Developing offshore education in China:
A perspective from Finland

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CEREC WP No. 1 January 2012
CEREC Working Paper Series
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This paper discusses how foreign higher education providers can enter the Chinese market in terms of strategies on both branding and operation, by taking Finland as an example. The recent Finnish policies have encouraged Finnish higher education institutions to export education, and China is an important market. This paper argues that developing joint education provisions in China is the most suitable model for Finland’s education export to China, as it meets the expectations and interests of both sides. The Finnish action on developing offshore education in China is not merely by economic drive, but is also based on the vision that China as a society with a high potential of skilled and globally oriented workforce can benefit the Finnish economy. Meanwhile, Finland’s education cooperation in China will meet China’s local interests in terms of both improvements in education quality and employment opportunities.

Keywords: internationalisation of higher education, education export, offshore education, Finland, China
Introduction

Export of education takes various forms, such as students travelling abroad for study, establishing campuses abroad, and engaging in distance learning. It has been predicted that the dominance of traditional student mobility, namely studying abroad, will be gradually supplemented by “offshore” education, defined as “taking a degree or other post-secondary courses offered by a foreign university without leaving their home country” (OECD, 2004, p. 3), or “cross-border” education, defined as “the educational service going to the students across national borders, instead of the student going to the service overseas” (UNESCO, 2007, p. 9).

After China officially joined the WTO on 11 December 2001, it stated its positions and promises regarding education services (WTO, 2002). According to China’s commitments to GATS (General Agreement on Trade in Services), two types of offshore education activities are possible for foreign education providers: 1) establishing either joint schools or programmes with local educational institutions in China, and 2) providing education services through individual experts and scholars at the invitation of Chinese education institutions (Cai, 2011). In many cases, the latter activities supplement the former. Both joint programmes and joint venture schools are called in the Chinese term—Chinese-Foreign Cooperation in Running Schools (CFCRS).

Since the middle of the 1990s, hundreds of foreign higher education institutions (HEIs) have developed CFCRS (Yang, 2008). Based on observation of practices of CFCRS and other kinds of alliances between foreign and Chinese HEIs, Willis (2001, 2006a, 2006b, 2007, 2008) has summarised general procedures and advice for foreign HEIs’ entering the education market in China. Among very few available studies in this area, Willis’ reports are most relevant and convincing due to his long time experience in the field and rich data used for analyses. Certainly, the findings and suggestions provided by Willis are useful for those foreign HEIs, which engage in developing joint educational provisions with local partners in China. However, one should beware that no one-size-fit-all approach is available for all institutions, especially those from different countries. To find a suitable way to enter the Chinese education market, national or even institutional characteristics need to be seriously considered. In this regard, Willis’ research has paid less attention to different situations of foreign education providers. Nevertheless, he has noted that successful examples of educational cooperation with Chinese partners are conducted in a manner that suits the interests of both foreign and Chinese parties (Willis, 2008). This viewpoint basically guides the authors’ thoughts in writing this paper.
This study is an attempt to discuss and develop strategies for developing offshore education in China, particularly in the form of CFCRS, by taking Finnish higher education as an example. Finland has a long tradition of education without tuition fees, and all the education and related services for foreign students have been publicly funded. However, the recent reform in Finland shows a clear tendency for a shift in the strategy in the internationalisation of higher education towards a market oriented model or education export. China, like many other countries, is a prioritised targeting education export destination for Finland. It has been suggested that establishing Sino-Finnish cooperatively-run schools is the most suitable option for Finnish higher education export to China (Cai, 2011). To best utilise this approach, it certainly requires more strategic consideration among Finnish HEIs and stakeholders in terms of implementation. However, this aspect has generally been overlooked (Cai & Kivistö, in press). This paper deals specifically with two issues: why Finland should develop offshore education in general and how Finland and China can benefit from each other when providing Finnish higher education in China. Although the discussion is very much focused on Finnish higher education, the analysis of the case of Finland is also useful for other non-English speaking countries in their planning, marketing and branding in the Chinese education market.

**Reforms in Finnish internationalisation of higher education**

In the recent reform in Finland, international education has been perceived as a revenue generator for HEIs (Finnish Ministry of Education, 2009). Such a market approach is underlined by two assumptions (Elonen, 2010). First, as there are no new economy-boosting companies, like Nokia, in sight in Finland, the country needs to search for alternative sectors which could bring employment and generate income. Education is one of them. Second, it seems that there is a growing demand for good quality education around the world, and this state of affairs is likely to continue in the future. To the Finnish Ministry of Education (2009), the introduction of tuition fees for international students is not only an instrument to increase the international attractiveness of HEIs, but also a way to develop the export of education as a service trade. Even though the reform has been received with hope and enthusiasm by many in the higher education sector, it has also created controversy and criticism. Some politicians believe that tuition fees will be counter-productive to internationalisation as tuition free education has been the way to attract international students to Finland. In their opinion, fees cannot be the major source of revenue for the universities (Helsingin Sanomat, 2007). Moreover, the domestic students are afraid that the introduction of tuition fees to international students might open the door to tuition fees in general (National Union of University...
Students in Finland, 2009).

Regardless of these disputes, a market or an export approach to international higher education has been introduced in Finland. The current legislation in Finland has allowed higher education institutions (HEIs) to charge tuition fees for degree education from international students under two conditions. First, the 2007 Amendments to both the Universities Act (1997/645) and the Polytechnics Act (2003/351) allowed Finnish HEIs to charge fees for their degree education programmes when the fees are paid by a third organisation rather than individual students, called the “made to order” model. Second, according to the new Universities Act (558/2009) and the additional Amendments to the Polytechnics Act (2003/351) both effective from the beginning of 2010, Finnish HEIs are able to charge international students tuition fees on a five-year trial basis for separate Master’s programmes, provided that the arrangements include a scholarship scheme. The equity principle, which dominates the values of Nordic welfare society, is still strong in Finland. To avoid the threat of excluding students from developing countries from the education of Finnish HEIs the new university legislation requires that institutions are allowed to charge tuition fees only if they establish a scholarship fund for students who cannot afford to pay the fees themselves. If the 5-year experiment with tuition fee based Master’s programmes yields positive results, it is likely that all international students will pay for degree programmes in Finnish HEIs afterwards.

The transition from the traditional Nordic model of higher education towards a market oriented approach will not be painless. A recent study, based on interviews with actors involved in (potential) education export from Finland, concludes that Finnish HEIs have generally not been ready for education export, facing a number of challenges, such as lack of experience and knowledge in marketing, the insufficient motivation and commitment, lack of national coordination and networks in exporting education, and the need for a clear vision on education export (Cai, Hölttä, & Kivistö, in press).

One of the approaches to resolving these problems at the national level is the establishment of a coordinating programme “Future Learning Finland” (FLF) for promoting Finnish education on international markets and facilitating Finnish educational institutions to export education services. The FLF program was established in 2010 after the Government decided that Finnish know-how in education should be seen as a new export product. The aim has been to build a cluster of educational expertise. The idea of establishing a cluster model was based on the fact that Finland and Finnish players on the international education market are small compared to those in most other countries. A corresponding model has been previously used in the promotion of export in the business sector. The cluster
has been seen as a base for the national effort of exporting Finnish know-how in the field of education. The members, HEIs, schools and companies, in the FLF program are in a unique position to start their exporting activities, as the Finnish state apparatus has been geared set to support it. The program is operated by Finpro, which is the Finnish Trade Centre. The program is governed and supported by the Finnish Ministry of Education, the Ministry of Foreign Affairs and the Ministry of Employment and Economy.

Offshore education as a solution to the dilemmas in Finland’s education export

The Finnish government has set two objectives for exporting education by 2015: 1) the number of international degree students will be considerably increased, and 2) international education will be developed as an export industry (Finnish Ministry of Education, 2009, pp. 10, 40). However, the two objectives may be contradictory. On the one hand, it has been argued that charging tuition fees from some international students would not be likely to generate much additional revenue until international students make up a substantial proportion of the total student population (Aarrevaara, Dobson, & Elander, 2009, p. 101). On the other hand, as the majority of current international students chose to study in Finland because of its free education (Kärki, 2005, p. 21), charging tuition may negatively affect the enrolment of international students in Finnish higher education as evidenced by the similar experiences in Denmark and Sweden (Tse, 2011). Exporting education tends to be a privilege of English-speaking countries due to the importance of the English language in career success (Elder, 2007; Wiers-Jenssen, 2008, p. 106). Finland as a non-English speaking country does not have an inherent advantage in exporting higher education, and therefore a pure “revenue-generating” model might not suits the Finnish context. Moreover, the market oriented model may encounter challenges in implementation, as it is contrary to Finland’s strong welfare state tradition.

The dilemma is also associated with the ambiguous understanding of expectations for recruiting international students. Most European countries have three sets of expectations for recruiting international students to higher education: 1) to generate revenue, 2) to attract talented students to the domestic labour market, and 3) to enhance mutual awareness and business cooperation (Cai, 2005). These expectations have also been reflected in the four approaches to cross-border education, namely “revenue-generating”, “skilled migration”, “capacity building” and “mutual understanding” (OECD, 2004, p. 4).

However, the philosophies underlying these approaches are somewhat contradictory. The revenue generation approach is distinctively economically driven.
In contrast, the mutual understanding approach encompasses political, cultural, academic and development aid goals. The skilled migration approach shares the goals of the mutual understanding approach but place great emphasis on demands of the labour market. One major problem for the Finnish policies on education export is lacking of a clear understanding on what to expect from international students.

In a fee-free higher education system, it was expected that those students graduating from Finnish HEIs will either be employed in Finland or return home becoming cultural ambassadors and business promoters for Finland. Thus, international education could indirectly boost the Finnish economy (Mughul & Pekkola, 2009). The new strategy on the internationalisation of higher education (Finnish Ministry of Education, 2009) does consider the internationalisation of higher education a way to internationalise the entire society and to create new networks and business opportunities. However, it places more emphasis on turning the international higher education as a profitable business. Moreover, increasing attention in Finland has been paid to how international graduates can contribute to the Finnish economy by joining the workforce (Cai, In press). While Finland intends to embrace all three expectations from international students, the question is how to reconcile the competing motivations behind the expectations.

Will the mission to develop the international higher education as trade be doomed to fail then? The answer is no. The objectives for revenue generating will be achieved if Finnish HEIs could shift attention to offshore education. As has been mentioned earlier, offshore education is becoming an emerging for-profit cross-border activity. As there is a shared concern that the introduction of tuition fees may pose serious challenges to recruiting international students to Finland, organising educational programmes abroad may be an alternative, and even more effective way to attract international students, particularly in countries, such as China, where the demand for higher education cannot be met by the domestic supply.

As there are fewer restrictions on study places, operating offshore education will provide financial rewards for the HEIs involved with a large volume of enrolment. Moreover, offshore education services the needs of Finnish industry. In recent years, a growing number of Finnish companies and individuals have established businesses in China. By 2011, there were almost 300 Finnish companies in China (Heimonen, 2011), employing around 30,000 people (Helsinkin Sanomat, 2011). The Finnish companies will need more competent, local employee experts in both the technologies and skills required by the companies and understanding the Finnish and local cultures. The involvement of Finnish higher education provision abroad may facilitate the training of the local labour force in line with the needs of Finnish companies. Thus, all the expectations of educating international students are less in
conflict in the model of offshore education. But this urgently requires that Finnish educational institutions and companies learn ways of cooperation, in particular, how to derive mutual added value from cooperation, and understand the local markets.

China as the biggest international student source country has been a primary target market for many education exporting countries (OECD, 2010). China is also one of prioritised countries in Finnish internationalisation strategy in the fields of both business and higher education (Hölttä, Pekkola, & Cai, 2009, pp. 30-33). In the Finnish Ministry of Education’s (2009) Strategy for Internationalisation of HEIs (2009-2015), China, among a few other countries, is considered to be a priority. It has already been seen as an important partner and a market for Finnish higher education in the previous development period (Finnish Ministry of Education, 2006).

On entering the Chinese market, any education exporter may encounter difficulties concerning local regulations, cultures and logistics (Helms, 2008). For marketing and implementing on Finnish offshore education in China, it is essential to understand the Chinese student market, legislation on cross-border education, and China’s expectations of the cross-border education. While exporting education to China benefits Finland, it is equally important to do it in a way that also serves Chinese interests.

The Chinese education market: hierarchical nature of students’ choice

It is clearly addressed in both the Strategy for the Internationalisation of Higher Education Institutions in Finland 2009-2015 (Finnish Ministry of Education, 2009) and the Finnish Education Export Strategy (Finnish Ministry of Education, 2010) that only quality will bring success. Ensuring the quality of education is certainly essential for the development of international higher education in Finland, but that does not necessarily guarantee its success in attracting international students in the global marketplace. As the true quality of education can hardly be measured and perceived by individual students, in practice they tend to use any form of information generated by the markets as arguments for their choices. This is because compared to quality, institutional reputation can be easily identified through university rankings, students’ awareness, and information available in public media (Marginson, 2006).

The student surveys in the UK and Australia evidenced that when students chose a study place in higher education, they were more influenced by university prestige than the quality of teaching and student services (James, Baldwin, & McInnis, 1999; Moogan, S., & Harris, 1999). Studies on Chinese students’ behaviour (Lu, Mavondo,
& Qiu, 2009) also showed that they were highly sensitive to the prestige of the university at which they wanted to pursue their studies.

This is, thus, a major challenge for Finnish higher education, as only the University of Helsinki is among the top one hundred in the most popular international university rankings. Typically, the Finnish HEI’s are quite small and new, unlike the top universities on the list that are old, wealthy and large. One should note that the ranking favours research excellence and quantity instead of educational quality.

Therefore, how to attract the best Chinese students is a major challenge even for the best quality programmes of Finnish universities. One promising strategy for an “unknown” Finnish HEI might be to cooperate with a Chinese university which is well known on Chinese markets and concentrate on niche markets by producing something that other countries cannot provide. Finnish universities have indeed many world leading specialities they could export to China in cooperation with their Chinese partners. To work in that direction requires a comprehensive understanding of the Chinese higher education markets and the active search for niches in those markets. Another important issue to be understood by the Finnish HEIs is that they have to create trust by more comprehensive collaboration with Chinese universities by research cooperation and, for example, by joint PhD training and research cooperation to create sustainability in institutional cooperation. In other words, long term commitment is earned by hard academic work, not merely by signing agreements.

Cross-border education in China: legislation and models

Some foreign HEIs have already established cooperation with Chinese partners in order to provide education services in Beijing, Shanghai and Tianjin and these occurred as early as in the late 1980s and early 1990s. However, no clear policy was created to regulate these activities until 1995, when the Chinese Ministry of Education promulgated the Interim Provisions on Chinese-Foreign Cooperation in Running Schools (hereafter referred to as the Interim Provisions). As China became a member of the WTO in 2001, it was obliged to incorporate the regulations and agreements of the WTO Protocol into Chinese domestic law. Therefore, on 1 March 2003, the State Council issued the Regulations on Chinese-foreign Cooperation in Running Schools (hereafter referred to as the Regulations), in which the term Chinese-foreign Cooperation in Running Schools (CFCRS) has been explicitly defined as: “the activities of cooperation between foreign educational institutions and Chinese educational institutions in establishing educational institutions within the territory of China to provide education service mainly to Chinese citizens” (Article 2).
Both the Interim Provisions and the Regulations contain the following stipulations: foreign institutions must partner with Chinese institutions; partnerships must not seek profit as their objective; not less than half of the members of the institution’s governing body must be Chinese citizens; the post of the president or equivalent must be a Chinese citizen resident in China; the basic language of instruction should be Chinese; and tuition fees may not be raised without approval (Garrett, 2004, p. 21).

When compared to the Interim Provisions, the Regulations have some important features, such as extending governmental attention from vocational to higher education, strongly promoting Chinese universities to cooperate with renowned overseas HEIs in launching new academic programmes to improve the quality of teaching and learning and to import excellent overseas educational resources to local institutions, relaxing the restrictions on profit-making (Yang, 2008, p. 275).

To facilitate the implementation of the Regulations, the Ministry of Education issued the Implementation Measures for the Regulation on Chinese-Foreign Cooperation in Running Schools (hereafter referred to as the Implementation Measures) in 2004. Besides clarifying the provisions of the Regulations and making them feasible in practice, the Implementation Measures also expand and supplement the Regulations.

While the Regulations are primarily designed for the establishment of cooperatively-run schools, the Implementation Measures also address cooperative arrangements in joint international programmes. Moreover, according to the Implementation Measures: “A Chinese-foreign jointly run school is entitled to the support and encouraging measures granted to privately run schools by the State in line with the provisions of the Law on Promotion of Privately-run Schools” (Article 4). The Implementation Measures also include specifications concerning the profit-making of CFCRS that a Chinese-foreign jointly run school shall not engage in profit-making operational activities but that reasonable economic returns are allowed:

At the end of each fiscal year, a Chinese-foreign jointly run school whose vested parties do not require reasonable returns shall withdraw a sum of money from the increased amount of its annual net assets, and the Chinese-foreign jointly run school whose vested parties have requested reasonable returns shall withdraw a sum of money from the annual net gains, no less than 25% of the increased amount of annual net assets or of annual net gains, to serve as development fund used for the construction and maintenance of the Chinese-foreign jointly run school and the purchase and renovation of teaching equipment.(Article 29)
In 2006, the Ministry of Education published Opinions on Some Issues Concerning Chinese-Foreign Co-operation in Running Schools (hereafter referred to as the Opinions), which re-emphasise several key issues, including:

- The nature of Chinese-foreign school operation as a public service must be preserved.
- The Chinese educational institution in the cooperation shall play a dominant role in carrying out national educational polices;
- High-quality foreign educational resources are encouraged, while the quality control needs to be strengthened;
- The levels of the tuition fees of the Chinese and foreign cooperative programmes are to be regulated.

Since then, the Ministry has taken a strict line on approving new CFCRS applications, and in practice, few applications have been acceded to. It has been reported that the Chinese Ministry of Education decided in January 2010 to resume the approval of the Chinese-foreign cooperative education programmes (Zhuang, 2010).

According to these policies, there are three types of CFCRS provided by Chinese legislations, which are identified by Wang (2005) as joint programmes, affiliated schools and legal entities. First, a joint programme refers to certain educational and teaching activities conducted in a Chinese partner institution according to the cooperation agreement or to the contract signed between the Chinese institution and its foreign partner.

Second, a Chinese and foreign cooperatively-run school can also be affiliated to a host institution, for example, to a Chinese university. This type of school exists as an independent college that is affiliated to the host university, parallel to other secondary layer colleges or faculties within that university. Furthermore, this type of institution does not enjoy the status of a legal person, and is under the administration of the host university.

Third, a legal entity is more like a joint venture that enjoys the status of a legal person. According to the Regulations, an independent Chinese-foreign cooperatively-run school shall set up a board of trustees or a board of directors, and the legal representatives shall be appointed by the chairperson of the board of trustees, or by the chairperson of the board of directors, or the president of the school through consultation between the Chinese and foreign co-operators. These types of institutions have autonomy in the financial administration and in the running of the school, including in matters such as student enrolment, curriculum design, levels of tuition fees, budgeting, etc..
In terms of teaching arrangements, there are two major types of CFCRS as indicated by the Opinions: the one-campus model and the two-campus-model. In the first model, Chinese students spend all their academic years on local campuses without visiting the foreign universities, but the education programmes are jointly provided by the Chinese and the foreign institutions in China. The two-campus model indicates that the students will study on both the local campuses in China and on the campuses at foreign universities.

**Benefits of Sino-Finland cooperatively-run schools to China**

The Chinese national interests in carrying out CFCRS lie in three main aspects, namely meeting educational demand, improving the quality of skilled labour, and increasing international competitiveness (Cai, 2011). However, in practice, there is a discrepancy between the governmental expectation regarding importing high quality foreign educational resources and the fact that the majority of the foreign partners involved in the CFCRS are of lower quality. According to the Regulations, “the State encourages Chinese-foreign cooperation in running schools to which high-quality foreign educational resources are introduced, ...and encourages Chinese HEIs to cooperate with renowned foreign HEIs in running schools” (Article 3). Some Chinese-foreign cooperatively run schools have indeed been established through partnership with renowned HEIs, but it has been commonly agreed (Qin, 2007; Tan, 2009; Wang, 2005) that most joint schools are cooperating with unknown or newly developed foreign HEIs.

Alongside the intensification of internationalisation in Chinese higher education and the increasing competition on the international education market, Chinese education institutions have become more rational in selecting their foreign partners. Regarding why Chinese universities seek foreign university partners for collaboration, Willis (2006b) conducted an investigation on the motivating factors behind a significant area of alliance activity and identified a range of reasons driving the Chinese HEIs to form alliances with foreign universities. Among these, the top three reasons are as follows. First, Chinese universities were encouraged by the government to develop alliances so that they could offer a wide range of courses and programmes, which could speed up the economic development in China. Second, through cooperating with foreign institutions, the Chinese universities could enhance their image, status and competitive position. Third, Chinese universities wish to internationalise themselves and to be part of a global academic community by means of establishing alliances with foreign universities. All in all, the quality of foreign institutions must be high and the cooperation must serve local interests. In
what follows, we will discuss how Finnish higher education can benefit China through cooperation with Chinese universities in running schools.

**Introduction of higher quality education resource**

One challenge faced by Chinese universities in selecting foreign partners is how to evaluate the quality of foreign institutions except for those which are world-wide known. In countries such as the USA and the UK, there are many HEIs and there is highly diverse. However, this will not be a problem, when it comes to Finland. There are only a handful of HEIs in Finland and they are very similar in terms of quality.

In Finland, there is a binary higher education system comprising 16 research universities and 25 universities of applied sciences (polytechnics). According to the legislation, the purpose of universities is to promote independent research and scientific knowledge and to provide the highest quality education based on this research in their particular fields of study. Universities of applied sciences provide polytechnic education and support working life, especially in the fields of engineering, business and healthcare. Universities of applied sciences offer professional and vocational degrees, while university degrees are academic and based on research.

However, due to the fact that in the past there have been relatively few exchanges of ideas and human resources with respect to higher education between China and Finland, Chinese people know little about Finnish higher education and HEIs (Cai & Hölttä, 2006). Meanwhile, Finland is disadvantaged in university rankings, because Finnish HEIs are small and concentrate on a few disciplinary areas, which are not favoured in the ranking criteria.

Luckily the quality of Finnish higher education can be evidenced elsewhere. Recently Finland emerged as the new star of global education (Levine, 2011). The Finnish education system particularly has achieved a high reputation in educating the most talented students in the world, as indicated by the success of several rounds of the Program for International Student Assessment (PISA).

Finland has commonly been regarded as one of the most successful examples in the world in developing information society (Castells & Himanen, 2002) and a national innovation system (Ahlbäck & ERRIN, 2005). Innovation systems comprise the complex functions and interactions among various actors, such as government, enterprises, universities and research institutes and institutions, including governmental policies and social norms. Among the actors, universities are widely regarded as critical (Mowery & Sampat, 2004). Indeed, Finnish higher education has provided sound knowledge and human resource support for the development of
innovation society in Finland. It is also an important driver behind the legend of Nokia. Without the high quality of Finnish higher education, all the efforts towards the information society or innovation systems would be in vain.

In addition, Finland has perhaps the most advanced quality control system in higher education in the world. All universities have been established by law, and when the polytechnic sector was established, all current universities of applied sciences had to pass through a licensing process. Although the institutional autonomy of Finnish universities is high, the establishment of a new study field requires the approval of the Ministry of Education, preventing the institutions from establishing programmes with poor financial and human resources and without high relevance to the labour markets.

The evaluation in the Finnish higher education system is very comprehensive. The evaluations started in the early 1990s, and their role was to ensure the high quality of the educational and research infrastructure and management capacity. These evaluations also supported the implementation of the decentralisation and deregulation policies within the Finnish higher education system launched in the 1980s. Although programme evaluation has been the main, and sometimes the only focus in many European countries, in Finland programme evaluation has been restricted to the fields of the greatest national importance.

In the recent years, the logical change has been to shift the main attention in quality assurance to the institutions themselves. Hence, all HEIs have been required to build up their internal quality assurance systems. Again, the institutions have had freedom to modify their own systems as best fits their respective institutional cultures. The task of the national quality evaluation agency, the Finnish Higher Education Evaluation Council (FINHEEC) has been to develop the criteria of evaluating the institutional quality assurance systems and to organise the institutional audits.

These steps characterise the development of the quality culture at Finnish HEIs, first external pressure and later the emergence of the institutional responsibility for the quality of education and services for students. Only some professional programmes such as those in business have been subjected to external international accreditation. All fee based Master’s programmes for export have been proposed by institutions and approved by the Ministry of Education and listed in a Government Decree. This also means that all these programmes are subject to the institutional mechanisms and processes of quality assurance approved by the Evaluation Council. Therefore, when Finnish HEIs come to China, the Finnish quality of education and rigorous quality control system will definitely prove a competitive advantage.
Linking vocational education and working life

According to the Regulation, the Chinese State encourages CFCRS in both the field of higher education and vocational education. Finland has two levels of vocational schools. The first is that the universities of applied sciences and the second is vocational school level. The first level produces middle-level management graduates and the second level produces professionals who can act as manual workforce. The strength of the Finnish system is that it is very well geared to the needs of the labour market, especially the companies and their needs in Finland. One of the strengths of the Finnish education system is that it can adapt to changes quickly and the educational planners also plan the intakes according to the possible future trend on the labour market. This model could also be used in China. The Finnish universities of applied sciences and the Finnish vocational schools can join forces with the Finnish companies in China in order to develop the quality of the Chinese HEIs and/or vocational schools.

The Chinese state has urged the Chinese HEIs and vocational schools to develop their capacity and quality in producing skilled workforce. This is an emergent need in the regions where there is industrial concentration. The Finnish and other foreign companies in China are battling with low levels of skilled workforce that they recruit to work in their premises. More than often the Chinese work force needs to be trained by the recruiting companies after they have been recruited. This can be seen as a waste of resources, especially when the turnover is very big. It happens that the Finnish and other foreign companies recruit the employees and then have to train them all over again so that they are able to accomplish their tasks at the company. However, in many cases, after training the employees leave for better jobs. This causes a vicious circle, as the foreign companies recruit people, train them and then have to watch them go away. The root cause of the vicious circle is concerned with education. When the potential labours for Finnish companies receive low quality or insufficient education, they need further training by the employers after recruitment. After “re-training” the employees see their chances and leave the foreign companies. In order to stop such a circle, the root causes need to be tackled.

A possible solution to this could be to develop a tripartite model of cooperation between three key players, namely 1) the Chinese HEIs or/and vocational schools, 2) the Finnish HEIs or/and vocational schools and 3) the Finnish companies in China. To solve the problem, the Finnish companies should identify the skills needed from the labour force, and for what knowledge and skills they need to train the new recruits before they become productive. Here, the Finnish HEIs or/and vocational schools can come into the picture. They have long experience of developing curricula according to the Finnish companies’ needs. In this sense, they are experts in curriculum
development and implementation. When they receive the information from the Finnish companies, they can start building curricula intended to find solutions to the problem faced by Finnish companies in China. However, the Finnish institutions can only operate in China with local partners according to the Chinese legislation.

The benefits of the model are three-fold. First, through cooperating with Finnish partners, the Chinese HEIs or/vocational schools can develop their capacity, improve the quality of education, and put their graduates in touch with (Finnish) employers. Second, the Finnish HEIs and/vocational schools would be able to test their know-how in other societies and to carry out education export. Third, in future the Finnish companies would be able to obtain better workforce, as they could influence its education.

Towards localisation instead of standardisation

It is worth noting that the Finnish education export strategy is different from that of many other education exporting countries. For instance, the FLF has made a clear distinction between two strategies. One is standardisation—an approach used by many Western education exporters, such as Australia and New Zealand, when entering the markets of developing countries. In this approach, the education providers export standard packages, for example MBAs, to local markets. This is a model best suited to mass production, the education of large populations and is cost-efficient. The other strategy is called localisation. The motto of the FLF is localisation. Instead of exporting standard services, Finns want to export solutions that can be adjusted according to local needs. Finland is concerned with exporting the best out of Finland and combines that with local know-how. It is also in the interests of Finland to develop, together with local partners, the education in the host country for sustainable cooperation.

As realised by Finnish stakeholders of education export, in order for Finnish exporters to be successful, the model for export needs to be something that is beneficial to both the exporter and the importer. China is going through a phase where both the higher education sector and the vocational sector need to be developed. Finland also passed through this phase not so long ago. The major reforms were pushed through in Finland in the past, but the experience is still fresh in the memory of those key actors. This enables the Finns to adapt to the situation of the Chinese and look for the best solutions to meet the Chinese needs. This, of course, needs to be done in cooperation. The Finnish development in the field of education has always been looking for long-term developments rather than a quick fix. This is a model which the Finns could offer China, as China needs to find long-term solutions for the education sector. That is, once again, why Finns want to find partners that are committed to working together for longer periods.
Conclusions

Recently Finnish higher education has entered into a period of transformation period. Among a number of reforms, one is to encourage the Finnish HEIs to export their education services abroad. China, among several others, is one of prioritised markets. According to China’s commitment to the GATS and its national legislation, foreign education providers are allowed and even encouraged to develop cross-border education in China. However, foreign education institutions are not able to establish independent organisations and educational programmes there, but must instead form partnerships with Chinese educational institutions.

When a Finnish HEI is about to enter the Chinese market and provides educational programmes for local Chinese students, officially they need to find a local educational institution as co-operator and apply for governmental approval in China. Under the Chinese regulations, there are three ways to cooperate with Chinese partners in establishing the CFCCRS: by founding an independent institute such as a joint venture or by setting up a school or college affiliated to a Chinese host university, or by developing a joint programme. An application to establish a CFCCRS offering programmes leading to academic degrees is subject to the scrutiny and approval of the Chinese Ministry of Education.

Some Finnish HEIs may consider developing on-line learning or distance learning in China. As China has made no commitment to cross-border supply (e.g. the provision of long-distance educational courses and service) and as none of the domestic regulations on cross-border education mentions on-line learning or distance learning, it would be feasible for Finnish institutions to integrate on-line education as part of a CFCCRS rather than establish pure distance education programmes.

While the policies in both Finland and in China have allowed Finnish HEIs to develop cross-border education in China, Finnish HEIs should be aware of the lessons of cross-border education in China, and develop programmes in line with the interests of Chinese government and social demands.

Indeed, Finnish higher education has a number of characteristics which may be attractive to the Chinese government and Chinese HEIs. The attractiveness of Finnish higher education is understood as that it meets China’s expectation and interests. What are these elements? When seeking answers for this question, one should think beyond the higher education sphere. For instance, some attractive characteristics and the reputation of the Finnish society and industry can also be relevant here, if their links to higher education are taken for granted or can be easily proved. Following this train of thought, a number of attractiveness features of Finnish higher education can be summarised as follows.
Finland is one of the global leaders in developing information society and innovation systems. Finland has won top rankings in a number of international comparisons, such as PISA study, education system and quality of life. Finland as a traditional welfare state attaches importance to the balance between education as a public good and as an industry. Finland as a country being historically dominated successively by Sweden and Russia for hundreds of years understands the need to preserve the national tradition and culture. Finland has a highly developed quality culture in higher education as well as the most advanced quality assurance system in the world. The Finnish government has a prominent role in higher education development. The curricula and training in Finnish higher education has a close link to the labour market. All international programmes in Finnish higher education are taught through the medium of English. The Finnish approach to education export, implemented by the FLF, is not primarily profit driven, but emphasizes the benefits to the local society by importing Finnish know-how.

Although all these aspects can be used for marketing and branding Finnish higher education in developing offshore education in China, the key is how to send the message to China, convincing Chinese targeting organisations and students of the merits of Finnish higher education image described here. This requires Finland to invest in marketing, to conduct extensive research to understand the local market, and to establish effective national coordination between key actors, and strengthen the capacity of HEI in education export.
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