



Curtin University

Faculty of Business and Law

2021 Australian Government Research Training Program Scholarships

Strategic Project Profile

PROJECT TITLE: Australia's higher education sector in a global perspective

FIELD OF RESEARCH CODE: 1402

PROJECT SYNOPSIS:

Higher education has become a truly globalised industry. International education is one of Australia's top service exports, estimated to be worth \$32.4 billion to the economy in 2017-18 (ABS 2018) and supporting over 130,000 jobs in cities and regions throughout Australia. In this environment, competition between universities is intense and institutions are placing increasing weight on various forms of accreditation and on world university rankings as signals of university quality. Marketing material from universities and agents to attract students focuses on improving employment outcomes through an investment in education. This is supported by market research showing the number one reason international students choose to study is linked to improved employability after graduation (AUSTRADE, 2019).

This project will address two critical but under-explored aspects of the international market in higher education:

- The return to higher education for returnee international graduates - while there is an extensive economics literature on the returns to education, with the bulk of empirical contributions grounded in Becker's (1962) Human Capital Theory, there have been few studies on the benefits experienced by international graduates returning to their home countries.
- The role of university quality and university rankings – university rankings provide an imperfect proxy for the quality of education provided by universities (Dale and Krueger 2002; Black and Smith 2006), however, they are critical to graduates' perceptions of quality and strategic behaviour by institutions. University rankings and costs of tuition are used by students and their families as proxies of the employability of universities' international graduates. In turn, rankings affect university pricing decisions, graduate selection, and can confer a reputational effect that impacts upon employment and earnings outcomes. A number of studies have analysed university quality effects within domestic markets (for Australia, see Carroll 2014; Dockery, Koshy & Seymour 2016; Li & Miller 2013), yet few have assessed the correlation between university rankings, tuition costs and graduate outcomes in the context of the global labour market.

In addition to drawing on existing secondary data sources, a feature of the proposal is to utilise unique data from a global employment network for international graduates, Cturtle, that tracks education and employment data on over 1.5 million international graduates. This data covers international students who have studied at universities in Australia, UK, USA, Europe, Canada and New Zealand who have returned to home countries in ASEAN, Greater China, South Asia, Latin America and the Middle East and North Africa (MENA). The Cturtle data includes education, institution and course completion data; and full employment history since graduation including industry, job title, company information, location and income.

Within the two broad themes noted above, the research will address a range of specific research questions or issues of importance to the research literature, as well as for policy and practice. These include the measurement of university quality and development of a university ranking model based on international graduate employment outcomes that can be applied globally; the correlation between university tuition costs and returnee graduate outcomes (including employment opportunity and earnings); the correlation between university rankings and returnee graduate outcomes and value of reputational effects; and the dynamic inter-relationships between student selection/admission, rankings, quality and pricing across universities internationally. It will make potentially important contributions to the theoretical literature on the economics of education by situating findings within competing hypotheses from human capital theory, screening/signalling theories (Spence 1973, Thurow 1975) and social capital theory (Putnam 1995) of how higher education contributes to improved labour market outcomes of graduates.

References

Austrade (2019), Australian International Education 2025: National Strategy for International Education, <https://www.austrade.gov.au/Australian/Education/Services/australian-international-education-2025>.

Australian Bureau of Statistics (2018), International Trade: Supplementary Information, financial Year 2017-18, Catalogue no. 5368.0.55.003, Canberra.

Becker, G. (1964), Human Capital, 2nd ed., Columbia University Press: New York.

Black, D. and Smith, J. (2006), 'Estimating the returns to college quality with multiple proxies for quality', *Journal of Labor Economics*. 24, 701–728.

Dale, S. and Krueger, A. (2002), 'Estimating the payoff to attending a more selective college: An application of the selection on observables and unobservables', *Quarterly Journal of Economics*, 117 (4), 1491–1528.

Li, IW. and Miller, PW. (2013), 'The Absorption of Recent Graduates in the Australian Labour Market: Variations by University Attended and Field of Study', *Australian Economic Review*, 46(1), 14-30.

Putnam, RD. (1995), 'Bowling alone: America's declining social capital', *Journal of Democracy*, 6(1), 65-78.

Spence, M. (1973), 'Job market signaling', *The Quarterly Journal of Economics*, 87(3), 355-74.

Thurow, LC. (1975), *Generating inequality*, Basic Books: New York.

FEASIBILITY AND RESOURCING – DESCRIPTION OF THE SUPPORT THIS PROJECT WILL RECEIVE:

Supervision team members have strong research track-records in education economics and are ideally positioned to oversee this project. Dr Paul Koshy recently completed his PhD on Higher Education Participation and as an ECR the project will provide him with excellent supervisory experience. As noted, education start-up company Cturtle will provide valuable and unique data to support the analyses. The Bankwest Curtin Economics Centre will provide a 33% enhancement to the standard HDR stipend, and desk space to facilitate co-location with BCEC researchers in addition to the standard supports available to PhD students within the Faculty and the Centre's PhD college.

THE SIGNIFICANCE OF THE PROJECT/ PROGRAM FOR THE ENROLLING SCHOOL OR INSTITUTION:

The project will build upon a recognised area of strength within the Bankwest Curtin Economics Centre and School of Economics, Finance and Property, complementing existing work on equity in education, over- and under-education, returns to education, and WA's international education industry. The results will have strategic implications for international student marketing and the Faculty's strategic positioning.

The work will further strengthen the Faculty's and BCEC's links with government and industry bodies in fostering the Western Australian and Australian education export sector.

Students must express interest in this scholarship opportunity by emailing the Project Lead listed below. Please provide a copy of your current curriculum vitae and detail your suitability to be involved in this strategic project.

PROJECT LEAD CONTACT:

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