RECOGNITION AND AUTHENTICATION OF OVERSEAS STUDENTS QUALIFICATIONS: TOWARDS A BEST PRACTICE MODEL FOR AUSTRALIA

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ABSTRACT

Qualification fraud has reached disturbing proportions around the world; unfortunately it is rarely addressed in a constructive manner, being dramatised by the media and often dismissed by higher education administrators as a minor irritation. The author argues that such a laissez-faire approach cannot be maintained, with statistics suggesting that twenty five to thirty percent of applicants for positions within a range of industries falsify their academic credentials. Higher education within Australia is not immune to this problem, and such disturbing statistics suggest that current technological advances should be used in conjunction with clear, transparent policies and procedures for all qualification verification and authentication. Addressing the topic from a higher education perspective, the author theorises that qualifications are seen as currency within the employment and higher education industries. Sometimes seen as status goods, the use of qualifications is subsumed under screening theory, whereby candidates are allocated scarce resources (higher education places) within finite limitations. In order to protect stakeholders involved in the decision making process and maximise equitable outcomes, this paper profiles a range of methodologies and systems which are being used, or are under current development, in order to combat the problem of credential fraud. Seeking to develop a best practice model for Australia, this study is seen as a positive first step in minimising qualification fraud.

INTRODUCTION

As a higher education destination and provider of academic qualifications, Australia is seen as a valuable contributor within the global higher education economy. Australia is classed as one of the top five providers of international education services, with its qualifications held in the highest regard behind those of the USA, UK, Germany and France (Kenyon and Koshy 2004). As a result of this credibility, higher education is currently Australia’s third largest service export industry, which has grown from 5 percent of all international higher education students in 1989 to 13.5 percent in 2002 (Kenyon and Koshy 2004, p.17). Giesecke (2004) reports that overseas higher education students represent over half the spending of the total overseas student population in Australia, and provide for an important economic input to Australia’s economy. The industry is important, and has been protected via the Education Services for Overseas Students Act and the National Protocols for Higher Education Approval Processes, however more must be done. This paper commences by briefly reviewing both the private and public returns of higher education, citing evidence suggesting a strong correlation between higher education qualifications and significant rates of return to both individuals and society as a whole. Based on these firm empirical findings, the author suggests that both the higher education qualifications issued by Australian providers, and the qualifications used to assess admission of overseas students into Australian institutions are valuable items. These credentials are used as a screening tool, a mechanism whereby their use can be likened to currency used in a selection processes subsumed within a framework of credentialism. Unfortunately, like many industries, the sector is prone to fraud, and this paper will highlight the issues, concerns, and possible solutions which will assist in protecting the credibility and standing of Australian higher education in an industry prone to online fraud.
Private returns

The benefits of higher education for the individual have been found to be valuable, and clearly demonstrate that a degree qualification can lead to a prosperous future. Studies have emphatically determined that a degree greatly increases an individuals earning power; indeed, research has shown that as with each degree earned, the income-earning potential of the individual increases significantly (Andler 2003), with an individual appearing subsequently more valuable to prospective employers. In 2004, 80% of all Bachelor degree graduates in Australia found full time employment within four months of graduation, with a median starting salary of $38,000 (AVCC 2005, p.3). This positive correlation between earnings and education concurs with a recent world study undertaken by the Organisation for Economic Co-Operation and Development (OECD) determining that graduates of tertiary level education receive substantially more earnings than upper secondary and post-secondary non-tertiary graduates (OECD 2004, p.163). As outlined in Figure 1, earnings for graduates in countries such as the USA are close to 86% higher than those with only secondary education, with Hungarian graduates earning close to more than double (OECD 2004).

Figure 1: Relative earnings from employment (2002) by level of educational attainment and gender for 25-64 year olds (upper secondary education = 100). Source: (OECD 2004, p.165)
Public returns

As a social imperative, higher education is seen as an important contributor to the economic well being of most economies. Studies in the area are subsumed under human capital theory, with the economic premise seeking to explain how the role productivity and wage differences of individuals operate within a labour market (Mgobozi 2004), and how education factors into the equation as an investment activity producing human capital in persons who attend educational institutions (Rumberger 1981). Students invest in education in order to create themselves as a form of human capital, a valuable commodity through which education has raised their productivity and increased their future earning potential (Marginson 2004). Dennison (cited in Mgobozi 2004, p.777) argues that the success and ultimate economic growth of any advanced, industrial capitalist economy can be explained by the growth in its educational systems, and not only its investment in capital items. Schultz (1971) concurs, seeing education from an economic perspective as having three main forms – that for current consumption, education for long-period future consumption, and education for skills and knowledge for economic endeavour and investment in future earnings. As an economic input in Australia’s economy, higher education has been forecasted to inject a collective spending of $6,308 million in 2005, with 51, 480 employment positions generated solely out of international student numbers (Kenyon and Koshy 2004, p.6). Whilst it may be argued that the current government’s budget injection of $7.8 billion (DEST 2005) does not adequately address some of the inherent problems with the Australian higher education, it does demonstrate the value placed on higher education as a social and economic imperative within Australia.

HIGHER EDUCATION QUALIFICATIONS: VALUABLE CURRENCY OR VALUELESS CREDENTIALISM?

Ashenden (1992, p.247) has argued that the rapid expansion of formal education in Australia has been fuelled primarily by the escalating competition for credentials. Degree qualifications, just like birth certificates, passports and social security cards, can be seen as valuable items of personal property (Noah and Eckstein 2001), and are used as important signifiers of an individuals bona fides and potential competence in an employment situation. Marginson (2004, p.7) concurs, suggesting higher education qualifications are valued as a positional good which confer advantages on some individuals, but denies those advantages to others. As such, qualifications serve as status goods, priced according to their power and position with their possessors viewed as holding certain levels of status or competence, a documented expression of who or what they are (Noah and Eckstein 2001, p.61). Unfortunately, statistics within Australia demonstrate that many individuals resort to desperation and feign legitimacy by holding out to possess qualifications they did not earn. Elizabeth Jones, the CEO of the Queensland Tertiary Admissions Centre (QTAC) suggests twenty five to thirty percent of applicants exaggerate or falsify their qualifications in a prospective employment situation within Australia (Healy 2005), whilst for just one employer, KPMG found twenty six cases of falsified qualifications presented by prospective employees (Lucas 2004). The author argues that the prevalence of qualification fraud has been fuelled by a credential conscious society, a problem of degree inflation which is being capitalised on by not only bona fide institutions, but a new ‘dark side’ of higher education. From the legitimate to the illegal, these are profiled in the following section.

DEGREES OF FRAUD: MISREPRESENTATION AND THE VARIETY OF OFFERINGS

As previously discussed, higher education credentials are valuable items. Similar to other industries such as boutique clothing, luxury merchandise and other status goods, there is an
unfortunate level of fraud, and higher education is not immune to this problem. The last decade has given rise to a significant array of ‘less-than-credible’ individuals and organisations, a phenomenon flourishing not only due to the inflationary effects of credentialism, but nurtured via the perfect medium – the Internet. Dr John Bear, a significant contributor to the field of non-traditional education, has been active researcher in the area of degree mills, and has noticed a steep rise in the provision of fraudulent qualification providers. Prior to the introduction of the world wide web, Bear’s early work identified approximately 168 ‘degree mills’ operating worldwide (Bear 1982); this figure now stands at close to 240 degree mills, with an additional 390 ‘Miscellaneous’ institutions holding a significant category within his classification system (Bear and Bear 2003). The problem of degree mills has touched almost every country in the world, from China to Sweden, which recently released a comprehensive report warning its higher education sector as to the perils of fake degrees (Johansson and Hansson 2005). From a financial perspective, Bear estimates that the illicit higher education market generated approximately $US200 million up until 2001; he has now revised this figure, estimating that over one billion dollars has been generated in the last decade (Ezell and Bear 2005). In seeking to classify the various organisations now operating, it is the miscellaneous institutions which challenge both regulators and evaluators. Research has suggested that it is an extremely difficult task to define exactly what constitutes a ‘degree mill’ or ‘diploma mill’ (Reid 1959; Bear and Bear 2003; Douglas 2003; Brown 2004; Ezell and Bear 2005). Unless indicators clearly demonstrate that the organisation is operating illegally and selling fictitious qualifications for a mere payment of a fee, it is very difficult to determine exact classification criteria. In order to delineate between a gamut of providers, the only useful tool to review these organisations is to place them on continuums of legitimacy and acceptability, with judgements on qualifications falling to the individual assessor (Ezell and Bear 2005; Brown 2006):

**Continuum of legitimacy**

<table>
<thead>
<tr>
<th>Highly legitimate</th>
<th>Illegal</th>
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**Continuum of acceptability**

| High acceptability | No acceptability |

Figure 2: The Continuum Models of Legitimacy and Acceptability of higher education qualifications

At the far left of the continuums, traditional higher education institutions exist, duly accredited and/or recognised by their respective Ministries of Education. The use of a variety of guides and resources published by government agencies (below) allow for clear identification of these institutions. Within the centre of the continuums, however, the lines blur and become clouded which what Bear and Bear (2003) have previously defined as ‘miscellaneous’ institutions. Universities such as Pebble Hills University ([http://www.pebblehills.edu](http://www.pebblehills.edu)) offer degrees in a variety of fields, claiming incorporation in The Principality of Hutt River Province, Western Australia and licensure to grant degrees from The Principality of Seborga, an independent
sovereign state of Italy. The degrees are taught at learning centres in The Knowledge Village, Dubai, Singapore, Hong Kong, Nigeria, Taiwan, and Lebanon. Further down the continuum a company called Instantdegrees (http://www.instantdegrees.com) offers a full range of qualifications conferred from Buxton University, Bridgewater University and Canterbury University. These universities are legal entities incorporated in the Seychelles, empowered to confer degrees via their articles of incorporation. In order to obtain one of these degrees, all one must do is submit the required fee and provide an employment background, which is not verified (Anderson 2004; Bishop 2004; Rutledge 2004). An Apostille service is also provided designed to legitimise and validate the purchased documents. It is important to note that neither of these qualification providers operate illegally; their degrees are clearly acceptable and they provide these, unhindered, via the Internet and within various jurisdictions. Where they sit on the continuum is, however, a purely individual and debatable determination.

Falling at the far right end of the continuum is the problem of replica testamurs, being academic documents that are produced as reproductions of parchments and transcripts of results from bona fide institutions. The problem with these documents is that not only are they illegal within some jurisdictions (and perfectly legal in others), the acceptability of these documents may be inverse to the continuum and be seen as highly acceptable. Unless a determination of authenticity is undertaken with the alleged conferring institution, then it is close to impossible to determine if these documents are legitimately earned qualifications. Replica testamurs and transcripts are freely accessible from the Internet, with, for example, over twenty eight separate sites providing academic credentials solely for the sale of documents from the Russian Federated States (Vaht, pers. comm. 22 June 2005). A range of Australian university degrees are currently available from over fifty eight websites; these are purposely not profiled so that their offerings are not promoted. Nonetheless, they are freely accessible, and pose a considerable threat to the integrity of our higher education system.

**APPROACHES TO DETERMINING RECOGNITION AND AUTHENTICATION OF HIGHER EDUCATION QUALIFICATIONS**

**Recognition**

It is important to clearly delineate between recognition and authentication, as the two processes are quite different, but equally important. The challenge of equating and recognising educational qualifications has been an ongoing problem, however considerable work has been undertaken in order to address the equivalency quandary. This work has been performed mostly by government agencies, and within Australia this has fallen under the auspices of Australian Education International through the National Office of Overseas Skills Recognition (NOOSR). This entity assists in the equivalency process and has developed a series of Country Education Profiles (see http://aei.dest.gov.au/AEI/PublicationsAndResearch/CEP/CEPs.htm) which have unfortunately been criticised for being outdated and not accessible via the internet (ANAO 2005). Nonetheless, they are an important first step in the recognition process. Other paper based resources which assist in the higher education recognition process are:


In relation to the availability of online resources, these are becoming available, albeit slowly. The United States now has a full listing of all duly accredited higher education providers, searchable via http://www.ope.ed.gov/accreditation/Search.asp, whilst the UK has recently listed a full register of higher education institutions accessible at http://www.dfes.gov.uk/recognisedukdegrees/wcoukd.shtml.

**Authentication**

Whilst NOOSR is seen as the central focus of recognition of overseas qualifications for use within Australia, unfortunately it does not offer an authentication process (unlike its New Zealand counterpart, the New Zealand Qualifications Authority (NZQA)). The problem of authenticating higher education qualifications is a global dilemma and Australia is not alone in its attempts to curb this growing problem. The following are some authentication approaches from around the world, designed to address the problem (Brown 2006):

- **South Africa** – The first of its kind in the world, South Africa boasts a fully automated, centralised online degree verification system developed by the global background verification company Kroll MIE – [http://www.mie.co.za](http://www.mie.co.za). This system links each of the universities and technikons to a centralised database where third party queries may be fielded.

- **India** – Seeking to combat an exponential rise in qualification fraud, some higher education institutions are looking to place microchips within conferred testamurs (Upadhayay 2004), whilst a new innovative software system is seeking to allow verifications to be performed online via a barcode and photo technology (Software to help cos check on fake degrees 2005)

- **China** – China claims to have developed a central verification centre, where one may confirm the legitimacy of qualification – see [http://www.chsi.com.cn](http://www.chsi.com.cn). Unfortunately, messages to this site are returned as undeliverable, and up to five fraudulent verification sites have already been identified (AEI 2004). Notwithstanding this, an Australian organisation, VETASSESS, has obtained an agency agreement to perform verifications (see below)

- **United Kingdom** – Experian ([http://www.experian.com](http://www.experian.com)) a UK based background screening company sought to develop a centralised online verification, similar to the South African model (Sayers 2000). It appears that privacy legislation has prohibited the venture from progressing further than the conceptual stages.

- **United States** – For many years, the higher education institutions have outsourced their qualification verification services to private providers such as Credentials Inc. ([http://www.degreechk.com](http://www.degreechk.com)) which provides a verification service on behalf of The University of Arizona. For a more centralised approach, the National Student Clearinghouse ([http://www.studentclearinghouse.org](http://www.studentclearinghouse.org)) provides verifications for a wide range of currently enrolled students, and past graduates.

- **Sweden** – Similar to the South African model, Sweden is currently refining an online program entitled LADOK. Students are required to manage a computerised profile for the duration of their studies, and then provide their identification number to prospective employers who may verify their qualifications through an online web portal - see [http://www.ladok.se](http://www.ladok.se)
In addition to the above, the Netherlands is currently looking at the development of a qualification authentication system, whilst Pakistan is undertaking a full review of its authentication practices with a view to developing a centralized system of control.

**Australian best practice approaches to authentication**

Whilst global approaches to qualification authentication are slow to take momentum, Australia is moving ahead well in the area. The protection of Australian higher education qualifications has finally been realised, with the release of Qualsearch (http://www.qualsearch.com.au), an online authentication system designed to assess claims of Australian qualifications conferred by Australian universities. Borne out of technology pioneered by QTAC, the system draws on an existing platform facilitating third party queries to be performed via an online portal. The pilot study conducted with a select range of Queensland institutions and members of the Recruitment and Consulting Services Association of Australia (RCSA) has been completed and the system is due to be rolled out across Australia later in 2005. In the meantime, other institutions have been making attempts to provide authentication approaches. The University of Melbourne makes its entire graduation lists freely accessible as a searchable database at https://sis.unimelb.edu.au/cgi-bin/awards.pl, whilst the University of Wollongong has its graduate lists available at http://www.uow.edu.au/student/graduation/gradroll.html, although these are only available from 2001. Other state based initiatives include South Australia and Tasmania which have developed (or are in the process of developing) a Client Qualification Register, designed to hold a central digitised repository of all qualifications conferred from all levels of education (Foreshaw 2005). Presently, it is unclear if this information will be opened up and accessible for third party enquiries to be permitted.

With China being an important and emerging market as a source of student recruitment, concerns have consistently been raised as to the authenticity of claimed qualifications. In a recent development, VETASSES based in Victoria, has recently been appointed the first agent outside of China to authenticate Chinese qualifications. Applications can be lodged online via their site at http://www.vetassess.com.au/qualassess/chinese.htm with charges at about $60.00 per verification.

In relation to document security, RMIT University in Vietnam is one of the first Australian providers to use polymer banknote technology in order to minimise fraudulent alterations on issued transcripts and testamurs (Overland 2004). Such pioneering moves have stirred interest from South Australian universities, some of which are investigating the options and benefits this technology provides (Cox 2005). In relation to policy initiatives, Macquarie University is perhaps one of the most innovate institutions, having developed a comprehensive policy and procedure addressing the problem of fraudulent qualifications being used for admission to its programs. Whilst in draft form, it is firm step in the right direction for addressing the problem.

**CONCLUSIONS**

Evidence presented in this paper clearly demonstrates that higher education, and in particular, the credentials that are earned through its provision, are valuable resources. The credibility of any higher education system is built upon a strong quality assurance and accreditation regime. This paper argues that a further level of protection is needed to be added to Australia’s existing structures via the implementation of a proactive recognition and authentication system. The proliferation of unrecognised providers and burgeoning supply of fraudulent, replica testamurs and transcripts clearly demonstrates that a risk minimisation strategy is imperative so that
practices are in place in order to protect this valuable industry. The author’s research in the area seeks to build on existing world approaches and develop a systems approach in order to address this burgeoning problem. As an evaluator of overseas qualifications, the Australian higher education and employment sectors are clearly in need of a systematic approach to qualification verification and authentication; continued research in this area will assure prospective students and employees of a robust system, actively managing this global problem.
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