

A Survey on the effect of the Asian Currency Crisis on international students in the Faculty of Business 1998

Angela Scollary and Elsie Tsang
Information Systems Department, Faculty of Business
Victoria University of Technology

The recent Asian Currency Crisis has brought a very serious long-term financial impact on most countries in South East Asia, from which the majority of our more than one thousand international students in the Faculty of Business originate. Many of these students have been affected by changes in their parents' circumstances, either financially, or socially, or both. The objective of this survey is to find out the extent of the effects suffered by these students and to study whether the University can provide them with necessary assistance within the currently available resources. The survey was carried out by questionnaires dispatched to them by post.

Background

The Asian Currency Crisis affected the global economy in great depth. In 1998 a web page was established by the Australian Defense Force Academy University College of The University of New South Wales (Burton 1998) for academics and international organisations to express their opinions on the Current Economic Crisis in Asia. Hanratty (1997) and Corsetti et al. (1998a, 1998b) published their views on their studies on the causes of the Asian Currency Crisis. A number of other people also expressed their opinions. They observed that the Asian Currency Crisis not only affected the world economy, but that many international students were hard hit with the result that they could not continue their studies (Horowitz 1998). The University of Kentucky enrolment figures showed that the number of new foreign students has dropped by almost one half (Webster 1998). Rusty Hoover (1998) stated that Asian students struggled to stay in Michigan State University. Cara Tanamachi, an American-Statesman staff member stated that the Asian fiscal crisis squeezed most University of Texas international students (Tanamachi 1998).

Fortunately, some universities in USA and a few other universities worldwide provided assistance to their international students. Here in Australia, at The University of Melbourne, international students could pay their tuition fees by instalments starting from the second semester 1998. Some loans are also made available to affected students under special circumstances. On the other hand, the International Office of The University of New South Wales took the unprecedented step of introducing a number of special financial packages for all international students affected by the financial crisis in Asia (UNSW 1998). In the States, The University of Buffalo, New York assisted their 730 international students, who owed almost \$2 million in tuition fees, by allowing them a delayed-payment plan or made other arrangements until they could find an alternative source of funding (Wuetcher 1998). The University of Oregon offered emergency loans of \$100,000 to Indonesian, South Korean, Malaysian and Thai students who needed help with their living expenses (Taylor and Hernandez 1998). Moreover, the U.S. Information Agency (USIA), and NAFSA: Association of International Educators announced on March 31st, 1998 a series of temporary measures to

assist Asian students at U.S. colleges and universities affected by currency devaluation and economic uncertainty in their home countries (USIA 1998). In addition, a program called Asian Students in American-Higher Education Loan Program (ASIA-HELP) was introduced. This program was announced on April 28th, 1998, at a press conference attended by the ambassadors of Indonesia, Malaysia, and Thailand. The loans are available to all Asian students enrolled in universities in the United States (Wallbrown 1998). Similar relief plans were also available in UK universities. From the British Council news, over 50 universities/colleges in Britain, recognising that the current economic climate may have made it difficult for some Malaysian students to continue their studies in the UK, responded immediately to help alleviate any hardships by, for example, offering more flexible terms for payment of fees, and by providing hardship funds, housing subsidies, discounts, small grants, etc. (British Council Malaysia, 1998).

Due to the widespread effects of the Asian Currency Crisis on international students, Victoria University of Technology (VUT) was not spared. In VUT, there were 1060 international students in the Faculty of Business in August, 1998. A survey was carried out in September, 1998, to find out the extent of the adverse effects suffered by these students and to study whether the University could provide them with necessary assistance within the currently available resources.

Methodology

A questionnaire consisting of 15 questions was posted to the international students within the Faculty of Business, Victoria University of Technology. Only 611 questionnaires could be sent out because we only had home (overseas) addresses of the remaining 449 students. From these 611 questionnaires, 152 replied. 18 were returned to the sender due to incorrect addresses. The rate of reply was 25.6% (152 out of 593). Therefore it can be said that the overall response rate was not high.

Survey Results

Gender

Of the 152 respondents, 75 were male and 77 were female.

Age distribution

100 students (65.8%) were between 17-25 years of age, 38 students (25%) were between 26-30, 9 students (5.9%) were between 31-35 and only 5 students (3.3%) were 36 or older.

Countries of origin

The largest group of respondents came from Malaysia and Thailand, with 33 students from each country. The third largest group was Indonesia (26), followed by India (17), and then Hong Kong (10), Sri Lanka (5), China (5) and Taiwan (4). Others included Bangladesh, Brunei, France, Italy, Japan, Kenya, Macau, Pakistan, Philippines, South Korea, Uganda and Vietnam.

The courses they studied

In the Faculty of Business, there are about 60 courses, which are being run by 6 different departments and joint departments. Besides 6 students did not identify the course that they studied, the following table shows the number of respondents and the total number of international students in each department:

Name of departments	Number replied	No. of int. students in Aug, 1998 ¹
Accounting and Finance	25	300
Applied Economics	35	184
Hospitality, Tourism and Marketing	43	163
Information Systems	13	107
Legal and Executive Studies	19	249
Management	5	45
Others		
Accounting and Finance/ Applied Economics	5	8
Accounting and Finance/ Information Systems	0	2
Not belonging to any department (PhD)	1	2
Total	146	1060

The time to start their courses at VUT

The following table shows when students responded to this survey started their courses:

Period	Number of responses
Semester 2 1998	31
Semester 1 1998	41
Semester 2 1997	18
Semester 1 1997	29
Semester 2 1996	8
Semester 1 1996	8
Semester 2 1995	1
Semester 1 1995	1
Semester 2 1994	1
Unknown	14

The above figures indicated that 47.4% students started their study at VUT in 1998.

Financial supporters to the students

The following table shows that the source of financial support to the international students. The total number of responses was greater than 150 as some students named more than one option.

¹ this number includes students using home country address.

Self-funded	42
Parents	131
Spouse	1
Brothers and sisters	8
Scholarship	11
Loan	3
Other	8

From the above figures, it was noted that the vast majority of financial support to international students came from the 'parents' group. It could be attributed to the relatively young age of the students, majority of them were between 17 to 25. Hence most of their cost of living were still supported by their parents.

66 students (43.4%) saved a sum of money that they thought that was adequate to cover all the expenditure in Australia before they started their study in VUT, whereas 85 students (56.0%) did not have such a plan. 111 students obtained financial support regularly from their families, whereas 40 students did not.

Students were asked to estimate how much in Australian dollars they would need to spend to complete the whole course. These included the items of air tickets, accommodation, course fees and holidays etc. We divided the responses into groups, with the interval every \$10000. The following table shows the estimation from these students.

Expenditure in the study A\$	Number of responses	Percentage of response
10000 or below	15	9.9%
10001 - 20000	15	9.9%
20001 - 30000	25	16.4%
30001 - 40000	27	17.8%
50001 - 60000	24	15.8%
60001 - 70000	11	7.2%
70001 - 80000	14	9.2%
80001 - 90000	5	3.3%
90001 - 100000	2	1.3%
100001 or above	9	5.9%
Unknown	5	3.3%

The responses of the students indicated a very wide range. It was noticed that most fell into the bracket between \$20000 to \$40000. There may be a slight distortion in grouping responses from graduate students and other students into the same basket, as the graduate students only studied for 2 years full time, whereas for other students, their normally study duration is 3 years.

The influences from the Asian Currency Crisis

25 students (16.4%) replied that the Asian Currency Crisis did not affect the income of their financial supporters, and 127 students (83.6%) replied that their supporters were affected.

45 students (29.6%) said that the currency crisis did not affect them, and 100 students (65.8%) replied that they were affected by the currency crisis. A student specially mentioned that he changed his masters study to graduate diploma in order to shorten the period of study overseas.

52 students (34.2%) had considered quitting their study because of the currency crisis, but 98 (64.5%) did not.

From the above figure, it is observed that the students in the Faculty of Business at the VUT were affected by the Asian Currency Crisis to different extents.

Australian Residency Status

110 (72.4%) were not eligible to have Australian Residency and 38 (25%) were eligible. Among these 38 students, they will look for jobs in the following areas:

marketing manager, sales manager, hotel industry, account and finance fields, tourism, communications and computers.

VUT's possible assistance to the students

The students had put up many different ideas including:

- discount price of books;
- reduce the co-op fee;
- payment for courses by instalments;
- delay payment of tuition fees by 6 months;
- offer a loan for the whole course or for the remaining semesters;
- reduce course fees;
- assistance in finding cheaper accommodation;
- assistance in finding a part time job within the university or outside;
- give concession fees;
- scholarships;
- pay 20% of the course fee first, then pay the balance when finished;
- given priority status in the purchase of second hand book;
- establish a job agency at VUT;
- offer them research assistant positions and/or tutorship casual jobs at VUT;
- help students to apply for jobs;
- offer more subjects in the summer school in order to save time and money spent in Australia;
- provide shuttle transportation between campuses;
- allow students to work for more hours;
- allow international students to work full time and study part time;
- increase the reputation of VUT overseas to help graduates in getting a job more easily in their home country;
- provide cheaper meals at the university cafe;
- examine the failed subjects again without paying the administrative fee; and
- reintroduce compensatory papers to allow for course completion for students who have

"just" failed a subject.

Recommending VUT to friends

114 students (75%) replied that they would recommend VUT to friends. Their reasons were the course fees were cheaper than other universities; teachers were helpful and good and understood students' problems. Some students replied that the conduct of this survey implied that the University did care for the international students, so that they would recommend VUT to their friends.

25 students (16.4%) replied that they would not recommend VUT to friends. The reasons were due to racial discrimination, bad teaching, too many assignments, lecturers were not helpful and facilities were not adequate.

Conclusion

From this survey, it was noted that most of our international students were affected financially by the Asian Currency Crisis. Students had suggested many solutions, some of which are practical and can easily be implemented, while others may not be. Many universities here and abroad took initiatives to provide aids to their international students to overcome the Asian Currency Crisis. From our points of view, we hope that the VUT management level can take into consideration the views put forward by the students and try to implement their practical suggestions. In fact, this was one of the main purposes of this survey. Another point worth mentioning was the Public Relation effect this questionnaire has brought. Through the conduct of this survey, some students gained the conception that VUT did care of their personal problems. No matter how much VUT can accede to their suggestions, it should continue to show its concern to the international students by establishing effective communication channels.

Acknowledgments

This project was funded by the Information Systems Department of the Victoria University of Technology.

Our thanks go to

- the international students for spending their valuable time in responding to this survey;
- Ms Betty Zoppos, the research assistant who collected and compiled data for this survey;
- Ms Cathy Gutierrez for spending hours to compile the mailing list of international students; and
- Assoc. Prof. Don Stewart, Assistant Dean International, Faculty of Engineering, The University of Melbourne, for additional information.

References

The British Council Malaysia, 26 Aug 1998, *British universities come up trumps for Malaysians: August update 26th* [Online].

- Available: <http://www.britcoun.org/malaysia/malecn.htm>
Accessed 8 Nov 1998.
- Burton, C. 12 Mar 1998, *Electronic Resources on Current Economic Crisis in Asia*, [Online].
Available: <http://www.lib.adfa.edu.au/web/socsci/asiacris.htm>
Accessed 8 Nov 1998.
- Corsetti, G., Pesenti, P. & Roubini, N. Sept 1998a, *What Caused the Asian Currency and Financial Crisis? Part I: A Macroeconomic Overview*, [Online].
Available: <http://www.stern.nyu.edu/~nroubini/asia/AsianCrisis.pdf>
Accessed 8 Nov 1998.
- Corsetti, G., Pesenti, P. & Roubini, N. Sept 1998b, *What Caused the Asian Currency and Financial Crisis? Part II: The Policy Debate*, [Online].
Available: <http://www.stern.nyu.edu/~nroubini/asia/asiacri2.pdf>
Accessed 8 Nov 1998.
- Hanratty, P. 2 Dec 1997, *Economic and Financial Turmoil in South-East Asia: Origins and Consequences*, [Online].
Available: <http://www.aph.gov.au/library/pubs/cib/1997-98/98cib08.htm>
Accessed 8 Nov 1998.
- Hoover, R. 2 Feb 1998, *Asian students struggle to stay in Michigan*, [Online].
Available: <http://www.detnews.com/1998/metro/9802/02/02020054.htm>
Accessed 8 Nov 1998.
- Horowitz, D. 30 Jan 1998, *Asian students hard hit by fiscal crisis*, [Online].
Available: <http://www.netSPACE.org/herald/issues/013098/asia.f.html>
Accessed 8 Nov 1998.
- Tanamachi, C. 20 Jan 1998, *Asian fiscal crisis squeezes UT international students*, [Online].
Available: <http://www.austin360.com/news/01jan/20/asian20.htm>
Accessed 8 Nov 1998.
- Taylor, K. & Hernandez, R. 22 Jan 1998, *Universities help Asian students in crisis* [Online].
Available: <http://www.oregonlive.com/todaysnews/9801/st01225.html>
Accessed 8 Nov 1998.
- UNSW assists Asian Students affected by Financial Crisis*. 27 Aug 1998, [Online].
Available: <http://www.unsw.edu.au/futurestudents/intfees.html>
Accessed 8 Nov 1998.
- USIA news release on assistance to Asian students*. 31 Mar 1998, [Online].
Available: <http://www.usia.gov/abtusia/posts/JA1/wwwt2325.txt>
Accessed 8 Nov 1998.
- Wallbrown, S. 1998, *Zero-interest loan program launched for Asian students (Article on "ASIA-HELP")* [Online].
Available: <http://www.usembassyjakarta.org/news/zerointerest.html>
Accessed 8 Nov 1998.

Webster, S. 1998, *Asian crisis squeezes UK's foreign students*, [Online].

Available: <http://www.kentuckyconnect.com/heraldleader/news/011798/f1student.html>

Accessed 8 Nov 1998.

Wuetcher, S. 16 Jan 1998, *UB assists students affected by Asian Currency Crisis; more than 700 owe nearly \$2 million in tuition and fees*, [Online].

Available: <http://www.buffalo.edu/news/Latest/AsianStudents.html>

Accessed 8 Nov 1998.