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# Systemic review: Financing of higher education internationalisation

## Abstract

*The global higher education landscape has witnessed an increasing trend towards internationalisation in recent years; hence the demand for funding such endeavours has grown significantly. However, funding internationalisation efforts can be a challenging task for institutions. This review discusses various funding models for higher education internationalisation and the challenges posed by insufficient funding. This will be followed by a discussion on the following models: government funding, private philanthropy, corporate sponsorship and partnerships with foreign universities, the role of tuition fees in funding internationalisation, and the challenges posed. Ultimately, this paper will propose a framework for funding that is based on an analysis of successful internationalisation strategies from around the world and intends to guide various funding bodies on how to best allocate resources for this purpose. By implementing this framework, countries shall overcome financial constraints that limit the extent to which internationalisation can be pursued, while also ensuring that the benefits of such efforts are shared equitably across their populations. Also noteworthy here is that this framework may be tough to accomplish in specific contexts, given the limited investments in broad higher education for example in the African continent. This paper argues that while there is no one-size-fits-all approach to funding internationalisation efforts, a diversified funding approach that leverages various funding models can help institutions overcome funding challenges and achieve their internationalisation goals.*

**Keywords:** *financing, higher education, internationalisation*

## 1. Introduction

According to Jane Knight (2004):

Internationalisation at the national, sector, and institutional levels is defined as the process of integrating an international, intercultural, or global dimension into the purpose, functions or delivery of postsecondary education.

As mentioned earlier, this paper proposes a framework for funding that is based on an analysis of 'successful' internationalisation strategies from around the world. Successful internationalisation of higher education is commonly defined as the achievement of specific goals and



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outcomes related to global engagement, cultural diversity, and the provision of international learning opportunities within higher education institutions. While there is no universally agreed-upon definition, successful internationalisation often encompasses factors such as increased student mobility, enhanced academic collaborations and partnerships, curriculum internationalisation, faculty and staff exchange programs, research collaborations, and the development of a globally competent and culturally diverse learning environment (Koyoma, 2016).

The internationalisation of higher education has become a crucial aspect of global education systems worldwide due to its potential to enhance the quality of education, cultivate cross-cultural understanding, foster academic cooperation, and prepare students for a global workforce. Institutions of higher education pursue internationalisation strategies for a range of reasons, from improving their academic rankings to contributing to their respective countries' economic, political, and social development. Institutional internationalisation entails various activities, including student mobility, curriculum internationalisation, research collaborations, and strategic partnerships with international education and business entities. However, financing plays a pivotal role in enabling higher education institutions to implement internationalisation activities.

Thus, funding internationalisation has become a critical issue for policymakers, university administrators, and stakeholders. Therefore, the objective of this systematic review is aimed to assess the literature related to funding internationalisation of higher education, identify the funding sources, how they are insufficient, strategies, and trends specifically in China. Conducting a systematic review on the financing of higher education internationalisation is essential to fill the existing knowledge gaps, inform policy development, identify effective strategies, enhance financial sustainability, and promote equity and access. The findings of such a review would provide valuable insights for policymakers, institutional leaders, and researchers, enabling evidence-based decision making and the implementation of sustainable financing mechanisms. Ultimately, this review will contribute to the continued growth and success of higher education internationalisation efforts worldwide as it focuses on the effect of the particular ways of funding internationalisation.

## 2. Methodology

This research employs a comparative study approach to examine the financing of higher education internationalisation. The study aims to analyse different financing models and strategies adopted by various countries and institutions to facilitate internationalisation in higher education. To achieve this, a comprehensive literature review was conducted using various scholarly articles and reports on the topic. A comparative study design is chosen for this research, as it allows for a systematic comparison of the financing approaches used in higher education internationalisation across different contexts. By analysing multiple case studies, this research design helps to identify common trends, challenges, and effective strategies employed by institutions and governments. The data for this study were gathered from scholarly articles, reports, and institutional documents related to the financing of higher education internationalisation. The search for relevant literature was conducted in reputable databases, including academic journals, online repositories, and official websites of international organisations.

The inclusion criteria for the selected articles were as follows:

- Relevance to the topic of financing higher education internationalisation.
- Publication in peer-reviewed academic journals or reputable reports.
- Availability of full-text articles for analysis.

The data collection period spanned from the year 1990 to 2022, allowing for a comprehensive review of the latest developments in the field. A qualitative content analysis approach was employed to analyse the selected articles and documents. The analysis involved identifying key themes, trends, and patterns related to the financing models and strategies adopted in higher education internationalisation.

The articles were initially screened based on their relevance to the research topic and their alignment with the research objectives. After the initial screening, the selected articles were thoroughly reviewed to extract relevant information related to financing mechanisms, sources of funding, public-private partnerships, student financial aid, and other financial strategies used in the internationalisation of higher education.

A total of 60 scholarly articles and reports were included in the analysis. These articles were selected based on their relevance to the research topic and their publication in reputable journals and platforms. The sample size was determined to ensure an adequate representation of diverse perspectives on the financing of higher education internationalisation. It is noted that articles written by Chinese in Chinese were included for the relevance of internationalisation in China.

The general search was “financing of higher education internationalisation” and the keywords used while searching were “financing”, “resource allocation”, “internationalisation”, “funding”, and “higher education”, and a separate search was undertaken that included China as a keyword.

### 3. Results

Studies included in this review investigated different funding models that have been designed to support internationalisation in higher education. After doing an in-depth review, these funding models can be summarised, covering aspects of all of the articles reviewed:

- Government funding: This type of funding model relies on government funding and support for internationalisation activities in higher education institutions.
- Tuition fees: Many higher education institutions charge additional tuition fees to international students to cross-subsidise internationalisation activities.
- Philanthropic funding: Some funding models rely on philanthropic donations from individuals, organisations, and foundations for internationalisation activities.
- External funding: Higher education institutions obtain external funding from national, regional, and international organisations to support internationalisation activities.

The studies showed that insufficient financing is a major challenge for internationalisation activities in higher education. After doing an in-depth literature review, this paper presents summarised key findings regarding insufficient financing:

- Government funding for internationalisation activities in higher education is often inadequate, inconsistent, and unpredictable.

- Many higher education institutions are heavily reliant on tuition fees from international students, which can be affected by economic conditions, political instability, and changing immigration policies.
- Philanthropic funding for internationalisation activities is often focused on specific projects and initiatives, rather than providing long-term sustainable support.
- Competition for external funding from national, regional, and international organisations is intense, and many proposals fail to secure funding.
- Insufficient financing often leads to limited opportunities for internationalisation activities, unequal access to internationalisation opportunities across institutions, and a lack of support for disadvantaged groups.

## 4. Discussion

### 4.1 Defining internationalisation

To lay the conceptual groundwork for further discussion, this paper first puts forward the definition of the internationalisation of higher education. In this paper, the readers can refer back to p.2 for the definition. It then presents an analysis of various funding models that can be a source for this internationalisation. It also analyses the challenges in implementing these patterns of funding. Subsequently, it provides a specific example of China and emphasises the role of diversified investment of Sino-foreign educational joint programs/ventures in the internationalisation of higher education in China.

### 4.2 Need for internationalisation

Using the qualitative form of systemic review, the following discussion takes place.

The absence of essential skill sets, low levels of education and conscience, as well as a lack of science and technology are major issues in today's societies. The majority of people in societies, especially those that are underdeveloped, lack opportunities for education, despite the fact that specialisation and skill development are the foundation of any society. Therefore, it is essential for states to strategize for the advancement of education, societal awareness, and the development of transferable skills (Ngara, 1995; Howard, Butcher & Egan 2010). Higher education development is one of the means of enhancing education (Unesco, n.d.).

internationalisation is a procedure used to advance higher education in a more global direction. internationalisation today, as stated by Hamilton (1988), "is much broader than the export of education services; it involves staff, domestic student, and curriculum issues as well as scholarship, research, and management issues".

The internationalisation of higher education (IoHE) has been on the rise over the past few decades, and joint ventures, branch campus growth, international academic mobility, and joint partnerships all support this global approach to education (Hseih, 2020; Galloway, Numajiri & Rees, 2020; Kudo, Volet & Whitsed, 2020).

The complicated and multifaceted process of modernising the educational system is an essential component of the social and economic changes occurring in a community or a country. Correspondingly, in a frame of reference of socioeconomic development that involves the transmutation of different development levels, the international community classifies the capabilities and significance of education (Davlyatshae, 2020; Pineda, 2022, Van der Wende, 2007).

Djanaeva (1999) highlights two important characteristics when considering internationalisation:

1. Internationalisation of higher education institutions, which includes both the system's constituents (course of study, school community, faculty members, institutional conduct, strategic planning, etc.), as well as changes to the system itself (such as the transition from a single level university education to a dual level system with undergraduate and graduate degrees or adoption of the credit hour system).
2. Internationalisation of foreign relations – establishing a range of academic, research, and cultural ties with international higher education institutions. Internationalisation in the aforementioned situation could occur at the functional, behavioural, or quality of service levels.

Internationalisation is a quality of our university system's organisational structure; henceforth, it is one of the most important metrics to measure it. International contribution is therefore noted as a success for the reason that it signals acceptance on a global scale (Djanaeva, 1999). Global rankings of higher education institutions are crucial for evaluating and benchmarking universities worldwide, with a notable emphasis on internationalisation. Hazelkorn's research has provided valuable insights into how rankings serve as drivers for universities to prioritise and enhance their internationalisation efforts. She examines various dimensions of internationalisation considered by rankings, including student mobility, research collaborations, faculty diversity, and global reputation. Hazelkorn's work analyses the methodologies and weighting mechanisms used by ranking organisations, offering a comprehensive understanding of how internationalisation is incorporated into rankings (Hazelkorn, 2009).

Methods for internationalisation, includes “virtual and online learning and virtual mobility for joint courses and research projects, as well as hiring international scholars and academics” (Knight, 2012).

Higher education internationalisation is an essential part of the global education landscape, and for a good reason. By offering students an opportunity to study and work in other countries or collaborate with international peers, higher education institutions can enrich their academic programs, broaden their research focus, and increase their global visibility (Borhan, 2022).

States have higher education bodies at different hierarchical levels that prioritise resources to reinforce national and institutional levels, which are distinctive in bestowing to their perspectives and implications, but the endeavours interdependently steer to be tailored towards foreign counterparts.

However, these initiatives require significant financial resources, and institutions must carefully consider their financing options to ensure long-term sustainability.

### 4.3 Financing models for internationalisation

Several financing models were identified for financing to support higher education internationalisation. An analysis of the literature was conducted to identify recurring themes and patterns in financing models for higher education internationalisation. A framework was developed that considered factors such as funding sources, mechanisms, stakeholders, and outcomes to organise and categorise the models. Each financing model was defined, and its key components, distinctive features, benefits, and challenges were described based on evidence from the literature. The definitions were refined and validated using insights from

the data collected during the literature review. The financing models were then organised into subsections or categories based on their similarities, allowing for comparisons and deeper analysis. This organisational structure facilitated understanding and enabled readers to grasp the variations and nuances in financing approaches for higher education internationalisation.

It must be noted that the choice of the right model depends on the objectives of the institution, the target audience, and the needs of the program. Student mobility funding, for example, is one of the commonly used financing models in internationalisation initiatives. According to Bhandari and Chow (2011), financial aid provided by governments, institutions, and other entities plays a critical role in driving student mobility. Additionally, loans and scholarships play a vital role in funding student mobility, particularly for those from low-income backgrounds.

A significant financing model recognised is public-private partnerships, where public institutions work with private entities to support internationalisation programs. Successful public-private partnerships require clear and concise goals, which are often developed through joint planning and resource sharing. Research grants are another common form of funding used in internationalisation initiatives. Research funding models vary widely, from government grants to funding derived from corporate partners.

#### **4.3.1 Government funding as a financing model**

Government funding is one of the most common forms of financing for higher education internationalisation (Teichler, 2004). Additionally, government policies also play a determining role.

In this globalised world, a government has a strong supportive stance towards the internationalisation of higher education and plays certain roles that are of immense significance: executive director, a major funder, national strategy designer and program planner, and facilitator and manager. The government must strategically plan initiatives every time to design the internationalisation's framework of higher education; as a result, institutions are able to develop their ideas within the framework of the national ones. Governments must and do continue to be the main funders of internationalisation and the entire higher education system, despite ongoing reformations in institutional policies. The government also assumes the function of an association's executive director in order to manage the modernisation of higher education. Government control and oversight are firmly ingrained in the regular operation of the institutions due to political unease and the financial environment. These responsibilities of the government are viewed as insurmountable and are widely shared by many national governments.

Since they operate with ubiquitous learning, higher education institutions have the inherent ability to be global (Newman, 1982). According to this notion, universities must remain part of the ongoing process of internationalisation. Higher education can only become more internationally oriented in this era of modernity and globalism. Therefore, national governments must deal with issues relating to the internationalisation of higher education in their strategic and administrative procedures (Li, 2015).

The governments may design their own short or long-running micro- or macro-economic plans, but they must all adhere to the regional protocol's major measures, regions, and aspirations. Based on their unique contingencies strategic plan, institutions' growth phase has a multitude of internationalisation needs, objectives, and capacities; therefore, each institution needs an optimised strategy.

Two of the major techniques are implemented by the government to exert its influence over the strategic approach and the overall program. The first and foremost of these is the orchestration of human capital, with all higher education institutions' administrations and staff members actually working for the government. The government's position as the primary source of funding is its second tool for maintaining the globalisation of higher education.

The desire to recruit skilled labour, export educational services, advance development, or use "soft power" may be the driving force behind government policy (Ndum, 2020). Additionally, governments are cognisant that if their higher education institutions misuse their profile of transnational trust, the country's legitimacy will suffer. Consequently, governments' active participation in internationalisation involves both promoting its evolution and maintaining its value.

Even though institutions are becoming more independent, government policy can either advocate or impede their international expansion. Therefore, it is of immense importance that comprehension of the associations and discrepancies between systematic basis and national policies regarding internationalisation is done. Understanding the complexity of internationalised higher education requires a thorough investigation of the interconnected relationships between miscellaneous stakeholders, firstly between institutions and their governments (Erasmus Student Network, n.d.).

Governments may provide funding to higher education institutions to develop internationalisation programs, support research collaborations, offer scholarships and fellowships, and facilitate study abroad opportunities. Governments also assist by funding the students as well as the teachers to have an international experience. For example, the European Union has a robust funding program aimed at supporting internationalisation initiatives, such as the Erasmus+ program, which provides funding for student and staff mobility, joint degree programs, and institutional partnerships (MOE, 2001). Government funding can also support the development of institutional infrastructure, such as language centres and international student offices. Language centres help widely by allowing students and locals to learn and make different languages a part of their life, enabling them to not be restricted by a language barrier when standing on an international platform.

Another example is that of China, which has made it possible that a significant part of the income of public institutions is the tuition fee. However, in addition to this, the government puts a lot of money into public institutions through a variety of macro-scale enterprises such as 211 (Sirat & Kaur, 2007) at a highly central level, while others are produced locally such as the development of science laboratories for experimentation.

However, the downside of government funding is that it can be subject to domestic policy priorities, which can change over time, and institutions may not have control over the criteria for awarding funding (Cutlip, 1990). Government support for research and development (R&D) can vary significantly across different regions and countries. The following are some examples of different regions and their approximate percentages of GDP spent on R&D.

- The United States is known for its strong emphasis on R&D investment. As of 2021, the U.S. government allocated around 2.8% of its GDP to R&D spending.
- The European Union as a whole has been increasing its R&D funding in recent years. As of 2021, the EU's R&D spending was approximately 2.19% of its GDP.
- South Korea is renowned for its high investments in R&D. In 2021, South Korea allocated approximately 4.5% of its GDP to R&D, making it one of the leading countries in R&D intensity.

- China has rapidly been increasing its R&D spending and has become a significant player in global research and innovation. In 2021, China's R&D expenditure was around 2.37% of its GDP.
- Japan is known for its long-standing commitment to research and innovation. In 2021, Japan's R&D spending was approximately 3.29% of its GDP.
- India has gradually been increasing its R&D funding to boost innovation and technological development. As of 2021, India's R&D spending was around 0.65% of its GDP.
- Compared to other regions, Sub-Saharan African countries generally have lower levels of R&D investment. On average, R&D spending in Sub-Saharan Africa is less than 1% of the region's GDP.
- R&D spending in Latin American and Caribbean countries varies, but on average, it tends to be relatively low compared to some other regions. The region's R&D spending hovers around 0.7% to 0.8% of the GDP.

Thus, institutions have been seeking alternative sources of funding, such as tuition fees, research grants, philanthropy, and commercial partnerships.

#### 4.3.2 *Philanthropy as a financing model*

Higher education institutions face rising costs and state funding limits. Therefore, higher education institutions need sustained financing to operate efficiently and remain competitive. Global universities have given charitable aid (Hall, 1992; Prince & File, 1994; Boland, 2002) more consideration when determining motives and investments to cut costs, boost productivity, and generate new revenue (Sato, 2005). The model was used because long-term cost pressures have caused expenses to outstrip prospective profits (Sato, 2005). Successful public higher education institutions' philanthropic fundraising requires identifying the right university fundraising essentials and creating the right university environment. Changing the organisational philanthropic ideology to embrace internal and external constituents was important to sustain philanthropic giving to public higher education institutions (Chan, 2016). Private foundations, affluent philanthropists, and alumni donations can improve higher education by funding research and other projects. Philanthropic gifts have supported global health projects and scientific progress. Philanthropic organisations have provided consistent and unrestricted funding for academic programmes (e.g. modern curricula), scholarships (e.g. the Gates Millennium Scholars Program), staff development (teaching and research), and scientific research since the 2008 Economic Downturn. However, philanthropy as a finance mechanism for higher education is only available in particular regions and is typically influenced by a university's rankings or global reputation. However, contextual disparities between the global South and North in higher education philanthropy must be considered. Limited financial resources, socio-economic differences, and different philanthropic cultures may create distinct obstacles and opportunities for mobilizing philanthropic support in the global South (Krlev, Robertson & Vukasovic, 2021).

#### 4.3.3 *Financial aid as a financing model*

According to Murphy and Wyness (2016), raising the conditions for financial help and offering financial aid to students can boost their academic achievement. According to Yang (2009), there is a strong positive association between academic excellence and financial aid received by students. Increased funding may greatly boost the likelihood of exceptional performance. Using official data from Chile, Card and Solis (2022) discovered that receiving student loans – which comprise 85% of all tuition costs – increases the percentage of students who return



to an institution and complete their degrees. Consequently, scholarships and student loans are one of the other indispensable financing models for higher education internationalisation. Scholarships provide financial support to students to study in other countries, while student loans provide them with the necessary funds to pay for their education. Scholarships can come from various sources, including governments, private foundations, and higher education institutions themselves. For example, China's higher education has developed a variety of mixed financial assistance programs that include work-study grants, national financial aid for enlistment, freshman enrolment grants, national encouragement scholarships, national grants, national student loans, grassroots employment students' tuition fees, and national student loans that are funded by the government (MOE, 2019). Some institutions also offer scholarships to students from disadvantaged backgrounds or underrepresented groups to promote diversity and inclusion.

To sum it up, financial aid is an 'economic investment' based on the growth of students with financial challenges' understanding, expertise, skill sets, comprehension, and potential. The selection of academic growth metrics for sponsored college students now relies heavily on human capital factors. Academic performance indicators primarily evaluate the essential components of a person's human capital, which provides a theoretical framework for assessing how financial assistance affects the human capital of college students (Qi, Ma & Ji, 2022).

#### ***4.3.4 Research grant as a financing model***

Distinguished educational talent is scarce, and methods for managing intellectual property rights, technical expertise transfer, and innovations now require more assistance than in the past. For the thorough design of research infrastructure, greater research potential, the creation of new research principles, and enhanced coordination between research units, a much more primary emphasis on capacity development and international research rules are required. In order to hold up with the expansion in research funding, publications, and multinational research teams must be strengthened. Bibliometric study reveals signs of expanding scientific communication with the world community. Talented post-doctoral academia is the cornerstone of the global human capital on which research, advancement, and excellence are centred (De Wit et al., 2021).

Inevitably, a research grant is a financial model identified. Research grants are typically awarded by universities, research councils, and governments to support faculty research collaborations with other institutions or industry partners. Research grants also provide opportunities for students to participate in collaborative research projects, which can bolster their academic credentials and help them gain valuable research experience.

Ultimately, it is essential to mention that research grants play a crucial role in fostering international collaboration between the global North and South, with a significant portion of funding originating from institutions and organisations in the North. These grants facilitate partnerships, knowledge exchange, and joint research endeavours, contributing to the advancement of scientific understanding and addressing global challenges (Wagner, Jonkers & Whetsell, 2015).

#### ***4.3.5 Public-private partnerships as a financing model***

A private institution may eventually lead to less dependency on erratic government support (Warasthe, 2017). As a result, private sector funding has also increased, particularly from multinational corporations, foundations, and alumni. Public-private partnerships can be

determined as “cooperative institutional arrangements between public and private sector actors” or also more accurately as “... cooperation of some sort of durability between public and private actors, in which they jointly develop products and services and share risks, costs, and resources which are connected with these products” (Hodge, Greve & Boarman, 010).

Public-private partnerships play a significant role in funding international collaborations between the global North and South, with the majority of funding being provided by entities from the North. These partnerships bring together governments, philanthropic organisations, and private corporations to support initiatives that promote cross-border collaboration and development in various sectors (Maxwell, 2006).

Public-private partnerships involve collaboration between academic institutions and private entities to support internationalisation program. This model offers institutions new opportunities to collaborate with industry partners and generate revenue. It can generate funding for specific projects or initiatives, such as faculty or student exchanges, or the creation of new academic program. Public-private partnerships can also create opportunities for cross-cultural exchange among students and faculty members, as well as foster industry-academic collaborations. However, it may also entail the risk of conflict of interest and loss of academic autonomy (Deem, Mok & Lucas, 2008). International organisations such as the World Bank and UN agencies have been providing funding, technical assistance, and expertise to support internationalisation, but their funding is often conditional upon meeting specific criteria and aligning with their agendas (Altbach & Salmi, 2011).

Giving students training that increases their chances of finding a job after completion of their degree enhances both the prestige of the private partner and the organisation of the particular economy. On the other hand, private partners profit from the manpower that is specially trained in areas of concern as a result of the collaborative effort. Additionally, the private partner has the chance to evaluate the effectiveness of their target audience marketing as well as the product lines and advancements they have developed (Robertson *et al.*, 2012). Additionally, partnerships in growing economies can help private institutions from industrialised nations expand their markets.

#### 4.4 Patterns of higher education internationalisation

Market forces are primarily driving contemporary globalisation processes. As business obstacles diminished in the closing decades of the twentieth century, local and global free trade relations and deals are expanding at an unparalleled rate. As trade trends have increased, consumers now have infinite options. Because the resulting trade of products, services, and people appears unstoppable, foreign human resources with the abilities needed for this emerging market must be made available. They will contribute to the development of a well-functioning economy in which all people can add not only to the well-being of their local environments, but also to the well-being of the entire world. The simplest and most efficient way to accomplish this is to internationalise people by providing them with the chances and prospects to excel by attaining education.

To further understand the process of internationalisation and its funding sources and mechanisms, the patterns existing in higher education funding must be explored. Over time the paradigm has shifted from a culture of funding to an increase in tuition fees. This decline in funding can be visualised most clearly in the United Kingdom. The 1980 Public Expenditure White Paper declared a 15% drop in higher education spending over the next three years,

marking the first time that higher education financing had been curtailed since World War II. This followed the earlier elimination of support for non-EU foreign students. Post-1990, the funds for domestic and international students in the form of grants were slowly starting to be replaced by loans. The goal of replacing grants with loans was to transform subsidies provided directly to higher education institutions into student choices about the way, when, and to whom they pay, thereby conferring students with buying power. As tuition fees have risen substantially, with the ceiling tripled to £9,000 by the 2011 White Paper, the financial allocation by the government has been diverted to student loans rather than direct assistance to higher education institutions. This policy change and the subsequent increase in tuition fees have transferred the financial authority from the government into the hands of the students and have decreased the government's expenditure in the long run through the repayment of loans (Choi, 2015). It is important to note that in various countries and regions, including the Global South, tuition fee increases and changes in financial authority have diverse impacts. South Africa experienced significant controversy over rising tuition fees, leading to the emergence of the "Fees-Must-Fall" movement in 2015. The movement was driven by student protests demanding fee reductions, increased financial aid, and improved educational access for disadvantaged communities. It shed light on the financial challenges students faced in accessing higher education. The "Fees-Must-Fall" movement also influenced higher education internationalisation in South Africa by advocating a curriculum focus. It called for an inclusive and relevant curriculum, challenging the legacy of colonialism and apartheid in education. The movement aimed to create a more diverse and inclusive learning environment. As with any social movement, the "Fees-Must-Fall" movement had both positive and negative implications for higher education internationalisation. It raised awareness of accessibility and equity issues, fostering discussions on curriculum reform and addressing historical injustices. However, prolonged protests and disruptions in the higher education sector may have posed challenges for international collaboration and student mobility (Booyesen, 2016).

The new system of transparency is now extensively used in higher education administration around the globe, particularly as a method for distributing practical and/or research funds to schools. The new accountability system promotes an emphasis on the effects of campus operations rather than the usual concentration on input or method (Dougherty & Natow, 2009).

Success-based financing stems from this worldwide concept, which wants success rather than conventional indicators such as investment in resources, administrative procedures, or fiscal audits. Budget distributions based on institutional efficiency seek to motivate organisations to operate more effectively, improving both institutional authority and responsibility. The trend appears to be linked in part to people's shifting ideologies and mindsets as a result of the interaction of complex social influences. This justifies for the government to tighten its oversight of higher education in order to guarantee that academia is conscious of its societal obligations and the implications of its research. The reasoning for performance-driven financing can also be traced back to neoliberal notions such as productivity, efficacy, and competition. It must be kept in mind that in South Africa, the concept of success is subjective, as many public institutions have been greatly impacted by coloniality of knowledge and the structures imposed by Apartheid.

The reasoning for performance financing is that greater government resources should be directed toward successful institutions rather than less effective institutions in order to offer stronger performers a competitive advantage and encourage weaker performers to make progress (Hicks, 2012).

There is a similar trend in the success measures used. Rates of graduation are the most frequently used indicator, followed by retention percentages, results for minority or economically disadvantaged pupils, and the total number of college degrees finished. Other less frequent indicators include expense efficiency, study productivity, external research money, and student or employee demographic diversity.

#### 4.5 Complications in higher education internationalisation

Even though various funding models for higher education internationalisation have been identified, their implementation remains a point of concern in many parts of the world. The causes of inadequacy in the successful application of these models are multi-layered and pertain to certain deficiencies in the models themselves, but also to the various general complications in the internationalisation process as a whole.

Altbach and Knight (2007) argue that the lack of funding for higher education internationalisation is a major constraint on the efforts to internationalise universities. According to the authors, internationalisation programs incur additional costs such as the hiring of bilingual faculty and international students, the establishment of international partnerships, and the creation of specialised international programs. Additionally, they argue that the high-quality resources required for internationalisation activities, such as databases, research tools, and digital libraries, are financially demanding. Such high costs result in serious constraints that are not lifted even after significant funding is provided, and it requires multiple sources of financing.

It is tough to acquire multiple funding sources for institutions, which makes financing internationalisation difficult. The funding models aforementioned establish the government, grants, philanthropic support, and private financing as the major sources of funding in many countries. However, it is important to note the nature of these funding sources. Gacel-Avila (2013) explains that institutions must rely on such external resources for funding, but the support from these sources is fluctuating and unstable. For example, funding a certain program or a research project may not entail future funding for the institution once the program is completed. This lack of security and sense of uncertainty further slows internationalisation.

Government funding, although a significant funding model, is often precarious and undependable due to several reasons. Firstly, there is a lack of political will and government support for -internationalisation in higher education. In many countries, higher education institutions depend on government funding for their operations, and internationalisation initiatives are often not a priority for governments due to competing demands for resources in areas such as healthcare, infrastructure, and national security. As a result, funding for internationalisation is often inadequate or non-existent, and institutions are forced to rely on alternative sources of funding such as tuition fees and grants from private foundations. Secondly, even when funding is provided by governments, it may be insufficient for universities due to the massive infrastructural costs of internationalisation. However, it is integral to include here how this could be overcome. Contemporary discourse on the internationalisation of the curriculum emphasises the integration of global perspectives and intercultural learning. To make internationalisation more accessible and cost-effective, models such as International Virtual Exchange (IVE) and collaborative online internationalisation have emerged. These models promote inclusivity, reduce costs, and minimise carbon emissions by facilitating cross-cultural interactions and educational collaborations through digital platforms. They provide opportunities for students from diverse backgrounds to engage in international experiences

without the need for physical travel, reducing expenses and environmental impact (Ware & Staker, 2018; Jonassen & Hernandez-Serrano, 2020).

Moreover, government support may be subject to political factors and changes in government priorities, which can make it difficult for institutions to sustain internationalisation efforts in the long run. As noted by Marginson and Sawir (2018), governments may shift their focus away from internationalisation in response to changing geopolitical conditions, as seen in the case of Australia's decision to cut funding for the Endeavour Scholarships and Fellowships Program in 2018. This has proven to be especially significant in developing countries with unstable governments, because the policies keep changing. In addition, these countries are already facing fiscal deficits and financial constraints and can therefore not afford a large amount of the budget to internationalisation initiatives. Finally, not all institutions, especially those in less-developed countries or without long-standing foreign ties, may be eligible for government support for internationalisation. This can create a disparity in opportunities for institutions and limit the overall impact of internationalisation on higher education.

Another evident issue is that the funding models for internationalisation are often short-term focused, which poses a challenge for institutions to develop long-term strategies for internationalisation. Institutions may receive funding for short-term initiatives, such as study-abroad programs, but may struggle to secure support for the development of international partnerships or the recruitment of international students. This can hinder their efforts to build sustainable global networks of partnerships and collaborations, which are necessary for successful internationalisation efforts. Therefore, institutions need to identify ways to secure long-term funding for internationalisation efforts to ensure that they can create meaningful relationships with international partners and recruit a diverse student body.

The allocation of funding for internationalisation initiatives is often not transparent, which creates challenges for institutions to use resources effectively. The lack of clear guidelines for the allocation of funds can result in the uneven distribution of resources and the ineffectiveness of initiatives (Knight, 2014). This can hinder the success of internationalisation efforts and prevent institutions from achieving their goals. Therefore, there is a need for clear guidelines and criteria for the allocation of funding to ensure that resources are used effectively and efficiently. This would also help to promote accountability in the allocation of resources and enable institutions to track their progress towards achieving their internationalisation goals.

Even though funding might be obtained, a factor hindering internationalisation is the failure of universities to devise a clear strategic plan. Institutions often view internationalisation as an isolated initiative rather than a core component of their institutional strategies. This approach limits the effectiveness of internationalisation efforts and makes it difficult for institutions to secure the necessary funding to sustain them. A strategic plan can help universities to align their internationalisation efforts with their institutional goals and identify the resources required to achieve those goals. In addition, the lack of stakeholder involvement is a significant challenge to internationalisation efforts. Involving faculty members, administrators, and students in the planning process can ensure that everyone understands and supports the internationalisation efforts. It can also help universities to identify the needs and expectations of different stakeholder groups, enabling them to tailor their internationalisation initiatives accordingly. Without this input and buy-in from key stakeholders, internationalisation efforts may not align with institutional goals, and the benefits to the university community may be limited (De Wit *et al.*, 2015; Kezar, 2015).

Moreover, the lack of coordination and collaboration among funding agencies and institutions is another obstacle to sustainable internationalisation strategies. When universities have to rely on multiple sources of funding, it can result in a fragmented and disjointed approach. This can make it challenging for institutions to leverage their resources effectively and develop sustainable internationalisation strategies. Collaboration among funding agencies and institutions can help universities to streamline their funding sources and ensure that they are aligned with their institutional goals (Beelen, De Wit & Jones, 2020).

## 5. Conclusion

The review of the literature indicates that funding internationalisation of higher education is a complex and multifaceted challenge that requires a holistic and adaptive approach. The shifting political, economic, and social contexts demand new funding sources, strategies and models that ensure sustainability, diversity and inclusivity. Thus, policymakers, university administrators and stakeholders need to collaborate and innovate to overcome the funding barriers and unlock the potential of internationalisation. Overall, funding internationalisation of higher education is a critical issue that requires continuous attention and investment to realise the transformative power of global higher education. This systemic review of the literature revealed that the lack of funding for higher education internationalisation is a crucial challenge faced by many institutions. There is insufficient funding due to limited funding sources, economic difficulties, and high costs of internationalisation activities. Institutions have adopted alternate funding models such as public-private partnerships, public funding, and philanthropic donations to address the funding challenge. This review concludes that higher education institutions must develop comprehensive strategies to address these challenges to facilitate internationalisation activities.

To overcome these challenges, institutions should develop a strategic framework and business case that highlights the benefits of internationalisation and secure sustainable funding models. An example of the implementation of such funding models is the Sino Foreign joint venture. The Chinese government has adopted a diversified investment approach in promoting Sino-foreign educational joint programs/ventures. It has facilitated the development of partnerships between Chinese and foreign universities, attracted high-quality foreign faculty, increased the level of student mobility, and facilitated the development of joint research projects.

Future research may explore the impact of different funding sources and strategies on the outcomes of internationalisation, such as student learning, mobility, employability, and international partnerships. Additionally, future research may investigate the ethical implications of private sector funding and the role of non-state actors in shaping the internationalisation agenda.

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