

How the Kingdom of Bhutan played the Australian Government – and won

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The Australian Government's Endeavour international scholarship program had strategic interests in international education at its core, but uneven and strategically incompatible outcomes emerged over the 16 years of its existence. An unexpected outcome was the dominance of the small Himalayan nation of Bhutan as a substantial beneficiary of the program. This research draws on official Endeavour recipient data for the years 2007 to 2019; on qualitative interviews with scholarship program stakeholders in Australia, and on two unpublished reviews of the program obtained under Freedom of Information (FOI). Combined, they reveal the workings of an ambitious scholarship program into which significant public monies were invested, but which was hampered by its adherence to a poorly-defined concept of 'merit', inadequate consultation with stakeholders and a failure to connect with international education priorities in a way which might have resulted in more valuable outcomes for Australian international education providers.

Keywords: Australian international scholarship programs; Endeavour program; Australian Department of Education; Australian international education policy; Bhutan.

Introduction

The Australian Government's prestigious two-way international scholarships and fellowships program, Endeavour, survived governments of both persuasions during its 16-year lifetime but was quietly axed in 2019 (Anderson, 2019; Crace, 2019). Research into the Endeavour program reveals some surprising outcomes for a program which had been established to support strategic international partnerships in education. As the years progressed it became clear that that citizens of the tiny Kingdom of Bhutan were disproportionately successful in winning awards under this program. Bhutan was a substantial beneficiary of the program on an expenditure basis and was by far the largest beneficiary on a per capita basis. In 2012, the number of Endeavour scholarships allocated to Bhutan was more than three times those allocated to each of China and India.

The Endeavour program was located in the Education portfolio of government and always operated separately to the Australia Awards program which has an aid focus (formerly in AusAID, now in the Department of Foreign Affairs and Trade [DFAT]). Endeavour had structural and soft power similarities to the United States' Fulbright program and had no aid or development objectives. Recipient data for the years 2007 to 2019 reveal the names and citizenships of 6,600 awardees of Endeavour scholarships and fellowships, including individuals from Australia and around 100 foreign countries, funded at a cost of more than \$500m to the Australian Government (Barker, 2022; Department of Education, Skills and Employment, 2022).

How were the people of Bhutan so successful in winning Endeavour awards? This paper argues that it was an unintended consequence of the 'merit' focus of scholar selection. The Endeavour program used selection regimes which allocated

scholarships purely on merit with no sub-quotas by country or other equalising selection markers. Stakeholders interviewed for my research believed that people inside Bhutan – possibly the government – established support mechanisms to assist applicants to prepare strong applications for Endeavour awards. The resulting, successful paradigm reeled in almost 300 long-term scholarships for the citizens of Bhutan.

Bhutan as a country of strategic interest to Australia

The Kingdom of Bhutan is a landlocked country in the eastern Himalayas with a population of around 750,000 in 2019 (slightly more than Australia's Gold Coast region). It is the only country in the world to use a 'Gross National Happiness Index' as means of measuring national progress. Happiness in Bhutan was perhaps enhanced by the success of its citizens, disproportionate to its population size, in securing Australian Endeavour scholarships, for which it consistently punched well above its weight. An analysis of Endeavour awardee data covering the period 2007 to 2019 shows that citizens of Bhutan were the beneficiaries of the second-largest amount of funding under Endeavour (after Vietnam) and were particularly successful in securing high dollar-value long-term awards such as master's degrees and VET diplomas. The Australian Government also supports Bhutan with aid scholarships under the separate DFAT Australia Awards program, but this has not been examined in this paper.

The rationale for the Endeavour program was not aid. It was launched in 2003 with goals intended to establish better engagement with prospective international students, to enhance partner country relationships and to provide better support for the international education sector in Australia, particularly universities (Nelson, 2003). As a non-aid scholarship and with characteristics similar to the Fulbright program, Endeavour sought to support Australian strategic interests by attracting high-achieving scholars from around the world.

The observations made by my research participants focused on the dominance of Bhutan in the context of a program which they believed should have supported Australia's strategic education interests. Their concern focused on the lack of strategic return to Australia in allocating a large proportion of funding to a country with which Australian international education interests were not strongly engaged. Stakeholders did not understand why a larger proportion of the awards was not made to countries where there were more likely to be greater strategic dividends for international education.

The merit principle

Ten of the 12 participants in the 'bureaucracy' cohort for my research spontaneously mentioned the disproportionate

representation of Bhutan in the awarding of Endeavour scholarships. They connected Bhutan's success to the principle of 'merit-based' scholar selection which the Department of Education doggedly pursued throughout the life of the Endeavour program (all names are pseudonyms):

One of the downsides of the merit-based scholarship [and] the way it was set up ... was that there was no quota per country, and there was no country across the region that was excluded. But what it meant was that there is now a cohort, a huge cohort of alumni from Bhutan, because ... word-of-mouth happened, and they got very good at knowing how to write a good scholarship application ('Bridget').

A government insider gave a succinct summary of the dominance of Bhutan in the program:

For a long time, the best-performing country in terms of outcomes was actually Bhutan....and [if the purpose is] strategic intent and [relationship] building, and all this money is going to, well it's a delightful country, don't get me wrong, they've got a Happiness Index, that's bloody brilliant. But we were getting [only] a handful of students from China and India ... at a time when surely, they were our most important strategic places ('Katrina').

The Bhutan situation was described as being 'for no good return whatsoever':

In my experience, Endeavour scholarships got awarded to whichever part of the world had the best-placed person who knew how to write applications. So, you've got hundreds out of Bhutan for no good return to Australia whatsoever, because someone up there knew how to prepare the applications better than anybody else ('Neil').

Research participants recalled that when Department of Education officials were challenged about the dominance of Bhutan in the program, they responded that selection was purely on merit. But the robustness of the merit principle was questioned because decisions were made on the basis of written applications alone, without an interview even for PhD candidates. It was argued by some that even if merit was paramount, it could not be the only consideration in selection, because it led to unbalanced outcomes. 'I remember one year when I was in [key strategic country], and Bhutan got three-quarters of the total scholarships. And that's just maladministration in my view.'

While it is not accurate that Bhutan ever received three-quarters of the annual Endeavour allocation, this comment probably refers to 2012, when applicants from Bhutan received 91 individual awards while China was awarded only 28 scholarships and India was awarded only 27. Significantly, the majority of awards allocated to Bhutan in that year were long-term high-value scholarships, while most of those awarded to India and China were short-term low-value fellowships.

Department insiders recall that there was internal dissent about the 2012 result, and in what was possibly a knee-jerk response, the outcome the following year was very different. The scholarship whisperers in Bhutan were clearly surprised by their country's reversal of fortune in 2013, when Bhutan's share dropped from 91 awards in 2012 to just one award a year later, an event regarded as newsworthy in Bhutan (Bhutan Broadcasting Service, 2012). Undaunted, Bhutanese application efforts were again richly rewarded for the intake of 2015 (Bhutan Broadcasting Service, 2014) and in 2016 (Barker, 2022). Even in Endeavour's final intake of 2019 when only two PhD awards were made across the entire world, one went to a Bhutanese applicant.

It could be speculated that the Canberra decision makers had forgotten the declared purpose of the Endeavour program, as originally envisaged, to enhance partner country relationships and to provide better support for the international education sector in Australia (Nelson, 2003).

Bhutan's strategy for success with Endeavour

As I have shown, Bhutan was a dominant beneficiary of funding under the Endeavour program, a situation which persisted in varying degrees for about 10 years. In overall dollar terms of program expenditure, Vietnam was a larger beneficiary, but its population is more than 100 times the size of Bhutan's population, and Vietnam is a long-standing and important partner for Australian international education interests. In per capita terms, Bhutan's dominance of the Endeavour program is stark. A citizen of Bhutan had a far greater chance of gaining an Endeavour scholarship than a citizen of any other country in the world (Figure 2).

What evidence exists about how and why Bhutan was so successful? A former Australian government official speculated that mechanisms had been set up for this purpose:

The Bhutanese had developed a team within their department of education that helped people write their grant applications. And Endeavour, its greatest merit, I think in terms of so many things, apart from all the wonderful people that did different things, it was a great development opportunity for Bhutan ... once they sorted out the formula, I'm sure they just took it and the template was punched out ('William').

Two other former officials offered similar explanations, saying:

I think that they got good at putting applications in, and I think they did put good applications in. But I think there was somebody there that was coaching students to put good applications. There was probably a market in doing it ('Jane').

Certain countries ... were really successful, because one institution or individual understood how to use the program as

part of their international engagement and created a clear process to help applicants apply and access the program. Bhutan ... is an example of this ('Eleanor').

An Australian academic who had lived in Bhutan for several years praised the country for its self-sufficiency and creative approach towards harnessing Australian funds for the education of its citizens:

[The Bhutanese] are much more self-reliant than a lot of the developing countries that I work in. They've been self-reliant since the dawn of time, and they're quite capable of doing anything and everything they need to do. And they've used aid in the way countries have always used aid, it's free money ('Duncan').

Essentially agreeing with this is the view that the deliberate harnessing of Endeavour funds by Bhutan was an opportunistic but entirely legitimate pursuit, used to their advantage:

Full credit to Bhutan. They just went 'hello, come in spinner'. What a great chance ... we can get [Australia] to fund our whole international education development opportunity, and we'll get as many scholars as we can on this program to enhance Bhutan's future ('William').

An Australian international education stakeholder said that the program's weaknesses in promotion and marketing meant that it was largely unknown in many parts of the world, which opened up niche opportunities for other regions to reap the benefits:

It's one thing to design the policy intervention it's another to deliver on the ongoing marketing... And so you ended up with much more demand from some [regions] than others, and some who had higher quality applicants than others, because there just wasn't the resourcing or the understanding in [other] markets ('Eleanor').

Australia's management of the Endeavour program

Every research participant who mentioned the Bhutan anomaly emphasised their high regard for Bhutan and its people, but they were bewildered by the dominance of this tiny nation in a program which was originally intended to strengthen the strategic international education interests of Australia. It is unclear what steps were taken to address this, if any:

[Endeavour] was becoming a laughingstock. Every meeting I would go to, they would say, you know, 'there's something wrong with the process because the Bhutanese [scholars] are always getting up' ('Maria').

A particularly public display of the dominance of Bhutan in the program occurred at an Endeavour networking event

held in Canberra, highlighted by the distinctive and beautiful Bhutanese national dress:

The students were asked to dress up in their national costume. And it was very obvious to everyone ... that there was a really large number of Bhutanese students. It was a ... physical trigger for people to ask the question, what is going on here when you've got this apparently strategically important relationship with China? ... It was a clear indication of a lack of strategic oversight of the program ('Brian').

A person in a managerial role inside the Department of Education reveals a sense of frustration that the concept of 'priority countries' was not taken seriously in the selection regimes for Endeavour awardees:

Where are our priority countries, if it's about trying to get international students to come in on their coattails, then why are you giving it to all these countries where there are hardly any international students, like Bhutan? Every year I'd say, why are there so many [scholarships awarded] there? So few to China? So few to India... it just didn't make sense. ('Jane').

The inequitable allocation of scholarships to particular regions was a focus in two reviews of the program which I obtained under Freedom of Information provisions. The two documents, apparently the only strategic-level evaluations undertaken, were:

- Department of Education, Employment and Workplace Relations internal review (undated, but evidently from 2010), and
- KPMG review (2015).

The internal review of 2010 points out that Vietnam and Bhutan were the largest country recipients of the long-term masters and PhD awards in the 2009 round. In the same year, 'high-profile research-intensive countries for which we would compete internationally for researchers' such as 'China, India, Singapore, Japan, Korea and Taiwan' did relatively poorly (Department of Education, Employment and Workplace Relations c. 2010, p. 4).

The KPMG review highlights several beneficiary countries which had 'not been identified as a key strategic partner of Australia for research and foreign engagement' (KPMG 2015, p. 15). Listed in alphabetical order, these non-strategic but significant beneficiary countries are identified as Bangladesh, Bhutan, France, Iraq, Italy, Sri Lanka, Sweden and Timor-Leste (KPMG 2015, p. 16). The particular case of Bhutan is highlighted:

In the last nine years more scholarships/fellowships have been offered to applicants from Bhutan compared to China, despite China being identified as a key strategic partner of Australia for research and foreign engagement. It is noted that historically, the program has been focused more on *individual merit* with a limited focus on geography or strategic relationships [my emphasis] (KPMG 2015, p. 16).

Both reviews refer to the potential for better targeting of the scholarships which could have been achieved by having country sub-quotas. Former staff of the Department of Education recalled that they had urged that such a system be implemented, in a way which would not have compromised the integrity of the program:

We could have used it better in a bilateral sense ...for example... ten scholarships have been quarantined specifically for Chinese students. So ... you get X number of applications from China and then you pick the best ten. So it's still merit-based. And that would have helped the bilateral relationship and [we] would have been able to use it more than this broader scholarship that [has] benefited Bhutan, which in the grand scheme of countries, is a very minor player in Australia's international relations ('Bridget').

The lack of country quotas also led to the side-lining of Australian universities in their efforts to support the program in their offshore engagement activities. The lack of quotas for any region made this impossible:

They couldn't say, 'hey Professor Someone, promote this amongst your team. You know, we've got 10, up to 10 available for PhDs. They couldn't say that. So they're just going out there promoting in a really generic catch-all way ('Charlotte').

Despite the efforts of departmental staff, the recommendations of official reviews and the advice of Australian education providers, there is no evidence that any system of country prioritisation was ever implemented.

Analysing the cost

The allocation of Endeavour awards to recipient countries is a more compelling story when viewed through the lens of scholarship expenditure and not on the basis of head count alone.

My research makes informed estimates about Endeavour program expenditure by combining two publicly available data sets. The first data set was the list of names, citizenships and program categories undertaken by each Endeavour recipient (Department of Education, Skills and Employment, 2022). The second source was the annually published Endeavour program guidelines which outlined financial entitlements and maximum program costs by award type (Department of Education and Training, 2018). Combining the two sources enabled an indicative cost to be calculated for each individual award made under the program.

The first data set facilitates a simple head count of Endeavour awardees and creates the illusion that India (with 540 recipients) was the largest overall recipient, but which does not convey that 489 of the awards made to India were for short-term fellowships. Similarly, a simple head count of the awards made to Bhutan (298 recipients) disguises that

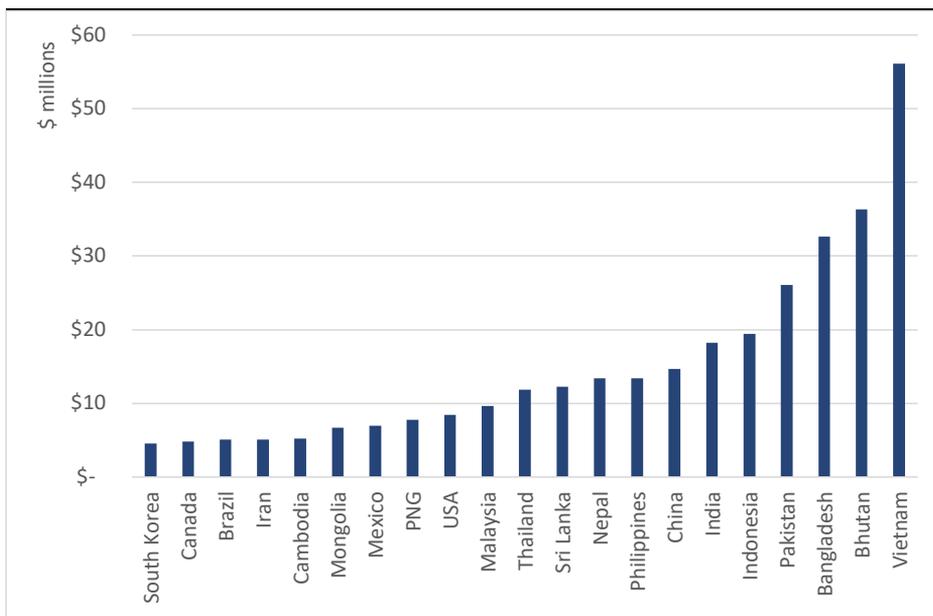


Figure 1: Aggregated Endeavour scholarships and fellowships expenditure (\$m) by country, 2007-2019 (incoming cohorts).

Source: Data derived from Endeavour recipient lists at Department of Education, Skills and Employment (2022), combined with guidelines at Department of Education and Training (2018) and manipulated by researcher.

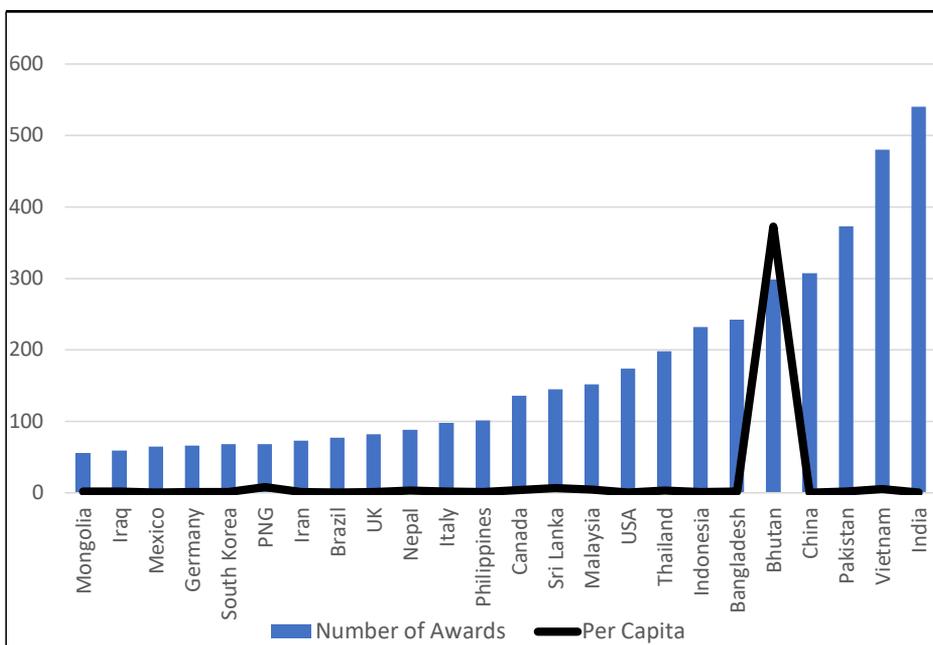


Figure 2: Endeavour scholarships and fellowships number of awards (bead count) to top 24 countries, solid line showing number of awards granted by country per capita, 2007-2019 (incoming cohorts).

Source: Data derived by combining Endeavour recipient lists at Department of Education, Skills and Employment (2022), with guidelines at Department of Education and Training (2018) and manipulated by researcher with assistance from Alan Olsen.

273 were long-term high-cost awards. Aggregating the cost of individual awards made to India and Bhutan reveals that it was substantially cheaper to provide 489 short-term low-cost fellowships to India (one to six months in duration), than it was to provide 273 long-term awards to Bhutan (two years to four years in duration). Bhutan therefore emerges as the second highest country recipient (after Vietnam) in terms of expenditure, and India is in sixth position (Figure 1).

Using the lens of population size, the disparity is widened further. By estimating Endeavour expenditure allocations on a per capita basis (using 2019 population figures) we see the magnitude of difference of Endeavour expenditure per million of population in key recipient countries. Bhutan has a population of around 750,000 people, while India and China both have populations in excess of 1.3 billion. Viewed this way, Bhutan received around 372 Endeavour awards per million of population during the years for which data is available, while India received 0.4 awards per million and China received 0.2 awards per million, as shown in Figure 2.

The end of Endeavour

Broader findings emerging from my research show that scholarship stakeholders became more bewildered about the Endeavour program as time went on. Those in universities could not understand the 'shifting and fiddling' from year to year, including wild fluctuations in the numbers of awards offered annually. They did not understand why a vocational education and training (VET) category continued to form part of an elite scholarship program, or why Bhutan was in many years the largest beneficiary of the program. From 2014, the attention of stakeholders was increasingly diverted towards the New Colombo Plan (NCP), a new program which offered some of the same things Endeavour already provided but was located in DFAT and had more focused and specific objectives. Unlike Endeavour, the NCP embraced bilateral partnerships and introduced robust consultation mechanisms with universities. It targeted specific countries and was aimed at a specific outgoing recipient pool. During its early years, NCP had a committed and visible champion in Foreign Minister Julie Bishop, capturing the attention of the international education sector, researchers and the general public.

Endeavour limped on for another five years until 2019, unchampioned, misunderstood and largely unknown in many parts of the world. The confidence of stakeholders had been lost years earlier. There was barely a murmur of dissent in Australia when the end finally came. The reaction in Bhutan, and any impact on its Gross National Happiness Index, is unknown.

Joanne Barker's PhD (Barker, 2022) in public policy at RMIT University examined concepts of value and evaluation in a government-funded international scholarship program. Contact: joanne.barker@rmit.edu.au

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