

# Competing for the brightest minds

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## Changing flows in international student mobility

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# Competing for the brightest minds

## Strategies and tendencies in international student recruitment

Global student flows are changing as fast as the world economy. The focus of international student mobility is unmistakably shifting east, as emerging economies have started to invest heavily in their domestic higher education systems. Countries that used to be the hunting grounds for rich countries' student recruiters have in turn become exceedingly appealing to both their home students and students from neighbouring countries in the same region. These trends became manifest well before many Western countries were struck by the financial crisis and before public spending on higher education came under pressure in most of Europe and North America.

Although the importance of higher education for the prosperity of 21<sup>st</sup> century societies is rarely disputed and international competition for the globe's brightest students is becoming increasingly fierce, few encompassing accounts of this new reality have yet appeared. Nuffic has set out to explore strategies and tendencies in the craft of international student recruitment: what do other countries do and what can we learn from them?

To paint a balanced picture we have, on the one hand, examined strategic policies in major recruiting countries with which the Netherlands competes for top-notch international students, while on the other hand we dwell upon recent developments in key prospective and existing recruitment countries. The present document is an extended summary of a full Nuffic report (<http://bit.ly/vTZ5l3>) which provides a wealth of data for officials, policymakers and university staff to guide strategic thinking about internationalisation in a fast-changing world.

### Recruiting countries

the Netherlands, France, Germany, Switzerland, the United Kingdom, the United States, Canada, Australia, Singapore, Malaysia and China

### Recruitment countries

Brazil, China, India, Indonesia, Mexico, Russia, South Korea, Taiwan, Thailand, Vietnam, Argentina, Chile, Colombia and Egypt

According to UNESCO figures, three out of ten international students worldwide come from one of the recruitment countries in the table on page 1. Except for the last four, all of these countries host a Nuffic Netherlands Education Support Office (Nuffic Neso) to promote Dutch higher education. These countries have been explicitly designated as priority countries by the Dutch government.

While international student mobility has exploded in recent years and is expected to continue to grow dramatically, today still only 2% of students worldwide study outside their own country. In our fourteen key recruitment countries this share ranges from one in three hundred in Egypt and Argentina to one in twenty-five in South Korea.

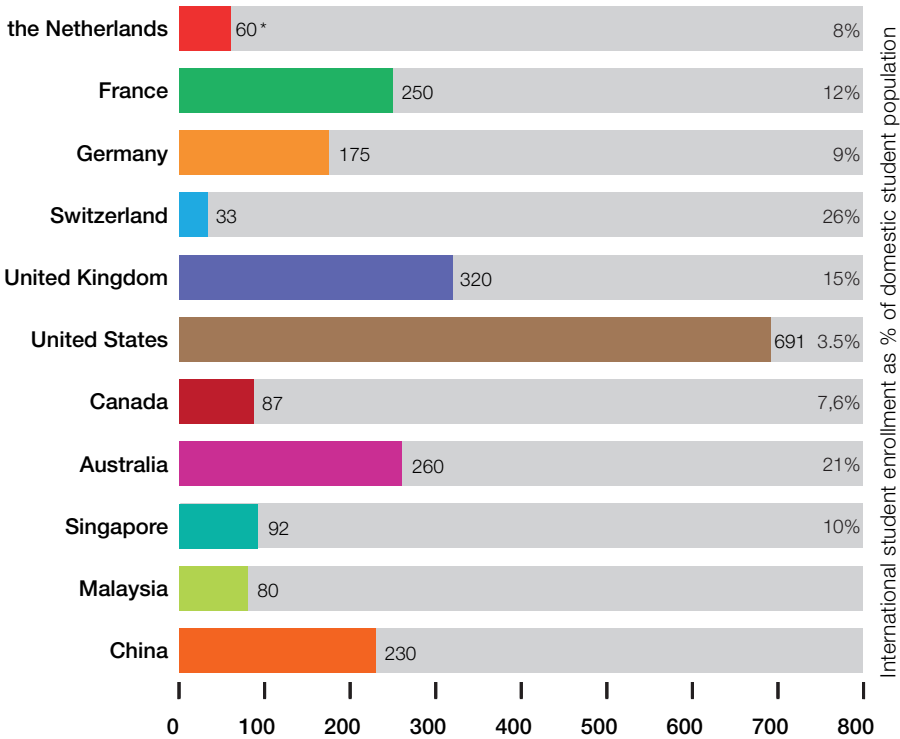
### **Tigers look after their offspring**

This year India increased higher education spending by 30%. With the economic and political balance of power shifting east, international mobility patterns are following suit. The number of countries that are actively involved in international student recruitment has grown considerably. Many countries that previously only sent students abroad have started to attract international students themselves: China, South Korea, Mexico, and to a lesser extent Russia, Taiwan, Thailand, Brazil, Argentina and Chile. Their target countries for recruitment are often within their own regions and mostly correspond to the main target recruitment countries of the big players in the global recruitment market: the US, the UK, Australia, Germany and France. Thus, traditional recruiting countries face increasing competition from exactly those countries they used to turn to for international students.

Some emerging economies have policies in place to reduce brain drain by trying to lure back their own students and staff after a period of study or work abroad. In Brazil, Mexico, Colombia, China and Taiwan government scholarships often require students to return home after graduation or after having obtained some work experience. China even has a word for these Chinese returning from overseas: *sea turtles*. Their political, social and economic importance is growing fast.

Another major development is the accelerating regionalisation of international student mobility. Similar to the European Bologna Process, countries in Asia and Latin America are removing barriers to the mobility of students and university staff. Large numbers of students are taking advantage of these new possibilities. Below is a small sample of snapshots of target countries that are increasingly pulling their weight as recruiting countries.

Number of international students per country



\* Degree students

Sources: *Mapping Mobility 2011* and UNESCO Data Centre (2010)

**China: doubling international student inflow**

The Chinese government aims to have 500,000 international students enrolled in Chinese higher education by 2020, twice the number it now hosts and well above the number of students it sends abroad. In that year it hopes to have 100,000 of its own exchange students circulating in ASEAN countries and vice versa. Based on the quality of their education, 465 higher education institutions in China have been designated to enrol international students. Today’s top countries of origin are South Korea (27%), US (8%), Japan (6%), Vietnam (5%), Thailand (5%), Russia (4%) and India (4%).

China sees “major countries as the focal point, neighbouring countries as of primary importance, and developing countries as the basis”. Western countries are increasingly taking China seriously as a study destination. France will

increase the number of French students in China by 10,000 over the coming five years, while in 2009 US President Obama announced his intention to send 100,000 more US students to study in China by 2013.

### **Singapore and Malaysia: attracting “world class universities”**

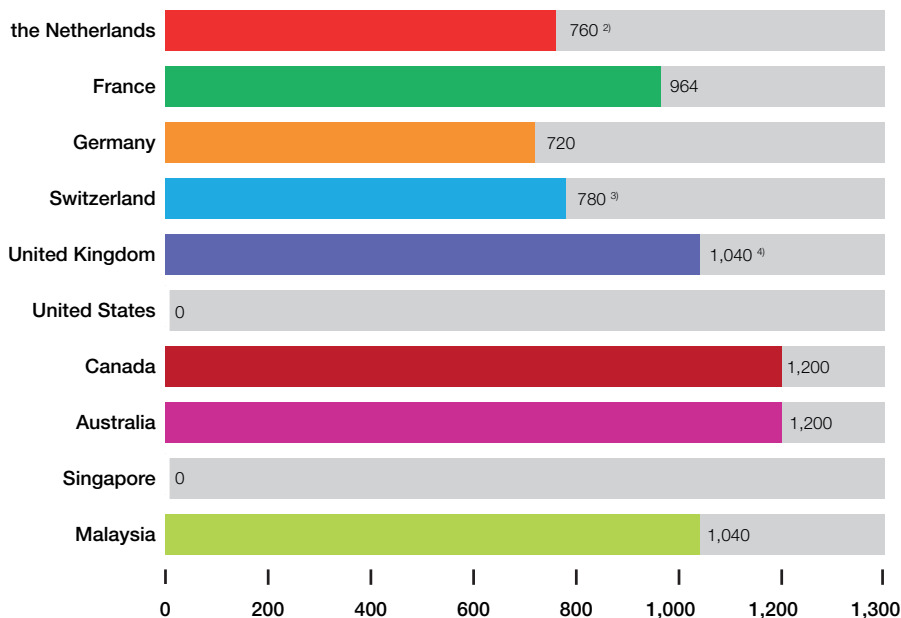
Both Singapore and Malaysia aim at attracting 150,000 international students by 2015, thus doubling their current numbers. Singapore, which boasts 7,000 multinational companies and 60 international organisations, has formulated an irresistible “matching grants” proposition for “world class universities” to establish operations in the city state. It has pledged to triple every donated dollar in an endowed fund for the first ten years, and allocate one-and-a-half dollars for every dollar spent afterwards. University fees are two to four times lower than in the UK, Canada, Australia and the US (and lower than Dutch international student fees at master’s level, but comparable to Dutch bachelor’s fees for international students). International students who accept to work in Singapore for three years after graduation enjoy large tuition fee subsidies. Last year, only 5% of international students at Singapore’s public universities reportedly paid full, unsubsidised fees.

The 2011 alignment of Malaysia’s academic calendar with universities in the west and neighbouring Asian nations is a testimony to the country’s international ambitions. Malaysia proves to be a top destination for students throughout the Islamic world. This year the Malaysian government signed an agreement on mutual degree recognition with the Chinese government, and it is seeking ways to allow credit transfer for Australian students studying at Malaysian universities. The Malaysian government is establishing a higher education hub, called EduCity, focusing on Islamic banking, advanced engineering, hospitality and health.

### **South Korea: high tuition fees and high numbers**

Of all examined countries South Korea has the highest share of students studying abroad: 4%. Foreign study has exploded in recent years, topping 112,500 students in 2008. As the share of the population that is college-aged in South Korea will shrink in the coming decade, the government has made recruitment of international students and scholars a high priority. Although its tuition fees are third highest among OECD countries, the country is on schedule to achieve its goal of receiving 100,000 international students in 2012, thus quadrupling its 2005 number. Currently seven out of ten international students in South Korea are from China. Like Singapore, Korea is explicitly inviting branch campuses from around the world to set up shop in the country. The Campus Asia project will increase its Asian market potential by standardising student evaluation methods in Japan, China and South Korea.

## Maximum number of hours' work permitted per year on a student visa <sup>1)</sup>



<sup>1)</sup> Where relevant calculated on basis of two months summer holiday

<sup>2)</sup> Separate work permit is needed

<sup>3)</sup> After 6 months present in country

<sup>4)</sup> This right will be abolished in April 2012

## Why do we want to be attractive?

Two reasons to engage in international student recruitment which are generally subscribed to by most Western countries are :

1. a perceived beneficial impact of internationalisation on educational quality;
2. an anticipated contribution of international students to developing knowledge-intensive economies.

While there are many empirical parallels in the concrete actions of recruiting countries, the professed motivations that drive these countries can vastly differ.

Particularly in Germany and Canada, where birth rates are 26% and 12% lower than in the Netherlands respectively, declining and ageing populations form a major reason to attract international students and highly skilled professionals. Both countries have a more pressing need for highly skilled workers to meet future labour demand than other rich countries. The UK and Australia have

radically different perspectives: they treat higher education as an export service and mainly recruit international students paying high tuition fees.

The US and France see international student recruitment primarily as a public diplomacy tool. Another argument that is often cited in the US is the annual direct contribution of some twenty billion dollars that international students make to the US economy. One further measure of the contribution of brainy immigrants is that they have founded a quarter of US engineering and technology firms, while immigrants represent only an eighth of the population.

Former colonies remain important sources of international students, especially for France and the UK, but priority recruitment is shifting elsewhere. Today recruiting countries are overwhelmingly fishing the same ponds: fast-growing economies in Asia and Latin America.

### **A closer look at the big players**

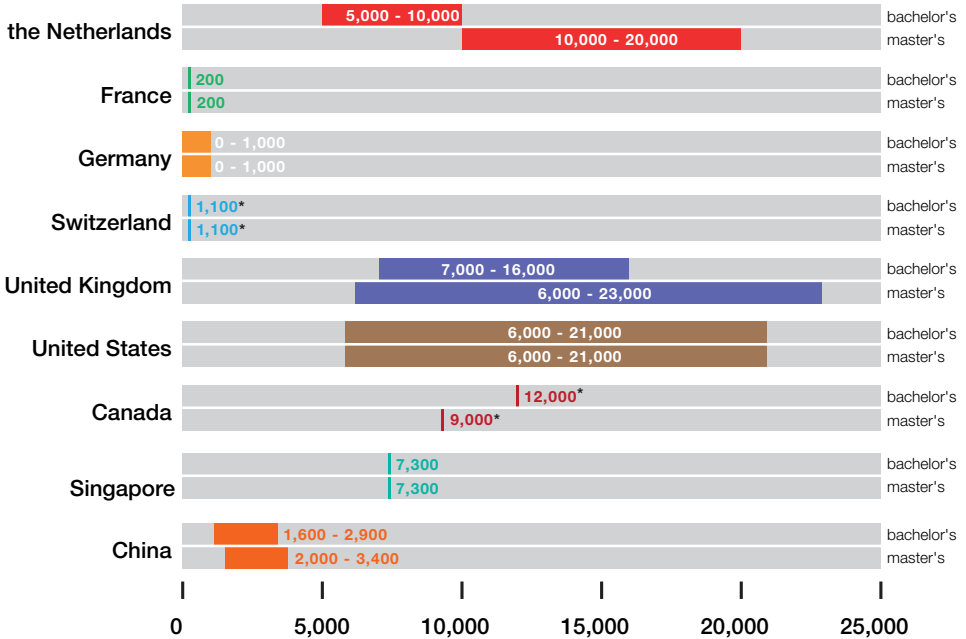
In its attempts to attract the world's best and brightest to Dutch lecture halls, the Netherlands faces competition from countries hosting some of the most renowned student recruiters with advanced strategies and global networks. Many of the recruitment countries have established agencies abroad to promote their own higher education institutions: the US has over 400 offices in 134 countries, the UK has 200 offices in 110 countries, France has 128 in 97 countries and Germany has offices in 52 countries. This section provides a closer look at how policy environments and strategies have changed for the big players in student recruitment. As 90% of productivity growth can be attributed to foreign technologies, the same might hold for international student recruitment: we could benefit from adopting our neighbours' best practices and adapting these to a Dutch context.

### **UK: aftermath of a student explosion**

In 2006 the UK launched a highly successful five-year strategy (PMI 2) to attract international students by marketing the international reputation of UK higher education institutions. This policy is in the process of being reversed in some respects to help fulfil the new government's pledge to cut net annual migration from 200,000 today to under 100,000 by 2015. From April 2012 non-EU/EEA graduates will no longer be allowed to stay in the UK for up to two years after graduation. Also, work visa will be harder to come by and their number will be restricted to 20,700 per year.

More than half of the international students the UK caters for are studying outside of its borders. "Post-1992" universities (former polytechnics, university colleges and colleges of higher education) account for 63% of enrolment

*Range of tuition fees for international students in euros*



\* average

in these transnational programmes. Special “foundation programmes” are offered to attract international students with insufficient pre-academic skills for entry into a UK degree course. Many universities offer these one or two-year programmes in collaboration with for-profit outfits.

**US: between diplomacy and “national suicide”**

The US does not see international student recruitment primarily as a source of revenue. The aim is rather to recruit the best students. The well-known US Fulbright Fellowship Programme, aimed at creating mutual understanding between students from the US and students from other countries, awards 8,000 grants to postgraduates from over 155 countries. The focus on academic talent is also beneficial to the wider economy. Nevertheless, post-graduation work visa have been subject to more restrictions in recent years, a policy move labelled as “national suicide” by New York mayor Michael Bloomberg, who argues that the US first trains the entrepreneurs and academics of its competitors and then expels them. At the recruitment level, some national efforts have been made to encourage international student mobility to the US from specific countries, with a particular emphasis on India, Indonesia and Vietnam.

There is a national initiative in place to *send* more US students to China, because ten times more Chinese students study in the US than vice versa, and 600 times more Chinese study the English language than Americans study Mandarin. In November 2009 President Barack Obama announced the “100,000 Strong” initiative, a national effort designed to dramatically increase the number of American students studying in China and diversify their composition.

### **Australia: education as an export commodity**

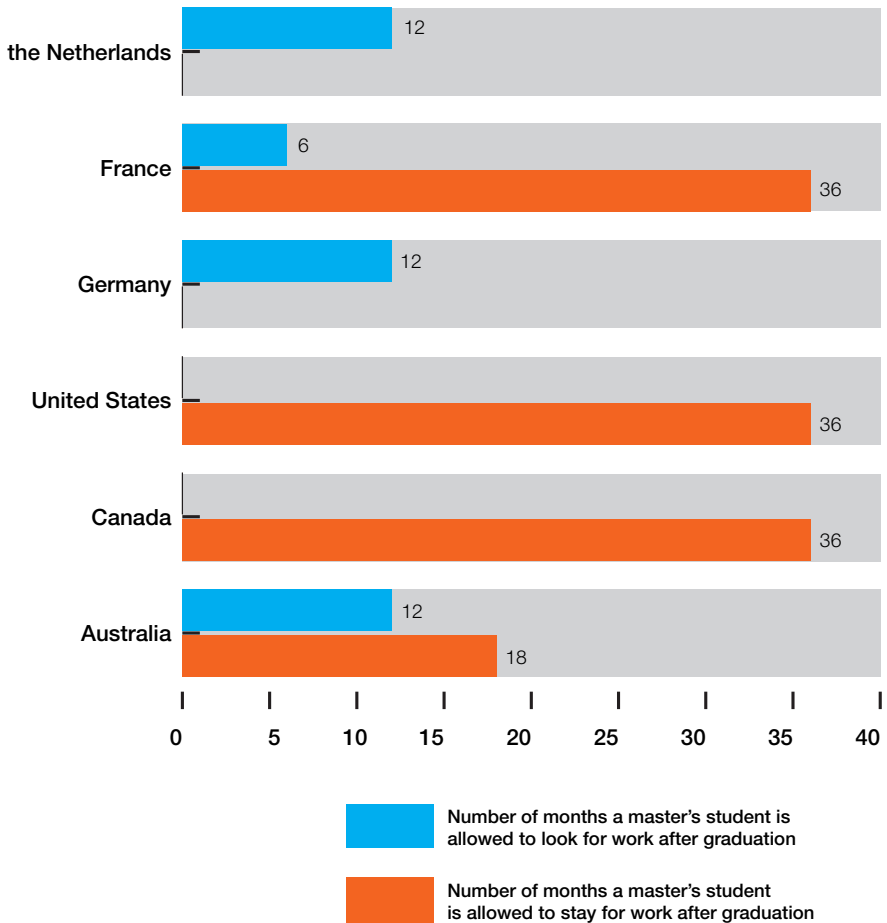
Australia is one of the top five study destinations in the world for international students, who account for some 15% of Australian university revenue. International students are Australia’s third largest source of export income (after coal and steel, but before gold). Australian universities also offer numerous degree programmes abroad. One in three international students is enrolled through an overseas branch campus of an Australian institution. Recent years have seen a vicious anti-immigration backlash against foreign students, resulting in stricter immigration regulations, although some of these measures are currently being reviewed after student numbers plunged earlier this year.

### **Switzerland and Germany: focus and consistency**

Switzerland and Germany have streamlined international student recruitment strategies with national economic and innovation strategies. Both countries specifically recruit master’s and PhD students in science, technology, engineering and mathematics (STEM). Germany is facilitating employment in these fields; Switzerland has a focused strategy to become a “world class destination for thought and work”.

Although the Netherlands faces similar student shortages in STEM areas, no national policy has been articulated in response. Also, only a minority of international students in the Netherlands are enrolled at master’s level. The Dutch government has strictly separated foreign economic policy and international student recruitment policy, while internationalisation policies lack focus and are not always consistently followed over a longer period of time; symptomatically, the Huygens Scholarship Programme was abolished soon after its introduction.

*Employment opportunities for international students after graduation*



## Promising practices

### Act quick

The British Minister for Education immediately flew to Brazil in the summer of 2011 to capture a large share of the newly announced Brazilian scholarship programme of 75,000 bursaries. Over the next few years ten thousand Brazilian scholarship students will be coming to study in the UK. The Dutch government's internationalisation ambitions would be served by a similar proactive attitude.

### Language

German higher education institutions offer many programmes in foreign languages including Chinese, French, Italian, Russian and Spanish, thus preparing students for employment in a global economy. Approximately half of the students in these programmes are from abroad. This might prove to be an interesting example.

### Long-term academic collaboration

Despite overall budget cuts, Germany is increasing its spending on the development of strategic international collaborations in higher education. German universities have developed 100 dual or joint degree programmes with partner institutions in 35 countries, while several German universities have established branch faculties abroad. By building long-term collaborations with institutions in other parts of the world, such as Asia, exchange programmes can guarantee a steady flow of high-quality incoming students.

### Summer school

The German government has also funded English language summer programmes at German universities, which are open to students from all nationalities. Through these programmes international students can be recruited to full degree programmes. New regulations make it much easier for many professionals to find employment in Germany in fields such as mathematics, informatics, natural sciences and engineering.

## Opportunities

Several traditional recruiting countries (Australia, the UK, France) have implemented stricter student visa and immigration regulations and have made it more difficult for international students to stay in the country to find employment after graduation. EU legislation allows non-EU students with a degree obtained in the EU to find employment in any other EU country almost as easily as in the one where they have studied, which means that non-EU students who graduated in other EU-countries can also look for options to continue their studies or work in the Netherlands. This could represent a

recruitment perspective for Dutch institutions, although there is also reason for caution as, conversely, graduates from a Dutch university can just as freely move to study or work in other EU countries as they can in the Netherlands. With over half of all Dutch master's degree programmes being offered in English, there is scope to attract more international master's students. Competition could come from countries like Germany and Canada, where tuition fees for postgraduate research students are low or non-existent, while Germany and China offer a large number of scholarships to attract master's and PhD students from abroad.

If more countries decide to restrict immigration opportunities for international students and graduates in the future, international degree-seeking students will increasingly be encouraged to pursue studies in their own regions, where agreements tend to promote rather than to obstruct mobility. In the future it will likely become legally possible for Dutch higher education institutions to open branches abroad where they can offer Dutch-accredited degree programmes to students who may never have been to the Netherlands. This provision has already been included in the Dutch Higher Education and Research Act but still needs to be ratified.

The UK, Switzerland, Germany, Australia and Singapore arguably have developed the most advanced international student recruitment strategies. In comparison the Netherlands has high student visa costs, strict student immigration regulations and high tuition fees for non-EU students and offers limited scholarship opportunities. One could argue that Dutch institutions are competing with an increasing number of global players for the best minds in the world with one hand tied behind their backs. The full Nuffic report provides many more insights into global student recruitment: <http://bit.ly/vTZ5I3>.

The full report:

