

Education

OECD  OCDE

Internationalisation: A global perspective

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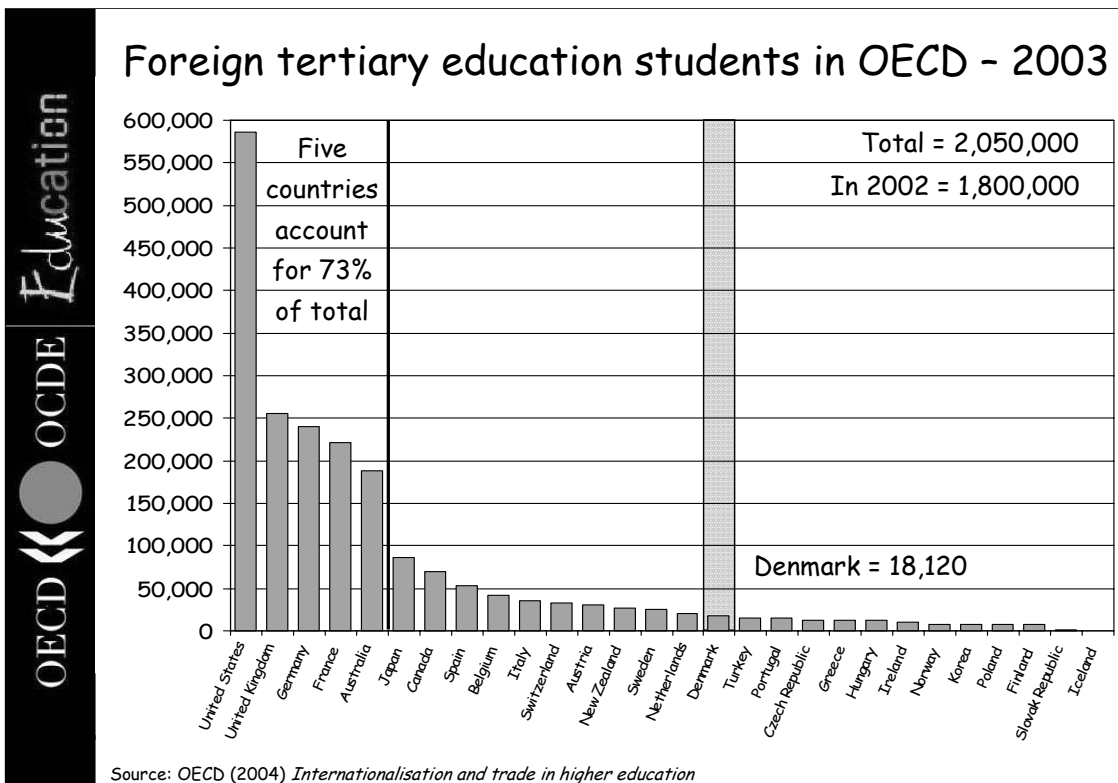
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International mobility of students in higher education



There were 2.05 million foreign students in OECD countries in 2003, up by 14% on the 1.8m the year before.

The United States is by far the most popular destination, attracting almost 600,000 in 2003. The top five destinations – the US, the UK, Germany, France and Australia – attract 73% of the total number of foreign students in the OECD area. Enrolments in Denmark were 18,120.

The composition of the United States' intake of foreign students has changed quite significantly, with decreases of between 10 and 37% of students from the Gulf states, North African and certain Southeast Asian countries, and the Comoros. This has, however, been outweighed by large increases of students from China (47%) and India (12%).

Students from the Gulf states and North African and certain Southeast Asian countries relocated towards new destinations in Europe (Denmark, France, Greece, Hungary, Ireland, Italy, the Slovak Republic and Sweden), the Middle East (Jordan) and Asia (India and the Philippines).

As far as fields of education are concerned, 30% or more of foreign students in a country are enrolled in sciences or engineering in Australia, Finland, Germany, Sweden and the United States.

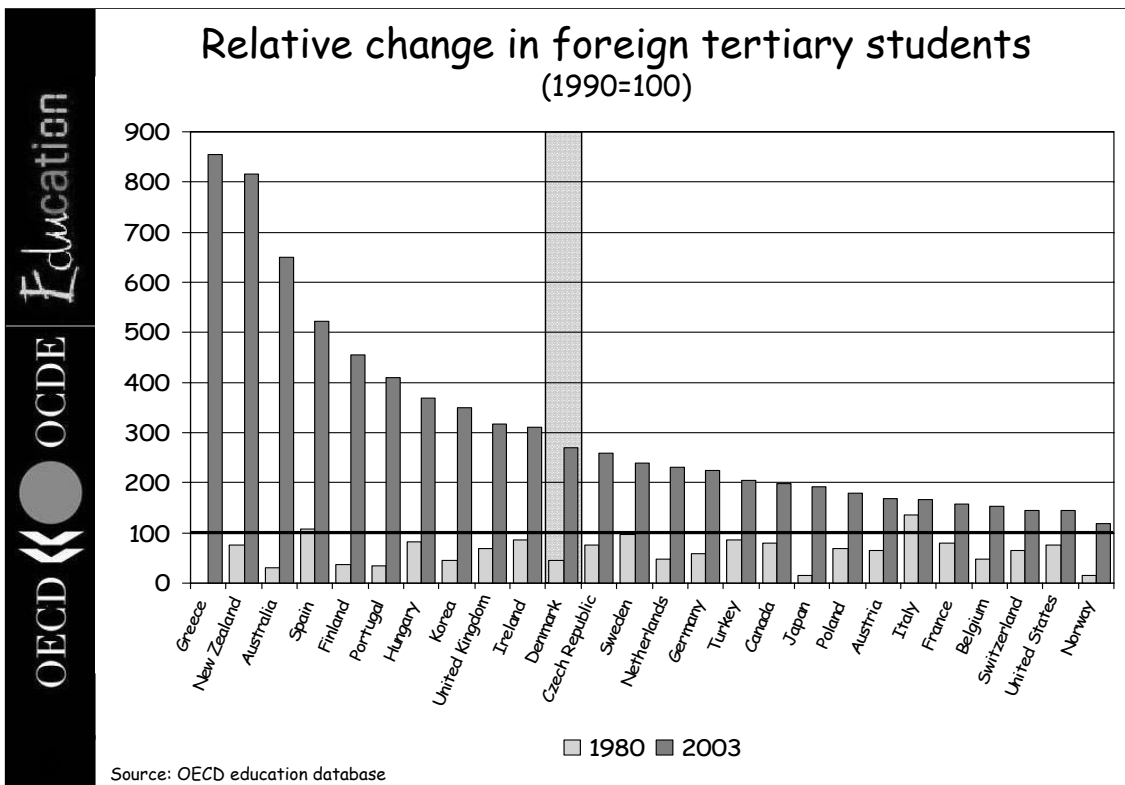
Total of 2m is small set of all tertiary students

BUT

the numbers are growing...

they are concentrated...

and the market share is changing.

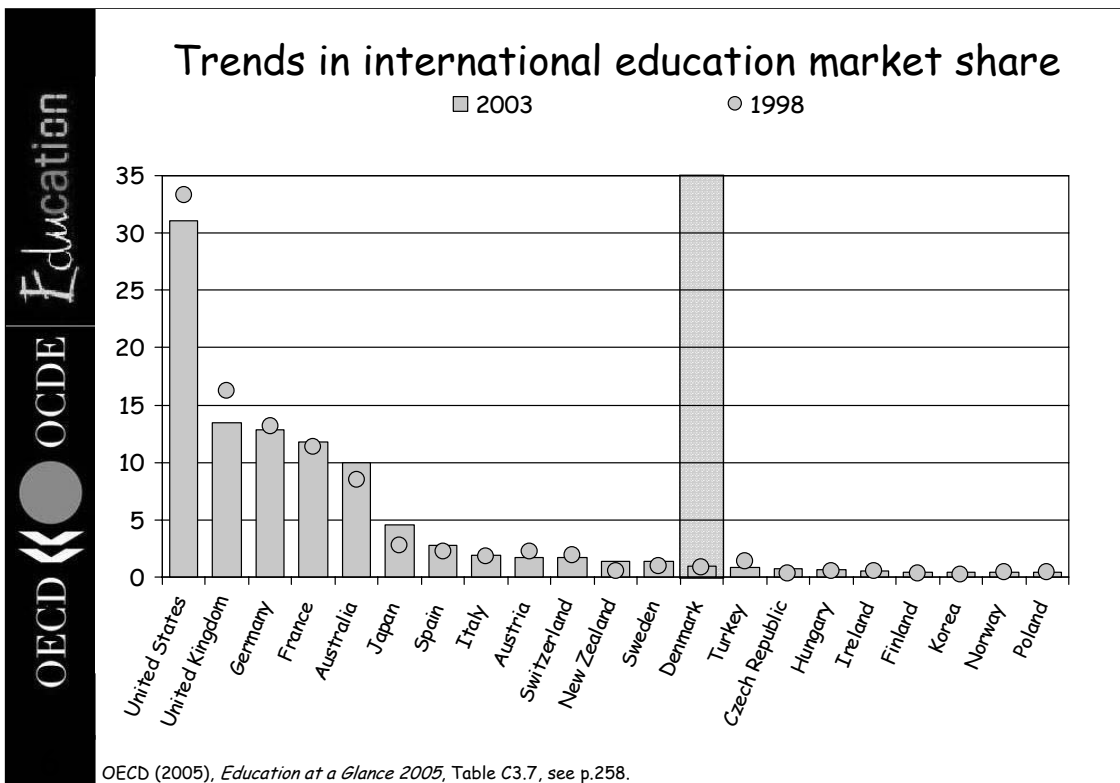


The number of foreign tertiary education students in OECD countries trebled between 1980 and 2003. In the figure above, the enrolments in each country in 1990 have been indexed at 100. The most rapid growth has been in Greece but that has been from a small base.

The rate of increase in Australia has been striking – growing roughly four-fold from 1980 to 1990 and then almost seven-fold between 1990 and 2003 in each of the last two decades.

Both the United Kingdom and New Zealand have increased rapidly since 1990 after slower rates of growth in the preceding decade.

Enrolments of foreign students in Denmark doubled between 1980 and 1980 and more than doubled in the period from 1990 to 2003.

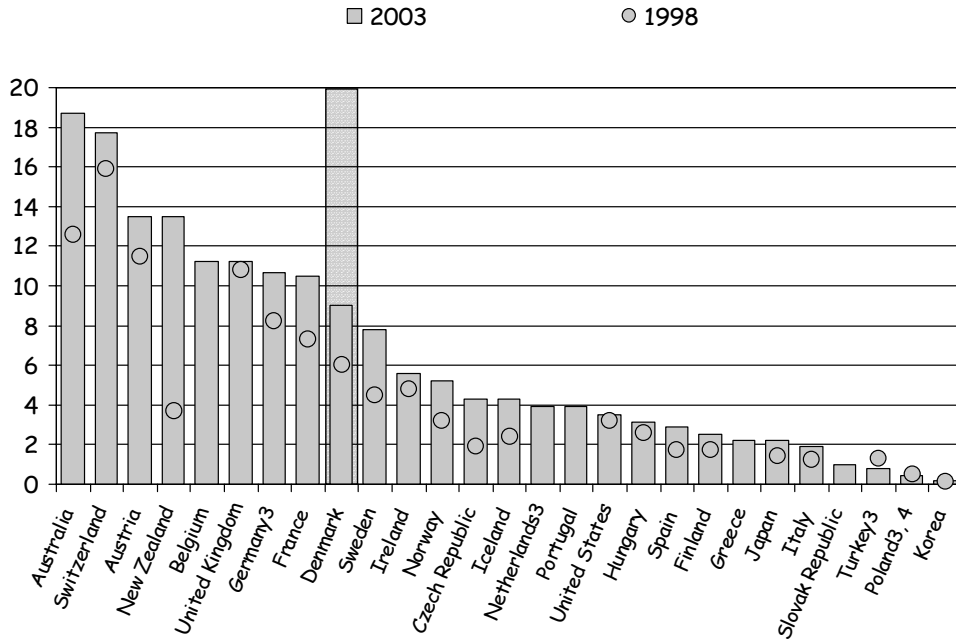


While the United States is the destination for the largest number of foreign students, its share of the total is declining. The actual numbers going to the United States between 1998 and 2003 grew but not as fast as the overall numbers, with the consequence that its share of the market dropped from 33% to 31%.

The market share for the United Kingdom, the second largest destination, also declined, in that case from just over 16% to 13.5%.

Denmark's share rose marginally from 0.9% to 1.0%.

Percentage of tertiary students who are foreign



OECD (2005), *Education at a Glance 2005*, Table C3.1, p.267.

The relatively large number of foreign students going to Australia, a country with only 20m inhabitants, and the rapid growth in the number have resulted in foreign students now constituting almost 19% of the total tertiary student numbers in the country. This is up from 12.6% in 1998. Switzerland is not far behind at 17.7% in 2003, nor are Austria and New Zealand, both at 13.5%. In the case of New Zealand the change has been dramatic since 1998 when under 4% of tertiary students were foreign.

While Denmark's share of the total number of foreign students is not large, the size of its domestic student cohort is small enough for the foreign students in 2003 to have constituted 9% of its total, up from 6% in 1998.

Origin of foreign students in the OECD area (2003)

| Source | Destination | | | | Source for OECD |
|-------------|---------------|--------|--------------|-------|-----------------|
| | North America | Europe | Asia-Pacific | Total | |
| Africa | 17% | 79% | 4% | 100% | 12% |
| Nth America | 50% | 40% | 10% | 100% | 6% |
| Sth America | 48% | 48% | 4% | 100% | 4% |
| Asia | 41% | 30% | 29% | 100% | 45% |
| Europe | 13% | 82% | 5% | 100% | 30% |
| Oceania | 28% | 26% | 46% | 100% | 1% |
| WORLD | 33% | 54% | 13% | 100% | 100% |

OECD (2005), *Education at a Glance 2005*, Table C3.2, pp.268-269.

Full details, country by country, of the source and destination of foreign students in the OECD are provided in *Education at a Glance*. They are summarised in the table above.

A striking feature is that 82% of European students studying outside their own country are studying in another European country. This is, of course, largely an intended consequence of the European Union's successful *Erasmus* programme which facilitates student movement in Europe.

Looking at the OECD as a whole (via the right-most column in the table above), 45% of all foreign students come from Asia. From the row for Asia, it can be seen that their destinations are distributed essentially 4:3:3 between North America (Canada, US, Mexico), Europe and the Asia-Pacific (Japan, Korea, Australia and New Zealand).



The data in all of the previous slides reflect only students who move to another country for tertiary study. There is also increasing mobility of programmes and scholars.

Forms of programme mobility

- **Twinning**
 - dual qualification e.g. Cambridge and Sorbonne law degree
 - part of study in partner institution
- **Franchising**
 - working through partner institution
- **Branch campuses**
 - Australian university campuses in Asia, Middle East and South Africa
 - Carnegie Mellon University in Australia
- **e-learning**
 - mostly with face-to-face component

Programme mobility can be achieved in a number of ways. Partial mobility occurs through twinning arrangements, in some cases resulting in fully shared degrees such as the law degree offered jointly by Cambridge and the Sorbonne which qualifies graduates to work in both jurisdictions. Such collaboration takes expertise abroad in both directions.

More substantial mobility is achieved when a domestic programme is offered abroad through a different institution under a franchise arrangement. Complete mobility is achieved when the parent institution establishes a branch campus in its own name in another country. Australian universities, for example, have established branch campuses in Asia, the Middle East and South Africa. Carnegie Mellon University has just announced that it will be starting a campus in Australia, offering a small range of highly focused Masters degrees.

There are financial and organisational risks in setting up abroad and there have been some expensive mistakes. Institutions are usually best advised to do it when they already have considerable experience with foreign students from the country.

If a student moves to another country to study, it is clear that the student will be undertaking the same programme of study as nationals in the host country. An important issue for students studying in an institution set up in their own country by a foreign provider is whether they will be undertaking the same programme of study as their counterparts in the parent institution. Some guarantee of that is provided when there is a requirement that students actually move overseas to the parent institution for part of their study, for example in the final year(s).

Some offering abroad is provided electronically but this is still very limited and is often associated with a face-to-face requirement.

Increasing programme mobility

- Australian universities - foreign students at home
 - 26% in 1996
 - 37% in 2001
 - 33% in 2003
- Singapore
 - more undergraduate students accessed a foreign programme from Singapore than studied abroad in 2000
- China
 - 1995 to 2003: 9-fold increase in foreign programmes

Data on enrolments that result from programme mobility are not as extensive as those for student mobility but there are some interesting details available in national reports.

For Australian universities, 26% of their foreign students in 1996 were studying in their own home country. Five years later, the figure had risen to 37% since new enrolments of foreign students offshore had been outstripping new enrolments by foreign students going to Australia to study. Three years later, the figure had dropped back to 33%. Whether that reflects a developing trend remains to be seen.

In 2000, more Singaporean students studying in foreign programmes were doing so in Singapore than overseas in the home countries of the institutions in which they were enrolled. Singapore is an interesting case in another respect. It has world-renowned institutions of its own yet its government has encouraged foreign institutions to establish operations in Singapore to increase competition among tertiary education providers.

China is also a country in which the presence of foreign providers is increasing. There was a nine-fold increase in an 8-year period from a relatively small base in 1995.

International mobility of academics

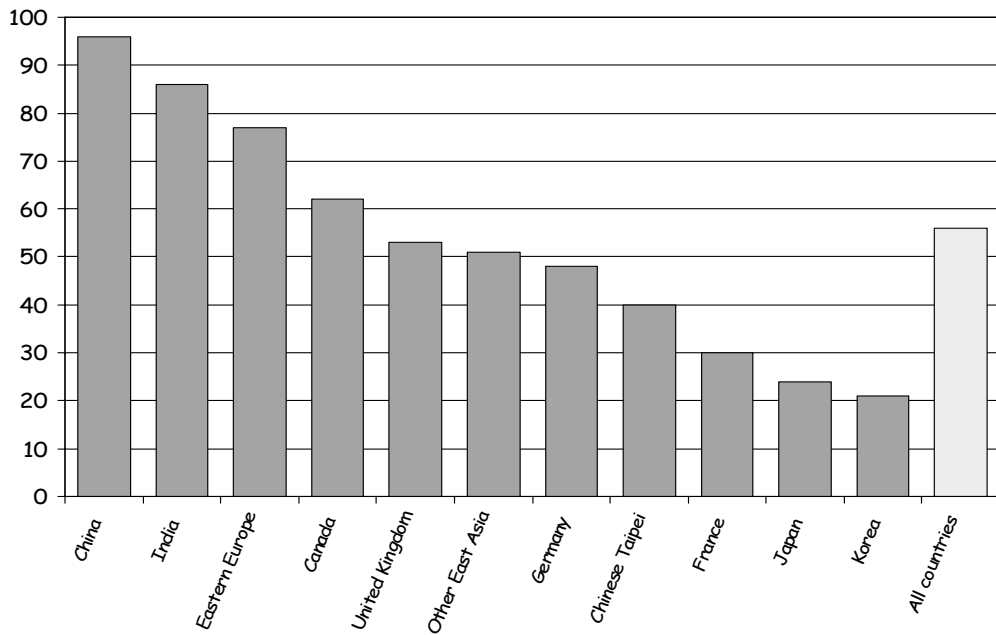
- United States
 - 84,281 international scholars in 2003
 - increased by 40% from 1994
 - represent 30 to 40% of total university researchers
- Europe
 - No systematic overall evidence
 - EU Socrates programme:
 - 12 000 scholars in 2000
 - increased by 71% from 1997

Source: OECD & Institute of International Education (IIE)

Even more than with programme mobility, there are few systematic data on the mobility of academics. Data from the United States reflect, no doubt, the most extreme case because of its attractiveness to foreign academics. There were almost 85,000 foreign academics in the United States in 2003, up by 40% from 1994. Between 30 and 40% of university researchers in the United States in 2003 were foreign academics.

Mobility of academics in Europe is supported by the European Union's *Socrates* programme and it produced a substantial increase of 71% in mobility from 1997 to 12,000 scholars in 2000.

Percent of 1996 PhD holders staying in US in 2001



Source: Oak Ridge Associated Universities

The benefits to provider countries of enrolling foreign students can often endure because they remain in the country where they studied. The graph above illustrates this for a particular group of students – those completing PhDs in the United States in 1996. More than 50% of them were still in the United States five years later. Among those from China more than 95% remained and, among those from India, more than 85%.

The retention of Chinese and Indians in their post-doctoral careers may well diminish as their national economies strengthen and employment opportunities for graduates increase.



The increased internationalisation of tertiary education is influenced on both the supply and demand sides.

Supply side

- International relations
 - US Fulbright programme, Erasmus
 - internationalising curriculum
- Financial - national or institutional
 - UK
 - Treasury introduced fees for foreign students in 1970s
 - demand dropped but later rose again
 - Australia
 - government funded university growth at marginal not average costs
 - government gave universities right to charge foreign students full fees
 - For-profit providers
 - mostly US
 - moving off-shore through acquisitions
 - USD 40 billion in 2003 (fees + living and travel expenses)

On the supply side, the earliest stimulus to globalisation occurred in programmes such as the US Fulbright programme which drew many foreign graduate students and academics to the United States. The European Union's *Erasmus* programme is a more recent example. One important effect of the Fulbright programme has been to generate a substantial body of alumni around the world who often encourage their current students, graduates and younger colleagues to go to the United States to pursue further studies without necessarily having financial support from the United States.

Some of the substantial growth in recent years has been driven by financial need in provider countries or institutions. In the 1970s in the United Kingdom, in the face of substantial national economic difficulties, the Treasury pressed for the introduction of fees for foreign students to replace funding by UK taxpayers. This resulted in a only short-term downturn in foreign recruits.

In Australia, in the late 1980s, the government advised universities that further growth in domestic enrolments would be funded at a reduced rate per student but gave the universities the right to charge foreign students full fees as a way of supplementing their income. This generated a very active recruitment programme.

Currently, for-profit universities are moving into this domain more by establishing or acquiring branch institutions in which students can enrol while staying at home. The main commercial players, however, remain not-for-profit public and private universities.

Overall, this is a very large business. In 2003, around USD 40bn were involved in this trade in education services through tuition fees and the costs of travel and accommodation for students moving abroad to study.

Demand side

- Need - individual
 - access to courses unavailable at home
 - desire for international experience
 - desire for internationally recognised qualification
- Need - national
 - provider countries seeking skilled people
 - consumer countries seeking to improve human capital
- Increased accessibility
 - increased wealth - particularly in Asia
 - reduced travel and communication costs
 - marketing to increase awareness

On the demand side, the primary driver is student desire for the qualification offered by the foreign provider. This can occur because they are unable to access the equivalent course at home or because they actively prefer the foreign option, either because of the international experience that accompanies its acquisition or because of the value of the foreign credential itself.

In some cases, the need lies in the country recruiting the foreign students. They may be seeking to increase their own human capital by recruiting highly skilled and able students who, they hope, might remain upon graduation.

Another factor increasing demand is increased capacity to buy the services on offer. Increased family wealth, particularly in Asia, and a reduction in some of the costs (such as travel and communication) both contribute.

A further influence on demand is improved awareness of the options available and that is influenced by marketing by providers and by a growth in supply and satisfied prior consumers.



What can countries do to increase the internationalisation of their education systems, particularly at the level of tertiary education.

Providers' policy tools

- ❑ Provision of scholarships
- ❑ Level of tuition fees for international students
 - zero fees not necessarily a positive
 - students do take account of costs and quality
- ❑ Promotion of country's higher education system
 - national promotional strategy
 - institutional co-operation
 - institutional autonomy
 - quality assurance, accreditation - for consumer confidence
 - recognition of foreign qualifications
- ❑ Visa and immigration policies

A first step, particularly in the early years, could be to introduce well-targeted scholarships for able foreign students. That will not bring additional funds into the institutions but, to the extent that the students self-fund some or all of their living expenses, it would bring an economic benefit to the country. More importantly, it would help with the internationalisation of the curriculum by bringing other strong national perspectives to the discussion among students and with teachers.

The level of tuition fees can influence recruitment of foreign students, but it should not be assumed that 'no fees' is the most attractive option, particularly to students who otherwise would expect to pay. For them little or no cost could signal little or no value.

Promotion of a country's higher education system can influence its attractiveness to potential students and its capacity to attract them. The Australia success suggests that this is best done by all parties working together in a co-ordinated way: government, institutions working collaboratively to build a national 'brand image' and to share costs, while also working autonomously and competitively among themselves to build their own corner of the market.

Student confidence in the quality of the programmes in which they might enrol is also important. Accreditation and quality assurance procedures might well underpin such confidence but, for the most part, these are only national mechanisms. There are few examples of cross-border accreditation: EQUUS accreditation of business schools, Canadian universities seeking US accreditation in the absence of a Canadian system is another.

Visa policies controlling entry for study and immigration policies influencing the possibility of staying on to work when the study is completed are also influential.

And for Denmark...

How is Denmark doing?

- Foreign students to Denmark
 - numbers are increasing - up 170% from 1990 to 2003
 - 9% of total enrolment (OECD average 6.4%)
 - biggest importer of students relative to size - excluding English, French and German-speaking countries
- Danish students to foreign countries
 - 3.3% of all Danish students study abroad
 - OECD average is 4%
- International standing of Danish universities
 - Shanghai Institute of Higher Education list
 - 1 in top 100
 - 2 in top 150
 - 3 in top 200
 - 3 in top 500
 - How important is that?

For its size, and considering that the national language is not itself an attraction to many foreign students in the way that English, French and German are, Denmark is doing well. Its numbers of foreign students rose by 170% between 1990 and 2003; foreign students represent 9% of its tertiary enrolment. It is the biggest importer of foreign students (and thus exporter of tertiary education services) relative to its size if English, French and German-speaking countries are excluded.

There are Danish tertiary students going abroad to study – 3.3% of them. Though that is below the OECD average, that may well be a lower current priority for Denmark than recruiting foreign students.

The capacity of Danish institutions to attract foreign students reflects their reputation. For what it is worth, there are three Danish universities in the top 200 on the Shanghai list, including one in the top 100, something to which many countries aspire.

What benefits are sought?

- ❑ Students out for international experience
 - part of a programme
 - full qualification
- ❑ Students 'in' for internationalisation
 - broader student body - internationalised courses
 - additional sources of income
 - new joint partner arrangements if 'in' is abroad
 - broader pool of graduates
- ❑ Increased competition among institutions

In deciding how hard and in what way to pursue internationalisation in tertiary education, a country needs to be clear about which benefits it seeks.

If it is to provide a more international perspective for its own students, then it can achieve that by curriculum reform but also by recruiting foreign students to study alongside them and by facilitating opportunities for domestic students to study abroad. Organising the latter through study abroad for only part of a course (such as a full or half-year) will bring less risk of losing the student from the domestic labour market upon graduation than when a full degree is taken elsewhere.

Recruiting foreign students could stimulate the internationalisation of the curriculum but it would also bring immediate economic benefits to the institutions, if fees are paid, and to the country through expenditure on living and also a potential longer-term benefit through the availability of a broader pool of graduates in the labour market.

Competition among institutions in the attempt to recruit foreign students could also help to drive up quality of provision if managed well.

What might Denmark do?

- More of what you are doing
 - maximise benefits of you scholarship programme
 - shared degrees
 - between few institutions and/or in EU as a broader group
- Learn more about who comes
 - why they chose Denmark, what other options they considered
 - why some of their friends chose differently
- Establishing and marketing your presence internationally
 - collectively and separately by institutions
 - not by government alone (or even predominantly?)
 - collectively with other countries
 - Scandinavian
 - Nordic

For Denmark in particular, there is a good case to be made for simply doing only more of what is being done already since it is working quite well. A scholarship programme has been established and shared degrees through twinning and through more broadly-based collaboration within the EU are in place.

It could be worthwhile to know more about why those foreign students who have chosen to come to Denmark have made that choice, about what other options they considered and rejected and why and, perhaps, also about why some of their friends at home made different choices about where to go abroad for study.

It would be good to consider carefully how best to establish and market the presence of Danish tertiary education internationally. Current plans seem to focus heavily on the role of government. Consideration should also be given to ways in which institutions can work collectively and separately in this effort since it is they that need to understand the potential client groups and to recruit and enrol the students.

Given the relatively small size of Denmark, would it be worth broadening the collective base to all Scandinavian or all Nordic countries?

Thank you.

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