## Revitalization of Regional Areas Through an Increase in International Students

外国人留学生の誘致はどのように地 方を活性化するか。南オーストラリ ア州、大分県、福岡県での取り組み から検証する。

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Compared to metropolitan areas, regional areas have several disadvantages in trying to attract Abstract international students. Several municipalities have started working with local universities and companies to attract and support international students. In this paper, these joint efforts in the Australian State of South Australia (SA) and Oita and Fukuoka prefectures in Japan will be compared and categorized according to their economic/demographic/linquistic conditions. International education is SA's fourth biggest export, generating 1 billion Australian dollars in 2010. SA's efforts are mainly directed toward increasing the income brought about by the international students and can be labeled "revenue-generating approach." Fukuoka, which is located in an industrial zone, tries to recruit highly skilled foreign workforce from the international students who might increase the international competitiveness of local industries. Its approach will be called "skilled migration approach." In Oita, the ratio of international students to population is 0.35 %, the highest of all prefectures. International students in Oita are precious resource to promote internationalization in education, society and tourism. Oita's efforts to increase and support international students will be called "internationalization approach."

Keywords International students; Local government; Australia; Oita; Fukuoka

#### Introduction

When compared to metropolitan areas, local areas have several disadvantages in trying to attract international students. They all face common phenomena including an aging population, a smaller number of companies and fewer employment opportunities, as well as the widening gap with the metropolitan areas. Many international students prefer to study in a metropolitan city, seeking a more exciting environment and better employment and part-time job opportunities. Despite this, local areas can actually provide several merits for international students such as

inexpensive living costs, a rich natural environment, traditional local culture and better support provided jointly by the municipal government, universities and local communities. Several municipalities have started working with local universities and companies to attract and support international students.

In this paper, these joint efforts in the Australian State of South Australia (SA) and Oita, and Fukuoka prefectures of Japan will be compared and categorized according to their economic/demographic/linguistic conditions. The social and economic impact and challenges in these municipalities will also be discussed.

In his review of the co-existence between universities and communities, Hata (2001, p.117) points out that in Japan the relationship between universities and local society has been "thin". However, international students have brought about a new opportunity for the Japanese universities to cooperate with the local governments and communities.

#### Case of South Australia

SA is a state in the southern central part of Australia. Most of its land is desert, however some of the land is used for grape cultivation and therefore the production of wine is famous in SA. Mining and manufacturing, such as the copper and automotive industry, also play an important role in SA's economy. According to Australian Bureau of Statistics (2011), SA's population is about 1.6 million, making it the fifth largest among the six States and two Territories in Australia. The majority (1.26 million) of SA's population lives in Greater Adelaide where the capital city is located. In 2010, the number of international students in SA is 34,391 (AEI, 2010). making it the fifth largest after New South Wales (NSW), Victoria (VIC), Queensland (QLD), and Western Australia (WA).

Of the 619,119 international students living in Australia in 2010, 5.6% live in SA. This number drastically increased from 5,584 in 1998 (AEI, 2000) to 34,391 in 2010 (AEI, 2010). This increase was 6.16 times, and quite significant when compared on a national level, in which the increase was only 4.80 times. In SA, the total percentage of international students in higher education is 46.2%. This percentage is higher than the national average of 39.3% (AEI, 2010). The rapid increase of international students has been seen mainly in this sector. The ratio of international students to SA's population is 2.15%, which is lower than the national average of 2.88%. In higher education sector, however, SA's figure is 0.99%, slightly lower than the national average of 1.13%.

The possibility of migrating to Australia has been

an important "pull" factor inducing international students to select Australia as their destination. One of the criteria of the General Skilled Migration Points Test is studying and living in regional Australia (5 points) (DIAC, 2010). The bonus points were introduced from June 2003, and have since then given SA a significant advantage. Some sources claim that the SA Government had lobbied Federal Government to introduce such extra points to attract more international students to SA. An applicant for the test can claim the points if she/he has lived in and has studied full time at a campus located in regional Australia, or a low population growth metropolitan area, for at least two years prior to lodging her/his migration application. In contrast to NSW, VIC, QLD, WA, where capital cities and other large cities are excluded, the entire state of SA, Tasmania and Northern Territory are categorized as such areas (DIAC, 2008). Although it is only five points out of the total 120 points required, it has still significantly influenced the decision of international students, who may not be able to attain 120 points in the other criteria. Therefore, Adelaide has many advantages when attracting international students, when compared to other major cities in Australia.

Another factor which has contributed to the increase of the number of international students in SA is the establishment of Education Adelaide (EA). EA was established in 1998 by the State Government, the Adelaide City Council, and three public universities in SA. Its mission is to develop and expand SA's share of the national education export market and to promote Adelaide as a center of education excellence by highlighting the many advantages for international students (Study Adelaide, 2010). In 2010, EA's members included 42 educational institutions from schools in Vocational Education and Training (VET) and English Language Intensive Courses for Overseas Students (ELICOS). Their duty is to pay annual fees and in return they receive its marketing services. EA has three core functions. The first one is to undertake direct marketing, including organizing offshore promotion events in order to add value

to SA's educational institutions. The second is student support and community integration by raising awareness of the importance of international education among the community and promoting a "safe and friendly" image of Adelaide. Finally, the third function is to analyze the market. International education is SA's fourth biggest export earner, generating 1,028 million Australian dollars in 2010 (AEI, 2011). Their joint efforts are mainly directed toward increasing it.

#### Case of Oita

Oita prefecture is located in the northeastern part of Kyushu, Japan. Its population is 1.2 million, making it the 33rd largest of the 47 prefectures in 2010. It is famous for shitake mushroom cultivation and onsen (hot spring) tourism. Among all the prefectures, the number of firms in the industrial sector in Oita is the 7th from the bottom and its average per capita income of working household is the 12th from the bottom (Statistical Bureau of Japan, 2010). However, its number of international students is the 10<sup>th</sup> largest in Japan as is shown in Fig. 1 and its ratio to population is 0.35%, making it the highest of all prefectures in 2010, while the national average is 0.11% (Calculated by the authors from the data of Statistical Bureau of Japan and Japan Student Service Organization in 2010). This large number of international students was realized by the joint efforts of universities and municipal governments, which can be traced back to 1990s.

Mr. Morihiko Hiramatsu, governor of Oita from 1979 to 1999 and advocate of the "One Village One Product" movement for regional development, invited a university in Oita in order to realize his vision of "Fostering the Leaders of Asia and Pacific in Oita." In 1995, Ritsumeikan Educational Foundation responded to his call. Consequently, in 2000 Ritsumeikan Asia Pacific University (APU) was established in Beppu. It is the 2<sup>nd</sup> largest city in the prefecture and is home to *onsen* (hot springs), which volume and sources are the largest in Japan.

According to an interview of the officers in Beppu city office in 2009, of the 29.7 billion yen which was disbursed for APU's establishment, 15 billion yen was borne by the prefectural government and 4.5 billion yen was borne by Beppu city hall. Beppu city also provided the campus site free of charge. The most unique characteristic of APU is its international education. This is partly due to the administrative guidance by the Ministry of Education at its establishment. APU set three "50" goals in its education, namely, 50% of all courses are taught in English, 50% of its academic staff members are non-Japanese and 50% of its students are international students from over 50 countries.

The number of international students of Beppu city increased by 29 times; from 118 in 1998 to 3,384 in 2009. In Oita prefecture as a whole, there was an increase by 14 times, from 302 to 4,147 in the same period. Though there are three other universities and several technical colleges in the region, this rapid increase can be largely attributed to the development of APU. In Beppu, the ratio of international students to its population became 2.7% in 2009, the highest of all the cities in Japan.

In order to support the increased number of international students, in 2003 the prefectural government established the Oita Prefectural International Students Policy Committee. They invited its members from Beppu and Oita city halls, all the local universities/ colleges and the local Chambers of Commerce and Industry. This council became the parent body of NPO University Consortium Oita (UCO), which was established in 2004. Its main goal is to harness the energies of the international students studying at Oita's universities and channel them into benefiting the local community. In order to attain this goal, there is an emphasis on three major activities, namely, support of the international students' life, promotion of exchange between students and community, and the support of internship and job hunting activities through setting up meetings between business people and international students and the use of a human resource matching system (named "Active Net"). UCO has decreased the burden on local universities to support international students, and increased the opportunities for the international students to mix with the local people. This has been achieved through sending students to various activities, such as international understanding classes at local primary and junior high schools, as well as language and cooking classes at community centers. After the establishment of UCO, the number of international students who were employed in Oita prefecture has increased from 2 in 2003 to 52 in 2010 (Immigration Bureau of Japan, 2010).

UCO is composed of university/college members and other affiliates. The university/college members pay a member fee according to the number of international students and Japanese students (¥2,000 per a international student and ¥100 per Japanese student). It is managed by the Board of Directors who are chosen from the representatives of the members and affiliates. For the first few years after its establishment, the Oita prefectural government sent its staff to UCO to act as secretary general and has also entrusted several programs related to the international students. In 2005, APU held the "World Students' Tourism

Summit" by inviting more than 400 students from all over the world. APU also started courses related with tourism. In 2010, Oita prefectural government has asked Chinese students to introduce Oita's tourist spots and cultures in the Shanghai World Expo. It also asked international students from several countries to write blogs in their mother tongue to attract foreign tourists. International students are playing important roles in publicizing the local tourism resources in Oita where tourism is the main pillar of the economy.

#### Case of Fukuoka

Fukuoka prefecture is located in the northern part of Kyushu. Its population is 5.07 million, the 9th largest of the 47 prefectures in 2010. Its main cities form one of Japan's main industrial centers, accounting for nearly 40% of the economy of Kyushu. Major industries include automobiles, semiconductors, and steel. It is on the western end of "Pacific Belt", the most vigorous industrial zone of Japan. The number of firms in the industrial sector in Fukuoka is the 10th largest of all the prefectures (Statistical Bureau

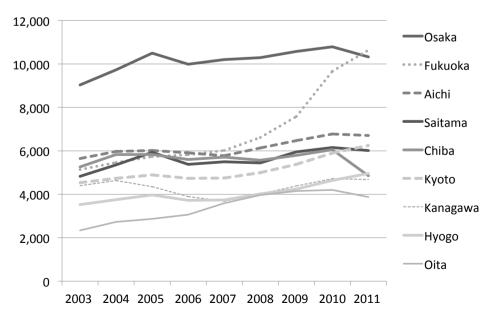


Fig. 1 Number of Int'l Students in Top 9 prefectures Excluding Tokyo

of Japan, 2010).

As shown in Fig. 1, the number of international students in Fukuoka prefecture has rapidly increased and became the second largest (next to Tokyo) in 2011. This rapid increase has been made possible by the joint efforts of Fukuoka prefectural government, local industries and universities. In 2001, Fukuoka prefectural government set up "International Business Human Resource Support Committee" in collaboration with the local industries and universities and started the support for the recruit and employment of skilled foreign workforce (especially international students) in local industries. In 2008, the Fukuoka International Student Support Center (FISSC) was established to offer comprehensive support to international students studying in Fukuoka prefecture and to make it an attractive destination for the students from all over the world. FISSC is managed by its Administrative Council, which chairman is the Fukuoka governor and its vice chairmen are the president of Kyushu University and the chairman of Fukuoka Chamber of Commerce and Industry. FISSC assists international students in finding part-time jobs and in their everyday lives and promotes better communication with local residents. It also supports international students in finding employment at Japanese companies, and in creating networks among them after graduation. The staff of FISSC regularly goes overseas to publicize the universities in Fukuoka and to recruit students. According to a staff of FISSC, the major purpose of setting up FISSC was to recruit a highly skilled foreign workforce from the international students who might increase the international competitiveness of local industries. The number of international students who were employed in Fukuoka prefecture is 274, the 6<sup>th</sup> largest of all the prefectures in Japan in 2010 (IBJ, 2010).

## Categorization of the Approaches According to Economic/Demographic/ Linguistic Conditions

The above-mentioned efforts of the three municipalities to attract and support international students have different emphases. In SA, the most important activity of EA is to recruit international students in order to increase the export income from interna-

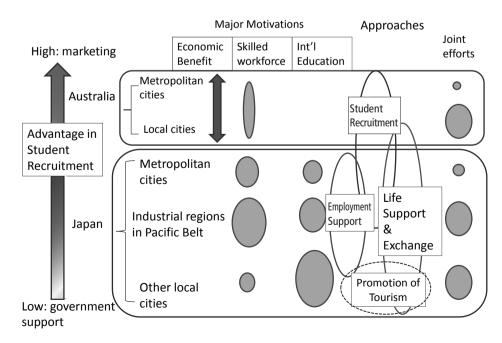


Fig. 2 Categorization of Efforts to Increase & Support Int'l Students

tional education. In Oita, the main focus of UCO activities is to support the increased number of international students and to promote their exchange with the local community and companies. International students play important roles in the internationalization of education and the local society. They also cooperate with the promotion of tourism. In Fukuoka, FISSC offers comprehensive support to international students in order to attract an excellent skilled foreign workforce in local industries.

Categorization of these efforts to increase and support international students is shown in Fig. 2. The authors assume that the advantage in student recruitment is higher in Australia (English speaking country) than Japan (non-English speaking country) and higher in metropolitan areas than other regions. In regional areas in both countries, the local government and universities (and industry in some cases) make joint efforts to attract and support international students in order to overcome the disadvantage caused by their location.

In SA, they make efforts to attract as many international students as the metropolitan areas to increase their education export income. In his analysis of internationalization policy of higher education, Vincent-Lancrin (2004:25-27) states that Australia adopts "revenue-generating approach". This approach can also be seen in regional areas such as SA.

In Japan, which is at a comparative disadvantage in student recruitment, international students are not expected to generate income, but to internationalize education, society and industry. As shown in Table 1, Fukuoka has a higher gross prefectural product than Oita. Since Fukuoka has many firms in the industrial sector, they have stronger needs for the highly skilled foreign workforce. As shown in Table 1, the percentage of population over 65 years old is 21.4% in Fukuoka and 25.9% in Oita compared to 16.1% in SA. This aging of the population can be listed as another factor prompting the recruitment of foreigners into the workforce. Vincent-Lancrin (2004) points out that some OECD countries such as Germany adopted a "skilled migration approach".

Table 1 Related statistics in Oita, Fukuoka and SA

	Japan		Australia
	Oita	Fukuoka	South Australia
Int'l Students	4,198	9,665	34,391
% of int'l student pop.	0.35%	0.19%	2.15%
Pop.	1.2 million	5.07 million	1.6 million
Gross Prefectural /State Product	¥4,480 billion	¥18,510 billion	A\$70.9 billion
% in GDP	0.89%	3.68%	6.50%
Pop. over 65	25.9%	21.4%	16.1%
Foreigner pop.	0.57%	0.76%	Foreign born pop. 20.3%

Source: ABS(2011), SBJ(2010), JASSO (2011)

Fukuoka, which is located on Japan's industrial zone, seems to take up this approach.

Oita, on the other hand, has fewer companies in the industrial sector. The percentage of foreign population in Oita is only 0.57 % while the national average is 1.29%. This figure implies the Oita is at a disadvantage in internationalizing its education and society. Tourism, which is the pillar of its industry, is also disadvantageous in disseminating information to foreign tourists. International students in Oita are "precious" resource to promote internationalization in education, society and tourism. From this point of view, Oita's efforts to increase and support international students can be called the "internationalization approach".

# **Major Social and Economic Impact and Challenges**

In this last section, the major social and economic impact brought about by the increase in international students will be examined in the three municipalities. The challenges which they face will also be discussed.

As has been stated, the export income contribution of international students (tuition fees, goods and services) in SA totaled 1,028 million Australian dollars

(AEI, 2010). This makes international education the fourth most important export industry in SA, following alcoholic beverages (mostly wine), copper and passenger cars (EA, 2010). The impact of international students goes well beyond export income. EA (2008:2) lists ways that international education can potentially shape the state's economy. These include population growth and reversing its ageing population profile, solving the skills shortage, and the creation of infrastructure and development to provide student accommodation and services. According to ABS census (2006), the population of the local government area of Adelaide increased from 13,000 in 2001 to 16,658 in 2006. The young adult population (18-25 years of age), including most of the undergraduate and postgraduate students, increased from 2,971 in 2001 (22.9% of the total population) to 4,568 in 2006 (28.6%). This was partly promoted by the increase in international students.

Regarding the development of student housing in the city, 910 student residences were completed between 2001-2007, 792 were to be completed in 2008-2009 and 445 more have been approved (Anderson, 2007). Such inner-city development is actually promoted by the Adelaide City Council. It has identified students as a key strategic resource in its revitalization and stimulated investment through the building of inner-city student housing precincts (Rofe and Macintyre, 2007:397).

During the interview in 2009, the residents of Adelaide expressed positive views towards the influence of an increase in international students. They mentioned that international students have encouraged an increase in multi-cultural restaurants and extended trading hours and these factors have created a more culturally diverse and lively city. A large-scale questionnaire by Rofe and Macintyre (2007:399-403) with 463 responses (7.2% of all households as of the 2001 Census) demonstrated that 78% of respondents strongly/slightly agree student residents added to the vibrancy of the city. However, the survey did uncover some issues involving international students. For instance, there was concern

about the possibility of the creation of "slums" and the lack of integration between students and other residents.

From the mid 2000s, the state government invited three foreign universities to SA, as part of its future strategy to increase its national market share of international students to 9% by 2014 and to increase its population to two million by 2050 (EA, 2008). How to attain this target and to overcome the friction between existing local universities and invited foreign universities will be the challenges of SA.

As shown in Fig. 1, the number of international students in Fukuoka has increased rapidly. However, according to an official of the Kyushu Bureau of the Ministry of Economy, Trade and Industry (METI) of Japan, about half of the international students who were employed in the companies in Kyushu (the majority being in Fukuoka) quit their job in a few years and return to their home countries. How to improve the employee retention rate of the former international students is the main challenge of Fukuoka prefecture.

In 2010, 10 years after the establishment of APU, the Oita prefectural government and Beppu city hall (2010) jointly compiled a report on the impact of its establishment. The report estimates that APU brings about a total of 21.2 billion yen per year to Oita prefecture. APU also increased the percentage of the younger population (20-24 years of age) in Beppu to 7.1%. This is much higher than the Japanese city average of 5.8%. The younger population ratio in Oita prefecture is 5.0%, a bit lower than the Japanese prefecture average of 5.1%. It would be much lower without APU.

They also conducted a questionnaire survey towards the local residents and business communities. Of the 1,167 collected responses, 85.1% of the respondents agree that APU had contributed to the internationalization of Beppu, and 69.8% of them admit that the opportunities to come into contact with foreigners have increased since the establishment of APU. Some 49.7% felt that the impression of foreigners had improved, while 40.8% felt it was

unchanged and 7.2% believed it had worsened. 51.7% replied that their interest in foreign language increased, while 43.1 % replied it was unchanged. These results show that APU has promoted the internationalization of the region, and the majority of local people perceive this change as positive. However, about 40% of the local people replied that their view had remained unchanged.

According to the interview survey of local residents in Beppu in 2009, most of the interviewees welcomed the changes brought about by the international students. For instance, there was a positive view towards the increase in international food stands and performances in the local festivals, as well as cooking and language classes in the community centers. On the other hand, some of them heard unfavorable rumors about international students' behaviors, such as letting friends live in their rented room without permission, not sorting out the rubbish and holding late night parties. One of the respondents said that she would not rent her property to an international student.

As for the economic impact, most of the interviewees replied that they did not feel any significant economic benefit from the international students. On the contrary, they have seen many international students working as part time workers in local shops and restaurants. In 2008, Beppu city hall calculated that the total living expenses spent by the international students in the city would be around 3.2 billion yen (assuming that a student will spend about 80,000 yen per month). However, the local residents perceive that some part of their expenses is actually earned from their part time work in the city.

About 95% of the international students in APU pay reduced or no tuition fees. Despite the university providing quality education in English, it is still difficult for APU to attract a high number of excellent international students from more than 50 countries without exempting or reducing tuition fees. The balanced budget of APU management is sustained by the Japanese students who pay full tuition fees, which are among the highest among Japanese uni-

versities. Japanese students pay such high tuition fees because they can receive international education, which is made possible by the existence of international students.

Since Oita is located in a rural area and is at a disadvantage in the recruitment of international students as shown in Fig. 1, overcoming this disadvantage and establishing a harmonious and sustainable system for receiving international students will be the major challenge for Oita prefecture.

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