Friends, Foreign and Domestic: (Re)converging New Zealand’s Export Education and Foreign Policies

Introduction

While there has been long-standing engagement between New Zealanders and Asia in a variety of ways (Didham, in press), the primary policy engagement has been first through defence and security, and then through foreign affairs. In foreign policy, Asian countries have had official diplomatic representation in New Zealand since the beginning of the 20th century (Friesen, 2009), while New Zealand has been represented diplomatically in Asian countries since the 1950s (Kember, 2009). The convergence of what amounted to (though was never called) ‘export education’ policy in the 1950s with foreign policy of the same period primarily centered on the Colombo Plan, which, as detailed further in this paper, was essentially the education of (South and Southeast) Asia’s élite in Western countries, including New Zealand. But a number of shifts, ideological, strategic and pragmatic, saw these two policies diverge to the extent that by the 21st century they held less common ground. Export education policy developed in its own right, into its own industry with its own institutions (see Lewis, 2005), and ultimately under its own minister. Foreign policy also changed, though in priority rather than substance, reflecting
the changes of the governments of the day and, more often, within and between New Zealand’s allies and neighbours. This article argues, however, that there should be a re-convergence of these two policy areas, largely because the importance of Asia to New Zealand is even greater now, in 2009, than it was in 1950.

**Why Asia?**

The focus of this article is Asia. It could be argued that one should include the Middle East and South America in an analysis of New Zealand’s foreign and export education policies. But there are strong reasons to focus exclusively on Asia. These reasons include:

- As noted below, the vast majority of international students who are in New Zealand are from Asia.
- New Zealand’s population in 2006 was 10% Asian and is projected to be 16% Asian by 2026 (Bedford and Ho, 2008), putting New Zealand’s Asian population in proportionate terms alongside that of Canada and above Australia’s (Spoonley and Meares, 2009).
- Most of New Zealand’s foreign policy priority countries are in Asia (McCully et al., 2007; Ministry of Foreign Affairs and Trade [MFAT], 2008).
- Two of the three largest economies in the world are in Asia (Japan and China), and China is set to become the second largest economy in the world after the United States (and already outranks Japan in PPP rankings). According to Xie Hongguang, deputy director of the National Bureau of Statistics of China, ‘China will overtake Japan as the world’s second largest economy within three years’ (China News Agency, 2009).
- Asia is home to ten of New Zealand’s 20 top markets for goods exports and is becoming increasingly important for tourism and education (MFAT, 2007).
- What happens with the regional security of the Asian region will affect New Zealand far more significantly than what happens with the regional security of the Middle East or South America. Alongside the loss of US soft power in the Asian region largely as a result of the Bush presidency and US interventions in the Middle East (Singh, 2004; East West Center, 2007; cf. Nye, 2009), there are concomitant changes in Asia regional security architecture. The strategic regional and political shifts in Asia will invariably affect New Zealand because of both its geographical and its economic proximity to the region (cf. White, 2009).

**New Zealand foreign policy**

The other focus of this article is New Zealand’s foreign policy. This article is not primarily about New Zealand’s export education policy, about which there is already a large body of literature. It is recognised that education exports are driven by many factors besides foreign policy objectives, including revenue generation, the desire to recruit migrants, tourism, the labour market, and developing trade and investment links. The vast literature on New Zealand’s export education policies cover many of these other factors adequately (e.g. Deloittes, 2007; Infometrics et al., 2008; Merwood, 2007; Ho et al., 2002; Abbott et al., 2006), but what is often neglected in this literature is the importance of foreign policy in New Zealand’s export education industry (with some notable exceptions: Bennett, 1998; Tarling, 2004). Even within New Zealand foreign policy-oriented/international relations literature, international students do not feature prominently, with the exception of references to the Colombo Plan (e.g. McKinnon, 1993) (and do not feature at all, for example, in the New Zealand International Review from 1989 to 2009).

Recognising the importance of Asian students in New Zealand (and as alumni in Asia) to New Zealand’s foreign policy has been noted by others. For example, the Seriously Asia Conference, held in 2003 (and subsequent similar conferences held in 2005 and 2007), noted the importance of Asian students to New Zealand’s relationship with the Asian region (Asia 2000 Foundation, 2004; Asia New Zealand Foundation, 2005; Asia New Zealand Foundation, 2006). But, as New Zealand Herald journalist Fran O’Sullivan pointed out with reference to the 2007 business-oriented conference,

[I]t’s going to take a lot more than exposing Kiwis to inspirational speakers for this country’s business people and Government to get around to tackling the Asian challenge. A list of objectives developed by two foundation working parties read like lists from yesteryear. Don’t blame them. Blame those that failed to put timeframes and scorecards around the previous objectives to ensure they were achieved by Government Ministers, agencies, business organisations and others ... Which is a pity because the Asian economic game will not stand still while we gear up to walk. (O’Sullivan, 2007)

There is a sense that with this repeated refrain of the importance of Asian students to New Zealand’s relationship with Asia we have not progressed too far down the path, but perhaps instead have started going round in circles.

**Asian students in New Zealand**

International students from Asia first came to New Zealand in 1951, under the auspices of the Colombo Plan of 1950. The plan played a strategic role in New Zealand’s foreign policy. While the benevolence of the Colombo Plan was more ideologically motivated than substance-driven, there were nevertheless important developmental projects which took place under its auspices; education given to students under the plan was of benefit both to them and to New Zealand long-term (MFAT, 2001). The Colombo Plan introduced Southeast Asians to New Zealand and in that respect played...
a significant contribution. It ‘laid the foundation for some enduring relationships between New Zealand and the region’ (MFAT, 2007, p.28) and even now ‘Asian students returning to their home countries with positive firsthand experiences of New Zealand play an important role in promoting New Zealand, as well as forming a valuable pool of potential employees for New Zealand companies’ (ibid., p.48). Notably, however, New Zealand has not been as successful as Australia in maintaining and cultivating this educational link. Still, government Cabinets in Southeast Asia (for example, Singapore) boast more Australian university graduates than New Zealand graduates, and while there are exceptions (for example in East Timor: Hoadley, 2005), New Zealand has not actively sought to identify, educate and cultivate relationships with the rising élite in Asia.

In contrast to the six students who arrived in New Zealand in 1951 under the Colombo Plan to study dentistry at the University of Otago (MFAT, 2001; Tarling, 2004), in 2008 there were 21,136 international students at universities in New Zealand from Asia and other continents. Alongside these university students, in 2008 there were 15,207 international students in schools, 16,121 in vocational training and 35,853 doing English language studies (Education New Zealand, 2008a).

Students from the People's Republic of China dominated amongst international students in the early part of the 21st century, though had dropped significantly in number by 2003/04 and have never recovered to the same level, with a continuing and significant drop from 2003 to 2008. In contrast, Indian students have increased significantly in the same period, in particular from 2006/07. Traditional source countries of students, such as Malaysia (from the 1950s) and South Korea (from the 1990s), have both registered a slight decline in numbers over time, though in Malaysia’s case this has recently been reversed, with a small increase from 2003. Malaysian-Chinese students were amongst the first private fee-paying students in New Zealand, though their fees were subsidised and the number of students was subject to a quota (Tarling, 2004). New source countries, such as Viet Nam, have also emerged. These trends are graphically illustrated in Figure 1 and, specific to provider groups, in Figure 2.

Export education has also grown to become one of New Zealand’s most significant export industries, as shown in Figure 3. According to a 2008 report on the impact of international students on New Zealand’s economy (Infometrics et al., 2008, p.1), in 1999 the contribution of export education to New Zealand’s gross domestic product (GDP) was estimated at $545 million. By 2001 this had more than doubled to $1.3 billion, while in 2004 the estimated contribution had passed $2 billion, with the industry’s value-added estimated at approximately $2.2 billion. Despite a downward trend of foreign fee-paying students since 2003, in 2007/08 the export education industry generated around $2.3 billion of foreign exchange, of which $70 million came from off-shore provision.

**Figure 1: Enrolments of Asian International students in New Zealand, by country**

![Figure 1: Enrolments of Asian International students in New Zealand, by country](image-url)
After the Colombo Plan

This significant economic contribution of (and reliance upon) export education to New Zealand starkly demonstrates the shift from ‘aid’ under the Colombo Plan to ‘trade’. Tarling (2004) clearly identifies that the shift from one to the other occurred in principle well before it occurred in legislation in 1989. One significant contribution to the debate leading towards earning foreign exchange through export education was the so-called Hugo Report. Its project leader, Sir Frank Holmes, noted that:

the conclusion of the report set out the principles of a positive strategy and set of policies that would enable New Zealand educators to earn increasing income from the sale of services overseas, with advantage to their institutions and their domestic students, and to the benefit of the economy and the overall education system.²

However, of this report and its authors, Tarling (2004, p.150) is less than complimentary:

If this was an attempt to escape the control of officialdom, it did not guarantee independent advice … Certainly the Hugo Report offered what [Minister] Moore wanted to hear and what he hoped to persuade his colleagues to adopt. Its report offered an overall policy, though not an entirely coherent or well-researched one.

Comments by Holmes (in his capacity as the first chair of the then-new industry body Consult New Zealand Education) lend weight to Tarling’s claim. Holmes noted that ‘[o]ur market research confirms the Ministers’ view that, with enterprise and professional marketing, institutions should be able to earn significant income from overseas students’ (emphasis added).³ Tarling (2004, p.177) goes on:

Hugo was the victor: the rhetoric of the report, rather than its research, carried the day. That success – sweeping earlier reservations aside – derived, however, in part from its association with other education reforms for which it had argued and which were put through by the re-elected [Labour] government.

Indeed, the government’s willingness to largely accept the Hugo Report’s recommendations without taking notice of the critics (Holmes notes that Moore was ‘surprised by the resistance he encountered’ and that ‘there was a good deal of vocal opposition’)⁴ supports the contention that the

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Figure 2: Enrolments of international students in New Zealand by provider groups

![Figure 2: Enrolments of international students in New Zealand by provider groups](image)

Figure 3: Economic benefits of export education to New Zealand

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shift to exporting educational services had begun well before Holmes and others put their report to the minister. (Tarling locates the shift as early as 1980-81, placing the substantive shift in 1984 (Tarling, 2004, pp.100, 130ff.).)

This shift away from ‘aid’ and towards ‘trade’ was perhaps inevitable, but it is the contention of this article that the shift went too far. It’s not that we should return to the days of education-as-aid, but rather we should include New Zealand’s long-term foreign-policy objectives in the development of our export education industry. This is discussed in further detail below.

Discussion
The experience of Australia’s government in 2009 in responding to difficulties and bad press regarding its Indian student population is salient. The Australian government, as a knee-jerk reaction, has instigated inquiries and is rewriting legislation (Senate Standing Committee on Education, Employment and Workplace Relations, 2009a, 2009b), while others (Wesley, 2009) are putting forward policy prescriptions to address the issue of Australia’s ‘poisoned alumni’. However, it is not a matter of returning to the heady days of the Colombo Plan, for the regional landscape has changed beyond recognition in the almost 60 intervening years, and the nostalgia felt by graduates of the Colombo Plan and its era may not be felt by contemporary international students. Nor is it a matter of somehow turning back the clock, to the days before the revenue from international students was such a boon to educational institutions. The global financial crisis makes a mockery of any attempt to disconnect export education from revenue generation, especially as export education is, counter-intuitively, performing well during this recession (Education New Zealand, 2008b). Nor is it enough to blame the current ills on the increased marketisation and fragmentation of higher education (cf. Wesley, 2009), though this may well have played its part. These are easy scapegoats, but heaping the responsibility on policy decisions that were made 20 years ago (in New Zealand’s case) does not advance the debate, it merely re-litigates it.

The motivation for Australian and New Zealand foreign policy to re-engage actively with export education policy is not just a need to respond to reputational difficulties abroad or economic constraints and imperatives at home, but also that these two countries’ futures will be profoundly affected by what happens in the Asian region. As an Australian columnist notes:

Many of the students of the Colombo Plan returned to become doctors, lawyers and politicians, power elites in the world’s most vibrant economies. Australians talk a lot about engagement with the region and this was a form of regional interaction with enormous potential to shape our relationship with the nations to our north. It was replaced by an industry focused on quantity rather than quality, a little like our wine exports. It is an industry, moreover, on which our higher education sector is frighteningly dependent … The overseas student program needs to be reinvented around an appreciation of these kinds of relationships and an equally keen appreciation of what kind of future we may face in their absence. (Slattery, 2009)

Bringing export education into the wider ambit of foreign affairs will achieve a number of strategic and salient objectives.

First, it will support the new government’s ambitions towards a ‘New Zealand Inc.’ approach off-shore. While the offices of New Zealand’s agencies with an off-shore presence are often co-located, the multiple reporting lines, levels of bureaucracy and various agendas present a fragmented New Zealand approach to particular countries and policy areas. The National-led government, formed in late 2008, has made clear overtures towards supporting a ‘New Zealand Inc.’ approach in its operations abroad, though achieving that in practice will be much more difficult. Indeed, the NZ Inc. approach will only succeed in so far as institutions themselves also take responsibility for ensuring quality in the education and pastoral care provided to international students.

Second, it will serve as a useful contribution to the exercise by the Ministry of Foreign Affairs and Trade in assessing New Zealand’s off-shore ‘footprint’. This ‘footprint’ exercise, taken every few years, will assess New Zealand’s official presence abroad. It would be worthwhile, however, extending the exercise to include New Zealand’s diaspora populations (see Didham, in press), many of whom will include Asia-born New Zealand graduates (see McGrath et al., in press).

Third, it will signal a move away from a fragmented approach adopted by New Zealand universities towards their alumni, where each university vigorously protects its own alumni data and holds independent alumni events throughout Asia, even within weeks of one another. It may be argued that independent institutions cannot be compelled to share their alumni data, and certainly attempts by New Zealand’s Ministry of Education to encourage them to do so are frequently blocked by universities. But the lack of rigorous, robust and accurate data on New Zealand’s alumni in Asia and elsewhere restricts New Zealand’s capability to research, engage with and cultivate its alumni in countries and regions where it has clear foreign policy interests (cf. Fullilove and Flutter, 2004).

Fourth, and most importantly, the greatest benefit to New Zealand’s foreign policy in the long term will be to establish these ‘friends, foreign and domestic’ in a region that is increasingly important economically and strategically for New Zealand’s future. The importance of networks in the Asian region cannot be underestimated. New Zealand-trained Asian-born graduates are better placed to advance New Zealand’s trade and foreign policy interests in the Asian region than New Zealand bureaucrats who may have no Asia awareness whatsoever. The economic benefits to New Zealand of export education are important to our economic growth. But equally important to that growth is deliberately
‘cultivating’ Asian students in New Zealand who will go on to become Asia’s leaders. In that respect, the Colombo Plan was a resounding success.

Fifth, the corollary to re-converging foreign and export education policies is to amend domestic policy settings. While it is important, clearly, to encourage educational exchange between New Zealand and Asia, domestically we need to make it easier for international students to reside and work in New Zealand. Immigration and labour market settings should be loosened and incentives given so that Asian students in New Zealand can contribute to New Zealand’s economic growth and international linkages once they graduate (McGrath et al., in press).

Sixth, while the Colombo Plan began with a security focus and used education as a tool against the spread of communism in and for countries that were poor and developing, these same countries are now developed and wealthy. Whereas it was once a necessity for students from most parts of Asia to study abroad, now it is a choice. So, while export education needs to be a foreign policy adjunct in New Zealand, it also needs to be more than that: New Zealand needs to compete internationally for these students, who can and will choose to study elsewhere. The grounds on which New Zealand competes for international students will differ from the grounds on which other countries do. New Zealand will not realistically be able to compete for students who might aspire to study at the Oxbridge or Ivy League colleges. However, New Zealand can compete against Australia in providing robust pastoral care provisions for international students, for example; particularly at this point in that country’s export education experience (cf. Wesley, 2009). There is not an inherent tension between the aims of converging foreign and export education policies, and building and maintaining a competitive export education industry, despite what might appear at face value. New Zealand’s export education industry can be competitive because of, amongst other things, the international linkages that are developed between Asia and New Zealand and the opportunities given to New Zealand’s Asian students and graduates to contribute to these international linkages generally and to New Zealand’s foreign policy interests specifically.

Conclusion
The historic links between international education policy and foreign policy in New Zealand reflect their context. International education 50 years ago was not an ‘industry’ in the way that it is in 2009. The numbers of Asian students in New Zealand are vastly greater in the 21st century than they were in the 1950s and 1960s. The threat of communism is gone, as has (most of) the political instability in Southeast Asia. The ideologies of government policy between 1950 and 2009 have changed, and these changes have particularly affected the public sector and education policy during this period. These changes may be used to explain why ‘export’ education is not as much in the frame of foreign policy as it used to be. But other changes can support why it should be more in the foreign policy frame than it is. New Zealand’s links with Asia are thicker, wider and deeper than they were in 1950. New Zealand’s Asian population has grown from less than 2% of the total population in 1950 to over 10% in 2009. In 2009 New Zealand’s primary economic partners are not in Europe, as they were in 1950, but are instead in Asia. The New Zealand government remains focused on Asia, as it was in 1950, but for very different reasons. The future with Asia that was painted through New Zealand government documents of the earlier era was one of conflict, fear and instability, with a touch of humanitarian benevolence. The picture painted in recent government documents is quite different. New Zealand’s future is intricately tied up with Asia’s prospects. Now, more than ever, there is a need to bridge the gap between international education and foreign policies and act strategically on the awareness that New Zealand’s Asian alumni – and its Asian populations generally – constitute New Zealand’s friends, foreign and domestic.

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2 Sir Frank Holmes’ private papers, J.C. Beaglehole Room, Victoria University of Wellington; and provided to author.
3 Sir Frank Holmes’ 1988 press statement as chair of CNZEL, in private papers.
4 Recorded in Holmes’ private papers.
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