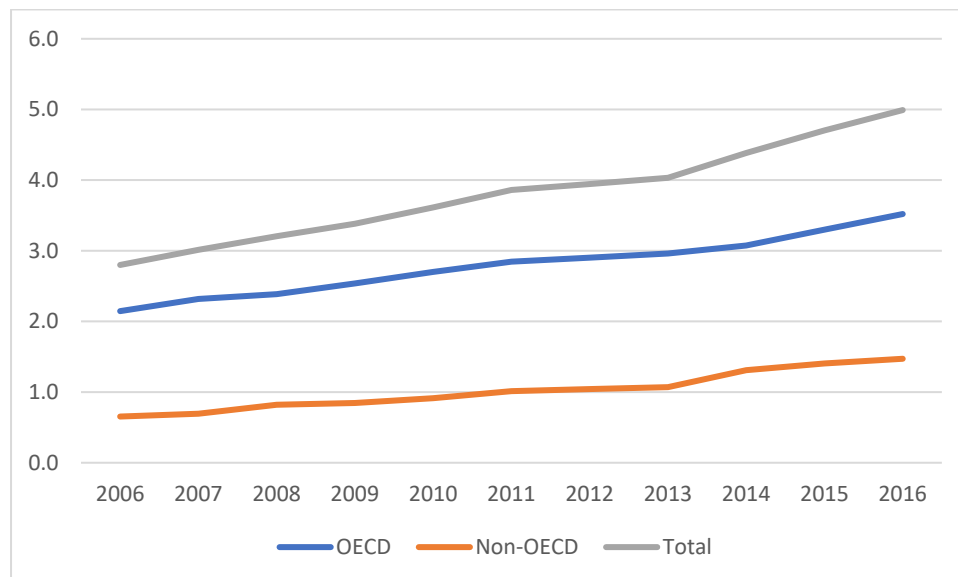


Source: Higher Education Statistics Agency n.d.

Over the same period, the growth in internationally-mobile students (ie, studying outside their home country) has continued unabated. As Chart 2 shows, between 2006 and 2016 (the latest

OECD data available), the number of internationally-mobile students almost doubled from 2.8m to 5.0m. During the period since 2010 when UK enrolments have stagnated, the global market for internationally-mobile students expanded by 40%.

Chart 2: Number of foreign tertiary students enrolled in OECD and non-OECD countries



Source: OECD 2018

From being a market leader in international student recruitment, the UK has lost ground to competitors like Australia and Canada and has been overtaken by New Zealand as the English-speaking destination country with the highest proportion of international enrolments (see Table 1).

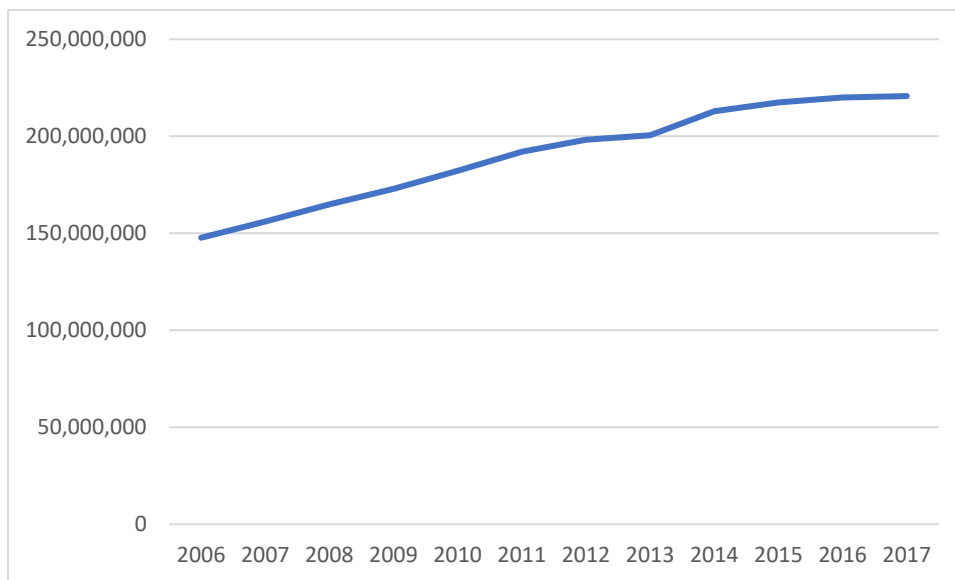
Table 1: Top ten countries by international enrolments as a percentage of total

Country	Total tertiary	Bachelor's or equivalent	Master's or equivalent	Doctoral or equivalent
Luxembourg	47	27	73	85
New Zealand	20	16	26	48
United Kingdom	18	14	36	43
Switzerland	18	10	29	55
Australia	17	14	46	34
Austria	16	18	20	28
Belgium	12	9	20	44
Canada	12	10	18	32
Czech Republic	12	10	13	16
Denmark	11	6	19	34

Source: OECD 2018

Chart 3 shows the growth in global tertiary enrolments, which have risen by 50% from 150m in 2006 to 220m by 2017 (latest UNESCO data). The growth in the number of internationally-mobile students is driven by a secular increase in the demand for tertiary education globally. The global tertiary enrolment rate has steadily increased from 25.0% in 2006 to 37.9% by 2017 (UNESCO n.d.). Over one in three of the eligible age cohort globally now enrolls in tertiary education.

Chart 3: Global tertiary enrolments

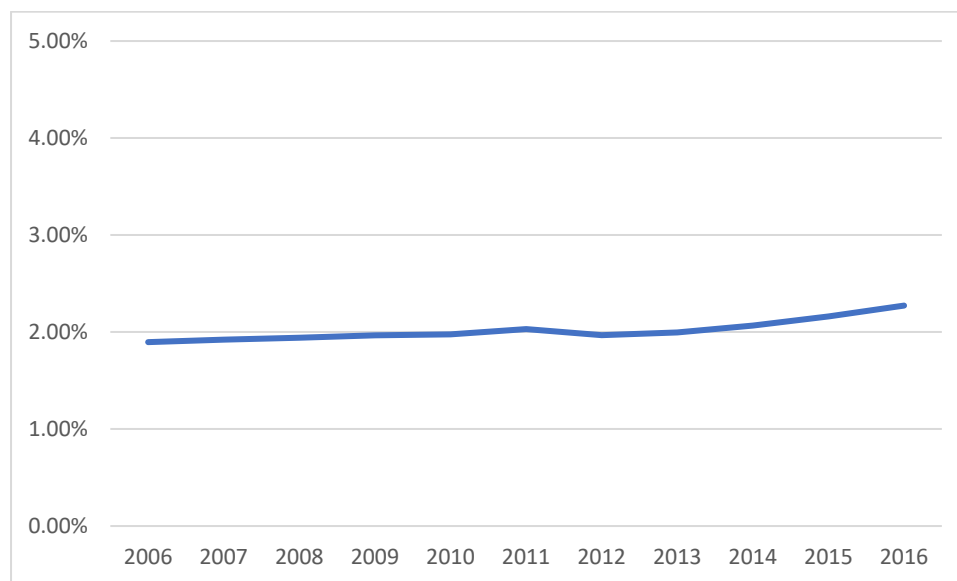


Source: UNESCO n.d.

These data reveal three key trends that explain the UK's interest in transnational education. The first is that, due to public concern about immigration and more restrictive visa requirements, UK universities cannot take advantage of the growth in internationally-mobile student numbers and enrolments are stagnating as the UK loses market share. The second is that the demand for tertiary education is growing strongly, with 38% of young people (220m) enrolling in tertiary institutions, and the numbers are increasing each year. And the third, which is perhaps the most striking, is that despite the high-profile nature of international student mobility, the overwhelming majority of tertiary students do not go overseas for study.

Chart 4 shows that, of total global enrolments, only 2% are internationally-mobile. This figure has remained surprisingly stable during an era when the proportion of school-leavers entering tertiary education is increasing strongly. Most students are unwilling or unable to travel abroad to study. Many of the 215m geographically-immobile students may, however, welcome the opportunity to study for an internationally-recognised qualification offered by a high-status foreign university in their own country. It is this huge potential market that has encouraged UK universities to invest in TNE activities.

Chart 4: Percentage of global tertiary enrolments studying outside their home country



Source: OECD 2018, UNESCO n.d.

The growth of UK transnational education

TNE, sometimes termed cross-border education, involves the delivery of award-bearing educational services by a HEI in one country to students based in another country. One of the earliest and most tractable definitions of TNE is ‘any teaching or learning activity in which *the students are in a different country to that in which the institution providing the education is based*’ (Global Alliance for Transnational Education 1997, p.1, italics added). There are a number of recognised delivery channels by which this educational service may be provided:

1. Distance-learning – the university in country A delivers the education to a student in country B without either party physically crossing borders. The University of London

began providing distance-learning degrees by correspondence to offshore students in the mid-19th Century (Harte 1986), while more recently, online or virtual education has allowed students to study remotely. With adequate security controls (to assure the identity of students submitting coursework or sitting examinations), distance-learning allows the home university to fully control delivery of the educational service, although online courses can be expensive to develop.

2. Licensing – the university in country A licenses a provider in country B to deliver the education to local students. Generally, this involves UK universities franchising their degrees to private colleges in developing countries, which deliver a pre-set curriculum using local academic staff (Altbach 2013, Healey 2013a, Pon and Ritchie 2014, Juusola and Rensimer 2018). Often the home university retains authority for setting and marking assessments and examinations. While franchising is a financially inexpensive way of penetrating a new market, problems often arise if the home university and the joint venture partner, usually a private for-profit college, have divergent objectives (eg, academic quality *versus* profit maximisation). Validation is a variation of franchising, where instead of the home university developing and licensing the curriculum, the curriculum is developed by the foreign partner and, through an institutional accreditation process, is deemed to be equivalent to that of the home university, so allowing the partner to offer its own programmes as the university's degrees.
3. International branch campus (IBC) – the university in country A establishes a satellite campus in country B to deliver the education to local students. In most cases, the IBC is set up as a new private company in the host country, normally with a local joint venture partner which provides part of the capital and the local expertise to launch the enterprise (Lane 2011, Garrett et al 2016, 2017). IBCs, at face value, appear to give the home university more control over academic quality than a licensing arrangement, but the financial investment may be significant, and many IBCs face a similar tension between the academic goals of the university and the more overtly commercial objectives of its joint venture partner.

Table 2 shows the number and distribution of 2017/18 offshore enrolments for UK higher education institutions (HEIs). There are 118,210 students studying via distance learning

(‘Distance, flexible or distributed learning’) and 28,355 enrolled at IBCs (‘Overseas campus of reporting HE provider’). The other 80% of the 693,690 offshore enrolments are studying via some form of licensing agreement (‘Other arrangement including collaborative provision’, ‘Overseas partner organisation’ and ‘Other arrangement’).

Table 2: UK transnational student numbers by type, 2017/18

	Total	Percentage
Registered at HEI:		
Overseas campus of reporting HEI	28,355	4.09%
Distance, flexible or distributed learning	118,210	17.04%
Other arrangement incl. collaborative provision	148,300	21.38%
Total students registered at a UK HEI	294,865	
Not registered at HEI but studying for HEI’s award:		
Overseas partner organisation	391,985	56.51%
Other arrangement	6,840	0.99%
Total students studying for an award of a UK HEI	398,825	
Total	693,690	100.00%

Source: Higher Education Statistics Agency n.d.

For the UK, the most dramatic feature of TNE has been the rapid growth in recorded enrolments since the Higher Education Statistics Agency (HESA) mandated the submission of offshore enrolments by UK higher education institutions (until 2005/06, the provision of data was essentially voluntary). Table 3 show the scale of the increase in this market over the last ten years. Some of this increase has been challenged by researchers, on the grounds that the category ‘Not registered at HEI but studying for HEI’s award - overseas partner organisation’ includes enrolments by ACCA students in a top-up accounting degree with Oxford Brookes University (Healey 2013b). Because this enrolment is triggered automatically when students begin level 3 of the ACCA professional qualification and lasts for ten years after completing the ACCA award, many of these students are inactive and do not complete the thesis required for the top-up degree.

On the other hand, the category ‘Not registered at HEI but studying for HEI’s award - other arrangement’ is intended for universities to declare enrolments in validated centres. For several years, HESA advised HEIs not to submit students studying for validated awards, on the grounds

that these were technically awards of the partner institution. However, this advice changed in 2013/14 and, although there was a ten-fold increase in reported enrolments in validated programmes that year, it is certain that many HEIs have not understood the changed reporting guidelines and the 2017/18 figure of 6,840 grossly understates the true position.

Table 3: UK transnational student numbers by type and year

	2007/08	2009/10	2011/12	2013/14	2015/16	2017/18
Registered at HEI:						
- overseas campus	7,120	11,410	15,140	19,230	25,335	28,355
- distance learning	100,345	114,985	116,520	119,700	113,995	118,210
- other arrangement incl. collaborative provision	59,895	74,360	96,060	116,035	138,110	148,300
Not registered at HEI but studying for HEI's award:						
- overseas partner organisation	29,240	207,790	342,910	374,430	416,070	391,985
- other arrangement	70	50	345	7,270	7,505	6,840
Total	196,670	408,595	570,925	636,675	701,010	693,690

Source: Higher Education Statistics Agency n.d.

Table 4 illustrates the top ten largest UK universities, ranked by the number of offshore enrolments, and shows the breakdown between postgraduate research (PGR), postgraduate taught (PGT), bachelors and other undergraduate (UG) enrolments. It highlights the scale of the so-called 'Oxford Brookes Effect', with Oxford Brookes University having almost 300,000 students enrolled in its ACCA top-up programme (42% of all TNE students). The University of London and the Open University both have large offshore programmes, with the former offering 'external' degrees (locally taught but examined by the University of London) and the Open University validating the programmes of offshore providers. The Universities of Nottingham, Heriot-Watt and Middlesex all have well-known international branch campuses in China, Malaysia, the United Arab Emirates and Mauritius.

Table 4: Largest UK providers by offshore enrolments

	PGR	PGT	Bachelor	Other UG	Total
Oxford Brookes University	0	750	289,025	145	289,920
University of London	0	7,455	31,605	2,605	41,670
The Open University	285	2,820	26,335	540	29,980
Coventry University	20	3,880	12,465	310	16,675
The University of Liverpool	515	5,885	9,545	0	15,945
The University of Greenwich	0	1,370	14,160	75	15,605
University of Nottingham	740	4,105	8,885	1,160	14,890
Heriot-Watt University	370	8,460	4,115	550	13,495
Middlesex University	370	3,310	9,490	0	13,170
Staffordshire University	65	1,420	10,230	455	12,175

Source: Higher Education Statistics Agency n.d.

Table 5 shows the distribution of UK offshore enrolments by country for the top ten largest host countries. It highlights the importance to UK providers of the former UK colonies (China excepted). Significantly, these are also the most important source countries for onshore international enrolments at UK HEIs. The notable omission is India, where current regulations effectively prohibit the establishment of IBCs and there are very strict controls on franchising and licencing (Kemp et al 2015).

Table 5: UK transnational student numbers by country (top 10), 2017/18

1. China	75,995
2. Malaysia	72,485
3. Singapore	44,805
4. Pakistan	40,210
5. Nigeria	29,865
6. Sri Lanka	27,450
7. Hong Kong SAR	25,675
8. Oman	20,645
9. Egypt	20,480
10. United Arab Emirates	18,120

Source: Higher Education Statistics Agency n.d.

Faced with concern from the sector about stagnating international enrolments, the 2010-15 UK coalition government identified TNE as a major growth opportunity for universities. Speaking in 2012, the UK Minister for Universities and Science set out his vision: ‘Demand for HE is growing worldwide. UNESCO estimates there are currently 150 million HE students; there

could be as many as 260 million by 2025. Many of these students want to study abroad, of course, and the UK attracts more of them than any other country except the United States. But, increasingly, emerging economies want to educate their students at home, and the UK – a global pioneer in developing educational facilities – is well placed to help. We not only have strengths in teaching and research but in design and construction of universities, mobilising finance, curriculum development, qualification accreditation and quality assurance.... This [TNE] is one of Britain's great growth industries of the future' (Willets 2012).

The UK government has since invested in a number of initiatives designed to promote TNE. The Department for Business, Innovation and Skills (DBIS), set up in 2009, was given responsibility for achieving ambitious goals for the expansion of TNE and a dedicated unit, Education UK, was set up to help UK education providers establish new TNE operations (Baker 2013). DBIS also commissioned a report designed to showcase the importance of TNE for the UK (Department for Business, Innovation and Skills 2014).

DBIS also actively supported the creation of HE Global, a joint initiative between the UK HE International Unit (part of Universities UK) and the British Council. It was set up to 'champion the UK's leading position in delivering degrees around the world, supporting universities' strategic TNE ambitions and activities'¹ and its advisory board includes DBIS representatives. HE Global subsequently commissioned a follow-up to the November 2014 report on the value of TNE, which was published in June 2016 (HE Global 2016). This was supplemented by follow-up projects analysing the HESA data for TNE enrolments (Universities UK International 2018a, 2018b).

The drivers of the internationalisation of higher education

It was widely accepted in the mid-2000s, by both academic researchers and policymakers, that the internationalisation of higher education was being driven by the same forces that globalised business. As technology and trade liberalisation led to the integration of national markets for goods, services, labour and capital, universities were increasingly forced into cross-border competition with each other for students, staff and research funding. As Warwick (2014)

¹ <https://www.universitiesuk.ac.uk/International/heglobal>

argues: ‘The growth in the international business of HE [higher education] parallels a similar period of unprecedented growth in the levels of world trade...leading to the observation that HE is at the same time both an agent of globalisation...and a business that must respond to the consequences of globalisation’ (p.92).

Like business, the internationalisation of higher education was presumed to follow a ‘stages approach’, sometimes called the Uppsala model, which was first promulgated in the international business literature by Johanson and Vahlne (1977, 1990). The Uppsala stages model suggests that businesses internationalise incrementally, moving from exporting to licensing to foreign direct investment as they gain confidence and knowledge about foreign markets. At first glance, higher education appears to have been moving along the Uppsala sequence from exporting to franchising, with the third stage being the establishment of off-shore campuses (Mazzarol et al 2003). In many countries, internationalisation starts with limited exchange of staff and students and begins in earnest with the recruitment of full fee-paying international students (exporting). In this first stage, universities simply sell their existing educational services to foreign buyers. The next stage is for universities to begin offering their services offshore, by franchising their degrees to foreign partners. In this way, they can reach new markets for their services, but without exposing themselves to major financial risk. In the final stage, sometimes termed the ‘third wave’, they set up offshore campuses to provide education directly to their students.

Healey (2008) challenged this orthodox interpretation of the drivers of internationalisation in higher education and, in particular, the widespread presumption that this process is inexorable in the higher education sector. He pointed out that higher education is a highly politicised sector. Universities are publicly subsidised and subject to a range of regulatory and political controls. National governments understand the symbiotic relationship between their domestic universities and the fortunes of their economy and educational policy is generally highly protectionist and nationalistic. The behaviour of universities is shaped, intentionally or unintentionally, by the public policy settings, and not by their independent commercial objectives.

Of the top ten countries ranked by the percentage of international enrolments in Table 1 above, five are small EU member states (Luxembourg, Austria, Belgium, Czech Republic, Denmark)

and one is a European Economic Area (EEA) member (Switzerland). In all six countries, tuition fees for EU/EEA students are zero or very low. For students resident in neighbouring countries, there is no obstacle to crossing the nearby border to study. The high percentage of non-local students at universities in these countries is not the result of a conscious strategic decision by the universities concerned, but the result of geography and public policy.

In the other four countries (New Zealand, UK, Australia and Canada), their universities aggressively and proactively recruit international students from all over the world. They have large international sales and marketing offices and supplement their own recruitment activities with an army of educational agents operating on commission in-country. In contrast to the small EU/EEA countries which passively absorb students from neighbouring European countries, their international numbers are dominated by East and South Asia. In 2017/18, for example, the UK enrolled 106,530 students from China alone (Higher Education Statistics Agency n.d.).

The reason is not because universities in the so-called 'Main English-Speaking Destination Countries' (MESDCs) are commercially aggressive and those in continental Europe are docile and uninterested in recruiting non-European students. It is because governments in the MESDCs subsidise and control the number of domestic students that universities can recruit but have chosen to deregulate the market for international students. Since the beginning of the 1980s, all four MESDCs have abolished quotas and scrapped tuition subsidies for international students, allowing universities to charge whatever international tuition fees the market will bear. Not only does this eliminate the fiscal cost of subsidising foreign students, but it allows governments to reduce public subsidies more generally, by forcing universities to cross-subsidise their research and domestic students by charging above-cost tuition fees to international students.

The abolition of enrolment caps and the introduction of uncapped tuition fees for international students (but not domestic students), coupled with declining fiscal support in real terms, has encouraged MESDC universities to aggressively target offshore markets (Bennell and Pearce 2003, Altbach and Knight 2007). As Shattock (2012) notes, 'If there was one decision which may be said to have contributed to the marketisation of British higher education it was this' (p.160). In other words, on the supply-side, the growth in the number of international students

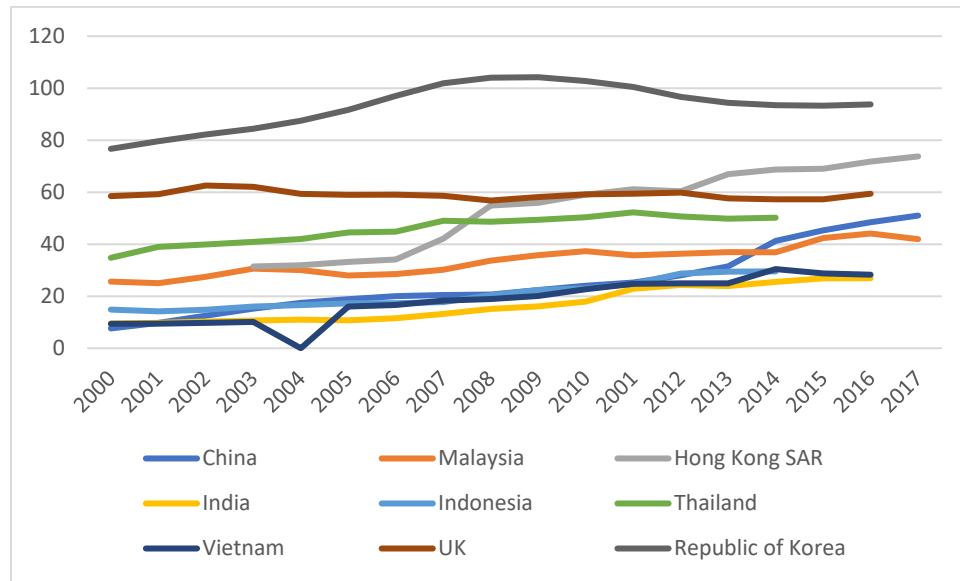
studying in the MESDCs is the direct consequence of national governments choosing to control domestic students, while leaving universities free to recruit foreign students.

On the demand side, Healey (2008) argued that the pool of fee-paying foreign students is created by the mismatch between the demand for university places in fast-growing developing countries and the capacity of the domestic sector to provide either enough places, or places of acceptable quality. Tertiary education is a 'superior good', where demand grows much faster than income, and low gross tertiary participation rates in countries like Malaysia, China and India in the 1990s meant that many candidates were denied a place locally. For those who could not secure a place in a leading university in their home country, and whose families had the financial means to pay for a foreign education, international mobility became the default option. Healey (2008) argued that as these source countries expanded their own domestic sectors and upgraded the quality of tertiary education, the spillover demand to study abroad would gradually be choked off.

The internationalisation of higher education is not, therefore, an inexorable trend, but a product of a particular alignment of supply- and demand-side factors, which are not themselves stable over time. Changes in domestic higher education policy in the MESDCs could alter the incentives to recruit international students, while the introduction of full-or-above cost international tuition fees in other European countries could undermine the competitive position of the MEDCs.

However, much the greatest threat is that developments in the tertiary education sectors of the source countries reduce the demand to study abroad. Chart 5 shows the increase in the gross tertiary enrolment rates in all the major Asian countries since 2000, as governments have invested heavily in expanding public universities and in some cases, notably Malaysia, encouraged the growth of the private sector. The increase is particularly marked in China, with tertiary enrolment rates rising from 7.6% in 2000 to 51.0% by 2017. India has made less spectacular progress, but the rate has risen from 9.6% to 26.6% over the same period. Today's figure for India is about the same as the UK's gross tertiary enrolment rate in 1990 (which was 26.5%), highlighting the scale of the transformation that has taken place in the world's second-most populous country.

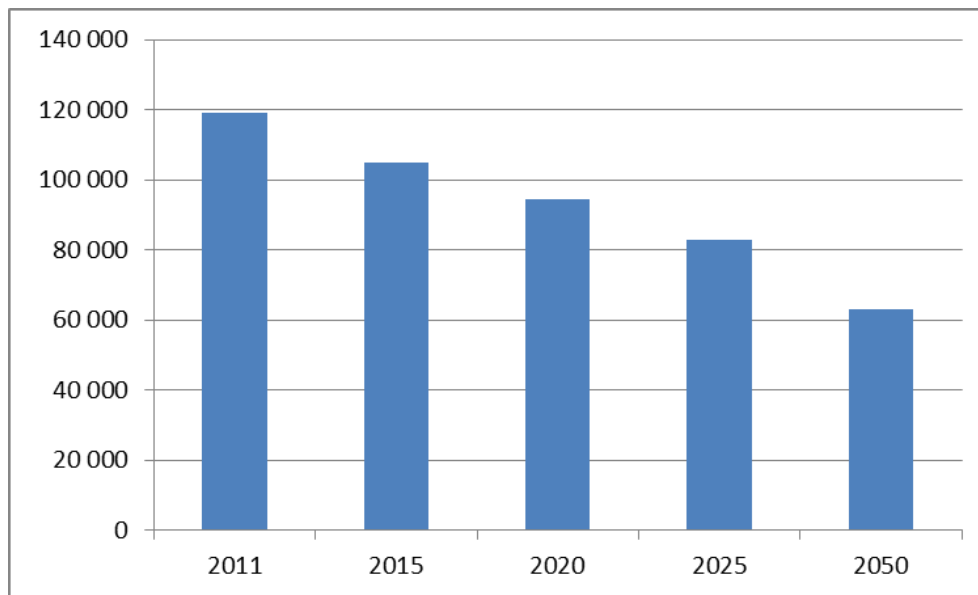
Chart 5: Gross tertiary enrolment rates



Source: UNESCO n.d.

In the mid-2000s, it seemed that the main force curbing the demand to study abroad would be the expansion of places in the domestic higher education sector coupled with improvements in the quality of local education. It has now become clear that the most important factor is the unprecedented decline in the university-age population which has emerged as a major policy concern in the last few years (The Economist 2018). The so-called ‘population cliff’ is affecting all the major economies in East Asia (notably South Korea, China, Japan, Hong Kong SAR and Taiwan), which are – or until recently were – the key source countries for universities in the MESDCs. Chart 6 shows that in China, the 20-24 age cohort is forecast to contract from 120m in 2011 to 80m by 2025, choking off the most important source of international students for UK universities. Similar, if less pronounced, reductions are apparent in the demographic forecasts for most East Asian nations.

Chart 6: Population forecasts for 20-24 age group, China (medium forecast)



Source: United Nations Department of Economic and Social Affairs, Population Division, n.d.

Coupled with much higher tertiary enrolment rates than in the early 2000s, these current demographic developments are rapidly slowing or reversing the growth in the demand to study abroad. While the impact of this secular trend on a particular country like the UK is obscured by other factors, like shifts in market share, the key point is that, as theorised by Healey (2008), the internationalisation of higher education is not inevitable or irreversible, but the outcome of transitory forces of supply and demand.

The limitations of transnational education

The logic of the argument that the internationalisation of higher education is not an inexorable process applies equally to TNE. In the UK, just as government policy drove the universities to focus on recruiting international students in the 1980s, since 2010 the restrictions on international student visas have increasingly encouraged universities to invest in TNE activities as a way of growing and diversifying their revenue streams. However, public universities are much less well suited to the second and third stages of internationalisation than they are to the first. Export education involves nothing more than recruiting international students to the home campus, where they are expected to fit in with the existing academic culture.

Operating franchise partnerships and setting up international branch campuses is, on the other hand, a much more fraught exercise (Emery, and Worton 2014, Caruana and Montgomery 2015). It involves working with foreign partners that have very different motivations, usually short-term profit maximisation. It means operating in an alien environment, where the host country's legislation, business practices, political systems and social culture (including religion) are very different, overlaid by the challenges of working in a foreign language. Many universities lack the sophisticated business functions necessary to build robust business cases and manage cross-border flows of people and money (Shanahan and McParlane 2005, Healey 2016).

There are many examples of TNE partnerships where the UK university overestimated the enrolments and revenue streams, underestimated the start-up costs or failed to foresee the difficulties of operating in an unfamiliar business environment. The University of Reading, for example, recently admitted that its costs have overrun and its courses underrecruited at its Malaysian campus (Bothwell 2019b). The University of Central Lancashire's planned campus in Thailand collapsed when the local partner withdrew and its Sri Lankan and Cypriot campuses have both faced unanticipated political opposition abroad and from trades unions at home (University and College Union 2014).

On the demand side, host governments have encouraged UK universities to set up TNE partnerships. Without this support from the host governments, the TNE activities could not continue. There are three main reasons why host governments have welcomed foreign universities into the higher education sector (Healey 2017). The first is to absorb unmet demand which cannot be accommodated by the domestic universities. In Malaysia, for example, the government's racial policies in the 1990s limited access to public universities for the Chinese minority (Chiu 2000). In an effort to limit the outflow of Chinese Malaysians to foreign universities following the 1997 Asian financial crisis, the government allowed an expansion in the number of private colleges offering UK and Australian franchised degrees (Banks and McBurnie 1999, McBurnie and Ziguras 2001, Ziguras and McBurnie 2011). In the United Arab Emirates (UAE), almost 90% of the population is expatriate, mainly from South Asia, and non-Emiratis cannot enter the public universities, where tuition is free. The Emirati government has allowed foreign universities, mainly from the UK, Australia and India, to set

up teaching campuses to meet demand from the children of their expatriate workers (Miller-Idriss and Hanauer 2011, Wilkins 2011, Madichie and Kolo 2013).

Secondly, in some host countries, notably Qatar, Mauritius and Singapore, the motivation of the government is to create an 'education hub', with the aim of attracting internationally-mobile students from neighbouring countries (Mok 2008a, Knight 2011, Mok and Yu 2011, Sidhu et al 2011, Mariaye and Samuel 2018). The ultimate goal of the education hub may be to attract and educate skilled labour that remains in the country after graduate (Singapore), generate foreign exchange and employment (Mauritius) or project 'soft power' (Qatar) or some combination of these objectives. Malaysia's higher education system has developed dramatically since the 1990s and its current goal is to move towards an education hub, recruiting students to its universities from South Asia and the Middle East (Ministry of Education Malaysia 2015).

A third motivation from host government is to attract leading universities to set up branch campuses, with the aim of providing a 'demonstration effect' to local universities and encouraging the transfer of education technology – including systems of quality assurance, pedagogy, etc. This appears to be the primary motivation of the Chinese government, where the domestic higher education sector is huge (over 2,000 universities), the gross tertiary enrolment ratio passed 40% in 2015 and the government is targeting 500,000 international students. The number of universities operating TNE partnership in China is tiny by comparison with the domestic sector, but by choosing leading foreign universities like Nottingham and Duke to set up branch campuses, the government hopes to encourage innovation in its domestic institutions (Observatory on Borderless Higher Education 2003, Hou et al 2014, Mok and Han 2016a, 2016b).

There is growing evidence that on both the supply-side and the demand-side, the tide is turning against TNE. On the supply-side, it has become overwhelmingly clear, as evidenced by several major studies, that the financial returns from TNE are very modest and can never replace export education (eg, Department for Business, Information and Skills 2014). A growing number of academic studies have highlighted the riskiness of TNE partnerships (eg, Eldridge and Cranston 2009, Edwards et al 2014, Emery and Worton 2014, Healey 2016, Wilkins 2016) and

in a number of universities, hostility from academic staff at the home campus has led to TNE ventures being aborted (eg, Observatory on Borderless Higher Education 2005).

On the demand-side, TNE activities are highly vulnerable to a change in policy on the part of the host government. In Malaysia, for example, TNE partnerships were encouraged to absorb demand in the 1990s and 2000s, but the private higher education sector has developed and matured within a coherent quality framework. Many of the private colleges that once relied on UK universities to franchise their degrees now have their own degree-awarding powers. Some, notably Sunway and Taylor's, now have full university status. As Malaysia turns its focus on becoming an education hub, its higher education sector now has no need of UK universities and many TNE partnerships have died

In China, concerns about the quality of some TNE provision by UK universities led to the Ministry of Education abruptly cancelling the licences of many HEIs and calling off many partnerships that were under development (Smith 2014, Han 2016, British Council 2018, Wang 2018). In Singapore, the Council on Private Education was set up in 2009 to regulate foreign TNE providers and, in its first few years, closed almost two-thirds of all the foreign providers (Mok 2008a, Lo 2014, Garrett 2015). The population cliff in East Asia is encouraging governments to rationalise their domestic higher education systems and embark on aggressive policies to grow the number of international students (Luo 2017). TNE is no longer a policy priority for many host governments (Lim and Shah 2017).

At the same time as the forces that once encouraged UK universities to invest in TNE are beginning to reverse, the costs of TNE are ratcheting up. The Quality Assurance Agency (QAA) has been keen to protect the reputation of the UK sector and has been conducting in-country audits of UK TNE operations since 2009 (eg, QAA 2009, 2010, 2011, 2012, 2014a, 2014b, 2015, 2017). However, in the host countries, local quality regulators have been introducing increasing onerous requirements, for example, for the number of contact hours, the qualifications of academic staff and mandatory courses which follow local guidelines. Sometimes these regulatory requirements directly conflict with QAA requirements and inflate the costs of maintaining the TNE partnership (Mok 2008b, Trifiro 2018).

Conclusions

Only a handful of years ago, TNE was widely seen as a brave new frontier for UK universities. Faced with rapidly growing global demand for higher education and chafing under the constraints of a restrictive international student visa regime, both university decisionmakers and government policymakers looked at the huge pool of internationally-immobile students that could be tapped via TNE partnerships. UK universities had over thirty years of active engagement in international student recruitment and a strong international brand. The university league tables popularised since 2005 consistently reaffirmed the quality of the UK higher education sector.

However, just as the rapid internationalisation of the student body on UK campuses can be seen as a reaction to transitory developments internally (in UK government policy) and externally (excess demand for university places in developing countries) rather than an inexorable, inevitable trend, the same pattern is emerging in the TNE sector. The surge of interest in TNE, especially the construction of high-profile international branch campuses, appears to have peaked.

This article argues that the alignment of internal and external forces that fuelled the growth of TNE is ending. University decisionmakers are savvier about the inherent riskiness of TNE partnerships and host governments are, in the main, increasingly less interested as they become sceptical about the quality of foreign providers and more confident that their own domestic sector can absorb demand. Higher education is, by its nature, fiercely nationalistic. Higher education shapes a country's economic, social and cultural development and every government, in the end, wants a higher education sector it can control for national ends. Is this 'The end of transnational education?' The answer is not yet, but we are witnessing the beginning of the end.

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