UK Universities and Europe: Competition and Internationalisation

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UK Universities and Europe: Competition and Internationalisation

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Foreword

The UK higher education sector has a lengthy and impressive record of success in attracting international students. The quality, reputation and autonomy of our universities, the concentrated and rigorous nature of our degrees, and the marriage of teaching with research have all helped to ensure that we are, after the USA, the world's favourite destination for international students (and of course, in *per capita* terms, we do much better than the USA). In recent years, enlargement of the European Union has boosted this international student population still further as students from accession countries choose the UK. Without question, the UK makes a highly competitive offer to international students.

We are all aware that new competitors for international students are emerging, and much attention gets focused on Asia in this regard. But over the past two years or so, this attention has been increasingly complemented by the idea of competition from Europe.

We are right to be thinking in this manner. The Bologna Process seeks to build a common degree structure across Europe. This is likely to enhance the marketability of continental universities and to increase the mobility of students. Elsewhere in Europe, different balances are struck between competitive and collaborative approaches to higher education internationalisation. We should wish to know more about them so that we might judge whether to shift our own balances. Independently of such considerations, the provision of teaching in English has now become commonplace across Europe and it is worth remembering that many places in Europe have lower living costs than the UK.

Global recession adds a new dynamic: no one understood the sheer scale and reach of the economic downturn when this research got underway in 2008. But if a longer-term and collaborative approach to higher education internationalisation is part of the recipe for national resilience to recession, then there is another reason to be alert to the different rhythms of internationalisation in Europe.

This report contributes data and market information on Europe for UK universities. It is also a contribution to deciphering what all this is likely to mean to our sector over the next five years or so. It evaluates the forms and the extent of competition to the UK for international students from other European countries and provides some realistic recommendations on how the UK might better position itself in order to continue to succeed both in recruitment and longer-term internationalisation.

The work was commissioned by the UK Higher Education Europe Unit and the UK Higher Education International Unit, both based at Universities UK. The report is therefore a product of timely collaboration between these Units with their distinct mandates. I trust that it will be received by the sector's stakeholders with the same enthusiasm they show for the Units' other outputs. Congratulations to them and to the report's authors at the Observatory on Borderless Higher Education and Kingston University London.

Professor Rick Trainor
President
Universities UK

Executive summary

The United Kingdom is a success story in the internationalisation of higher education. It ranks second in the world in the number of international students it attracts and its position in terms of international postgraduate research students is particularly strong.[1] UK universities operate sophisticated student recruitment activities in key target countries in Asia and elsewhere, and are big players in the global transnational education (TNE) market. UK higher education is perceived internationally as being high quality and worth paying for.

There are any number of reasons for this success. They include the autonomy of UK universities, a liberal regulatory regime for international activities, a competitive mindset, a society and cities that are considered vibrant, exciting and relevant, and increasingly sophisticated intelligence and UK branding initiatives from sector-wide bodies such as the British Council.

There should be, however, no presumption that such success can automatically continue, nor that the competitive mindset alone can continue to serve the UK well. As of early 2009, the world has entered a global recession and the UK is also perceived to be one of the most expensive countries in the world for international students. While the UK has a large market share from traditional recruitment countries such as China and India, competition from other countries has increased and will continue to do so as more countries seek to secure shares of the international student market. In addition, the increasing quality (and quantity) of higher education provision in countries such as China and Malaysia makes studying at home a more attractive and feasible option.

Within Europe also, a number of countries have significantly increased their international (and other European) student recruitment efforts. Over the past two years there has been, across the UK higher education sector, an increasing amount of talk about a growing competitive threat from elsewhere in Europe. In their ability to attract international students, some countries appear to be a current threat to UK universities, others a likely future threat and others not a threat. This report provides some certainty in place of such speculation. It describes what is happening in seven other countries at both national and institutional levels. The analysis is restricted to undergraduate and taught masters degrees.[2]

The themes of partnership and collaboration also loom large in this analysis of the international strategies of other European countries. This report argues that UK universities need to build mutually beneficial relationships in all areas of internationalisation – beyond the apparent bottom line of international student recruitment. Competition from other European countries for international undergraduate and masters students is a reality but a continued emphasis on this aspect of internationalisation may blind the UK and its universities to the proposition that maintaining competitive advantage already increasingly lies in a collaborative agenda.

This proposition is understood by the other countries in this study. Germany, the Netherlands and Sweden are developing collaborative partnerships, within and outside Europe, that are based on mutual gain rather than financial returns. The proposition takes on even more importance as a source of resilience against the anticipated adverse economic circumstances of the next five years.

1
In this report, international students are those originating outside the European Economic Area (including the European Union).

2
For a recent analysis of international postgraduate research students see Neil Kemp *et al*, *The UK's Competitive Advantage: The Market for International Research Students* (UK Higher Education International Unit, 2008).

This report provides food for thought and grounds for the conclusion that the UK should augment its approach to HE internationalisation by drawing on the more collaborative practices of its neighbours.

The following paragraphs summarise the findings on the competitive positions for each of seven countries: Germany, Netherlands, Switzerland, France, Sweden, Poland and Spain. In terms of targeting non-European, international students, Germany and the Netherlands are ahead. The others draw their non-domestic students primarily from their neighbours or through colonial linkages in North Africa, Asia, and Latin America.

- **Germany** is both a current and future competitive threat to the UK. It is third in the world in attracting international students. It has low tuition fees and living costs and is increasingly engaged in TNE. Germany directly targets 10 of the UK's key markets. It aims to recruit more and 'the best' international students and its universities have the capacity to accommodate more students. There are close partnerships between German universities and industry. Germany's international student recruitment policies are integrated with national trade and cultural policies. The quality of technical and engineering programmes at German universities and its strong specialist institutions could lure technical students away from the UK. And while UK universities target English-language markets, German universities are not only developing programmes in English, but also in Spanish and French. This makes their programmes attractive to a wider range of international students and prepares them better than UK universities for careers in which bilingualism is an asset.

- **The Netherlands** is often discussed in the context of new competitive threats to the UK sector but it is a medium-term rather than immediate threat to the UK. While the average cost of living is lower than the UK average, full fees are charged to international students and – importantly – opportunities for international students to work during study are restricted. Visa and administrative costs at entry and transfer of courses are high, although procedures will be streamlined from 2011.

  In five years, however, the Netherlands is likely to be a competitive threat. It has many government-supported initiatives to attract international students. It already targets nine of the UK's two dozen priority markets (as specified by the 'Prime Minister's Initiative for International Education', or PMI2). Dutch universities are implementing collaborative approaches to international student recruitment in India and elsewhere. Several of them are strong in science and technology. The majority of Dutch degree programmes are taught in English. Masters programmes are both one and two years in duration, and 18-month programmes are to be developed to facilitate international cooperation. Applied bachelors programmes have a strong international student profile and many degrees offer work internships (quite distinct from restrictions on employment that is not study-related). The number of joint degree programmes with universities abroad is increasing and links have been developed to PhD programmes, work placements and employment in China and India.

- **Switzerland** is also a medium-term threat to UK universities. It targets the best international students but lacks the capacity to accommodate many more than at present. There is not likely to be a large growth of the private sector and Swiss universities will not be significant players in TNE in the near future. In five years, however, Switzerland could be a competitive threat to the UK because the country is targeting top postgraduate students in certain subject areas (science, technology and hospitality) and it is targeting specific countries. Swiss universities are also strong in science and technology. A high proportion of their programmes are offered in English and several other languages. Switzerland has started to streamline its HE policy-making, which is likely to lead to the development of national-level efforts to recruit international students.

- **France** is neither a current nor future competitive threat to the UK unless it develops further its multilingual business studies programmes. French universities have developed recruitment activities in nine of the UK PMI2 priority markets but to a lesser extent than the UK. French universities focus on students from France's former colonies and these are not priority targets for the UK. At national level, France appears not to have set a clear direction for international student recruitment or to recruit more international students from specific countries or in particular disciplines. Even so, the current French government's activism extends to higher education and the landscape could change.

- **Sweden** is competitive in several ways: its universities are developing partnerships with 'world-class' institutions abroad, they attract more international students than ever before, and they are strong in business and technology. But Sweden appears to be neither a current nor future competitive threat to the UK. Its HE sector is small and has little space to accommodate a large increase in international students. International students are not allowed to remain in Sweden to seek employment after graduation. Sweden is likely to introduce full-cost tuition fees for international students in 2010. It is hard to say how this will affect international student recruitment, though experience elsewhere suggests the effect is unlikely to be straightforwardly negative.

- **Poland** is not a current competitive threat to the UK and it is unlikely to become one. Its universities do have spare capacity, some of them offer low tuition fees for international students of Polish origin (eg from Canada and the USA) and Poland's good, but cheap, medical programmes could attract more international students. Poland, however, focuses far more on closer alignment with European neighbours, largely through student and staff exchanges. They do not actively recruit international students and they do not target international students in specific disciplines or from Asia or the Middle East.

- **Spain** is neither a current nor future competitive threat to the UK unless its business schools – among the best in the world – expand their multilingual programmes. Otherwise, Spain targets different markets. Spanish universities are well networked in Latin America and have much potential to develop joint programmes with universities abroad.

Competition and collaborative models

Germany (and soon the Netherlands) offers one-year, 18-month and two-year masters programmes. This choice is attractive to international students and poses a clear competitive threat. UK universities need to remain flexible in offering both one- and two-year masters programmes.

UK universities face European competition for international students in business, science and technology programmes in particular. Competition for international business students is mainly from Spain, Sweden and the Netherlands. Competition for students in science, technology and engineering arises from Germany, Switzerland, the Netherlands and Sweden.

Universities in several continental countries are developing 'portfolio' models for internationalisation. These are internationalisation strategies that integrate a range of collaborative activities and processes and seek leverage across these activities (see list below). They do not imply less of a focus on international student recruitment or engagement in TNE. UK universities will not only be stronger financially if they continue to develop similar long-term internationalisation strategies, they will benefit academically and culturally.

International activities that could be part of a portfolio model for internationalisation include (but are not limited to):

- establishment of offices abroad
- establishment of branch campuses
- international student recruitment
- staff recruitment
- teaching collaborations, for example, joint and dual degrees
- other partnerships with universities, private corporations, and governments
- international research collaboration
- staff and student exchange programmes
- consultancy
- exchange of QA and validation services
- study and work experience abroad
- managing alumni networks
- distance-learning programmes
- capacity-building and development
- internationalising the curriculum
- language programmes
- services and integrative extra-curricular activities for international students

Several European countries are well ahead of the UK in offering multilingual (often dual-degree) programmes. These are attractive to home and international students because they better prepare students for employment in an international labour market than unilingual programmes. The UK's former advantage in offering unilingual English-taught programmes is now becoming a weakness for home students and in the international student market.

Many universities in the Netherlands and Germany require an internship or period of work practice as part of the undergraduate curriculum. This is popular with international students, as evidenced by the success in international recruitment to applied bachelors degrees in the Netherlands.

Bologna Process and the EHEA

The Bologna Process and the creation of the European Higher Education Area (EHEA – which includes the UK) are certain to enhance the marketability of continental European universities and increase international student mobility to and within the EHEA. The Bologna Process started as a modest set of aspirations but developed from an emphasis on structural change to the removal of structural barriers to collaboration. In the past decade, further action lines have been added and closer relationships between the Bologna Process and Lisbon Agenda have developed. The associated modernisation agendas are accelerating the convergence of UK and continental European institutional contexts. This is seen by the increasing need of continental universities to attract more income from non-governmental sources and their greater autonomy for strategic decision-making, including on internationalisation.

The Bologna Process encourages the synchronising of degree structures across countries and thereby aims to makes all signatory countries more accessible and more attractive to international students. If, as a consequence of Bologna, a student (an Indian, say) had more options for progressing from a first degree in one European country to a masters degree in another, then this could be characterised as a success and all of the signatory countries would stand to benefit.

Universities in continental Europe have used Bologna as an opportunity to learn from and to partner with each other, within and across countries. Many of them exhibit a keenness to develop internationalisation strategies, in partnership with other European universities, to strengthen academic reputations and create conduits for international student recruitment. The growing number of continental European networks with English-taught and bilingual programmes and cross-country study options appeal to international students. Moving forward collaboratively helps the competitive position of continental European countries.

UK universities should also wish to take full advantage of any strategic opportunities presented through the Bologna Process and related European political developments. Some do, many do not. To do so requires networking and methodically seeking to use networks as vehicles for regional partnerships with common international goals, of which one is successful recruitment. The evidence in this report is that many continental universities are already engaged in a large number of European collaborative projects and that they collaborate with each other more than with UK universities. (UK universities have their own links with the USA and elsewhere.)

The Bologna Process and the development of the European Research Area (ERA) can do no other but to facilitate broader and deeper collaboration in student and staff mobility, the development of joint- and dual-degree programmes, and joint research. And one of the principal aims of the Bologna Process is that the EHEA is attractive beyond Europe.

UK universities need to be strategic, open and proactive about their 'Bologna-compliance'. The alternative is losing out on both long-term partnerships and more immediate recruitment opportunities.

While the UK HE sector has not deteriorated in quality, reach or reputation, a number of countries in Europe are catching up. This is a competitive threat – but countries and institutions with comparable levels of quality and complementary strengths can make good partners.

This report makes seven policy recommendations for UK universities and the UK government. These are framed in terms of collaboration and partnership. The UK's approach to internationalisation needs to be reviewed and augmented if its leading position in international student recruitment and TNE provision are not to be lost.

The recommendations are set out on p7 and again, with further elaboration, in Chapter 6.

1

UK universities should implement all Bologna Process reforms and brand themselves internationally as 'Bologna-compatible' and at the forefront of the development of the European Higher Education Area.

UK universities can and must do more in their marketing to explain to prospective international students how their qualifications are 'Bologna-compatible'. International students are sophisticated and increasingly looking for this information when deciding on where to study.

2

UK universities should review existing internationalisation strategies. They should adopt and implement 'portfolio' (collaborative partnership) models for internationalisation.

The pervasive belief on the continent is that portfolio models for internationalisation strengthen international recruitment and engagement in transnational education. Portfolio models should make UK universities stronger academically and financially.

3

UK universities should establish small cross-sector consortia to develop and implement internationalisation strategies.

UK universities can learn from their Dutch counterparts, some of which formally collaborate in international recruitment and other activities. This strengthens their internationalisation agendas.

4

UK universities should seek to work more systematically with the UK Foreign Office and Department for International Development.

Continental universities have demonstrated a competitive advantage by working closely with more branches of their governments and having their HE sectors more closely aligned with national foreign policy initiatives.

5

UK universities should do more to provide and encourage second-language training as part of undergraduate degree programmes.

Second-language training is widely recognised as tool for student (and indeed life) mobility and a competitive advantage for employment prospects.

6

A cross-sector national advisory group should be convened to develop a best-practice blueprint for a UK-wide internationalisation strategy based on a portfolio model.

Such a blueprint would serve to strengthen and broaden the sector's internationalisation strategies.

7

The UK HE sector, in consultation with the UK and devolved governments, should explore establishing a UK university-to-work programme for selected international graduates.

Such a programme would enhance the attractiveness of the UK as a study destination for international students.

Introduction

This study was commissioned by the UK Higher Education Europe Unit and the UK Higher Education International Unit in order to evaluate the nature and extent of competition from other European countries for international students, how the UK might better position itself to continue to succeed in attracting international students and to provide the UK higher education sector with sufficient and relevant market information to inform its strategies.

Timeframe and uncertainty

In terms of assessing competitive threats, the approximate analytical timeframe for this work is the next five years. During the period of the research (February to December 2008), a global recession unfolded. Although the report takes the new economic situation into account in its analysis, considerations and recommendations, a recession with a global reach will make the always-volatile international student recruitment market less predictable over the coming five years.

There are other sources of uncertainty in drawing predictive conclusions from the data. One is discrepancies in the availability, accuracy and comparability of data from different countries on the mobility of students. Another is the possibility of changes in policy direction and strategy at government levels (as notably in Malaysia, for example). Another is socio-economic and political shifts, for example the fantastic rapidity of the expansion of Chinese HE. The possibility of disruptive events like terrorism, and reactions to terror events, can also put paid to the best-laid plans.

But of all of these factors, it is perhaps the global recession that serves as a stark reminder of the limitations of crystal balls and of the positive benefits of developing strategies that build in resilience against changing market and environmental conditions.

Definition

In this report, 'international students' are those originating outside the 27 member states of the European Union and the three additional countries of the European Economic Area (Iceland, Norway and Liechtenstein). European data often do not provide a distinction between EU and non-EU students or between EU/EEA and international students. It is therefore not always possible to provide separate figures for these groups.

Methodology

The countries analysed in this study are Germany, France, Sweden, the Netherlands, Switzerland, Poland, and Spain (in addition to the UK). These countries were selected because they represented, in our preliminary assessment, the greatest competitive current or future threat to the UK's capacity to attract international students.

The analysis is restricted to undergraduate and taught masters degrees.

In each of the eight countries, two case-study higher education institutions (HEIs) were selected to gain an understanding of the ways in which national policies on international student recruitment are 'translated' into institutional policies and practices. These case-study institutions were selected on the basis of the following criteria: institutional rankings in international league tables, membership of international HE consortia, international student numbers, current and planned international student recruitment and support policies, tuition fee levels for international students, number of programmes offered in English, and current and planned transnational education activities. Within each country, contrasting institutions were selected – in terms of size, level of international engagement and rankings in league tables.

The following research methods were used for this report:

- review of national and international policy and research reports
- analysis of national and institutional websites
- analysis of answers to institutional case-study questions
- analysis of national and international statistical data sets from governments, national HE agencies, and international organisations

Exchange rates used are as at March 2009.

Chapter structure

This report provides:

- Statistical data on the country regimes and an analysis of the factors that shape, and are likely to shape, the current and future attractiveness of the seven other countries, relative to the UK (Chapter 2).
- An analysis of national and institutional policies for and methods of facilitating internationalisation in those countries, with an emphasis on Germany and the Netherlands (Chapter 3).
- A consideration of the potential impact of the Bologna Process on degree structures in other European countries, on the marketability of continental HEIs, on student mobility within Europe, and a look at the implications for the UK (Chapter 4).
- A summary discussion and conclusions (Chapter 5).
- Policy recommendations for UK universities in the context of European approaches to HE internationalisation (Chapter 6).
- Five annexes, available electronically on the International Unit website, on the methodology used, country case-study data, the Bologna Process, transnational education, and a bibliography.

The nature of the competitive threat from Europe

The seven European countries were selected as representing the greatest current or future competitive threat – from within Europe – to the UK's capacity to attract international students and to maintain leadership in the internationalisation of HE more generally. This does not mean that any of the other countries actively seek, or might in future seek, to compete with the UK, as indicated in their policies and strategies. There is no such evidence in policy documents in the public domain.

The notion of a market for international students is in fact rather alien on the continent and it is not practised as widely at institutional level as it is in the UK. The focus has traditionally been on international student mobility, typically through student exchanges.

Four factors are important in understanding the UK's exceptional position relative to other European countries. The first is the autonomy of UK universities; this enables them to pursue international student recruitment in ways that meet their own goals, largely or wholly independently of any national goals.

The second factor is the funding of universities which for the past 30 years has included the move to diversify income away from the state. This driver is either new or still limited elsewhere in Europe, although it is unlikely to remain so.

A third factor – also financial – relates directly to the recruitment of international students. Since 1980, universities have been free to charge international student fees that are different and higher than any domestic fees, and these fees have over time become an important part of the economy of most UK universities (and for some, essential).

A fourth factor – again financial – is funding council rules on the use of public funds. UK universities are free to use UK funding council funds to finance activities that may benefit international students, such as English-language centres in the UK. They are not, however, allowed to use funds allocated by one of the funding councils for education or research activities that take place outside the UK. International exchanges may be funded if a significant element of the activity takes place in the UK. All other international activities undertaken by UK universities must be self-funded; in other words, international activities must generate enough income to sustain and grow the activity. This situation is very different from the approaches in the continental countries under scrutiny here. In most cases, their international activities are supported by state funding and are also, to a large extent, integral to national approaches to internationalisation which also receive state support.

Because of these four factors, other countries do not see 'competition' in the same way as the UK. This does not mean that they are not seeking to attract international students. They are and it is of great interest to them. European governments and institutions are increasing their marketing and finding new ways to attract international students, encouraged by the context of the Bologna Process and Lisbon Agenda as well as their own assessments of the changing global context for HE.

3
Drummond Bone (2008) *Internationalisation of HE: A Ten-Year View*. Report for the Department of Innovation, Universities and Skills.

4
Australian Education International (2008) 'Monthly Summary of International Student Enrolment Data – Australia – October 2008', October (Canberra: AEI).

The continental countries in this study have different reasons for seeking to attract the most talented international students. They do not seek to emulate the UK's 'recruitment, markets and competition' focus and approach to generating income. They opt for a more collaborative approach and this study uncovered many examples of such approaches.

A new UK approach to internationalisation would be more closely aligned with national and student interests and less responsive to institutional interests alone. Such closer alignment has been advocated elsewhere, including through PMI2 and Professor Sir Drummond Bone's 2008 report on internationalisation for the UK government.[3] It may appear to some to represent a threat to the autonomy of the UK HE sector. But the intention is to suggest an augmentation to practice rather than revolution.

Competition beyond Europe

Everyone working in the HE sector will know that the UK's main direct competitors for international students are the US, Canada and Australia. All three are likely to remain so, even as the number of competitors grows.

Australia places great emphasis on international students as revenue earners, though concerns are regularly articulated there about the signals that this sends out. Australia appears to be growing its relative market share in markets of strategic interest to the UK, China and India among them. China is Australia's most important source market and there was a 21% increase in commencements in 2008. Australia is also increasing its market share of students from Brazil, Saudi Arabia and Vietnam, having recorded double-digit growth – and gains over the UK.[4] Preliminary figures for February 2009 suggest that the global recession has had no immediately negative effect on international recruitment.

The USA competes in this market on the basis of sheer size. It receives the most international students in the world but on a *per capita* basis, its performance is modest – in spite of the fact that it has many of the best and certainly the richest universities in the world. A major difference between the USA approach to international student recruitment and that of Australia and the UK is that international student recruitment is not seen primarily as a source of revenue. The driver is rather to recruit the best students, and this focus on academic talent is also of service to the wider economy. This point applies equally to the Canadian approach to international students.

Research team

The research team was led by Dr Rosa Becker, Senior Researcher at The Observatory on Borderless Higher Education (OBHE) and included Professor Robin Middlehurst (Senior Consultant, Kingston University), Dr Don Olcott, Jr (Chief Executive, OBHE), Steve Woodfield (Senior Research Officer, Kingston University), Veronica Lasanowski (Senior Researcher, OBHE) and Helen Goreham (Senior Research Officer, OBHE). Additional guidance was provided by Joan-Anton Carbonell of Kingston University's International Development Directorate with responsibility for European strategy.

This chapter provides a snapshot of the main data gathered for this study and offers some analytical perspectives on them. Of the eight countries under study, three – Germany, France and the UK – have very large numbers of international and other European students (see Table 1 and Figure 1). A fourth – Switzerland – has one of the highest such proportions in the world (18%) but against a modest sector size. The comparable UK figure was 15% in 2007, Germany had 12.4% and France 11.5%. For a big country, Poland has very few international students indeed.

Apart from the UK, national statistics do not generally distinguish between European and international students. UK figures are based on HESA data which exclude students on UK TNE programmes offered abroad. As the UK offers far more TNE programmes than the other countries, the total number of international students on UK programmes is higher than implied in this table.

Pull factors in attracting international students

Funding

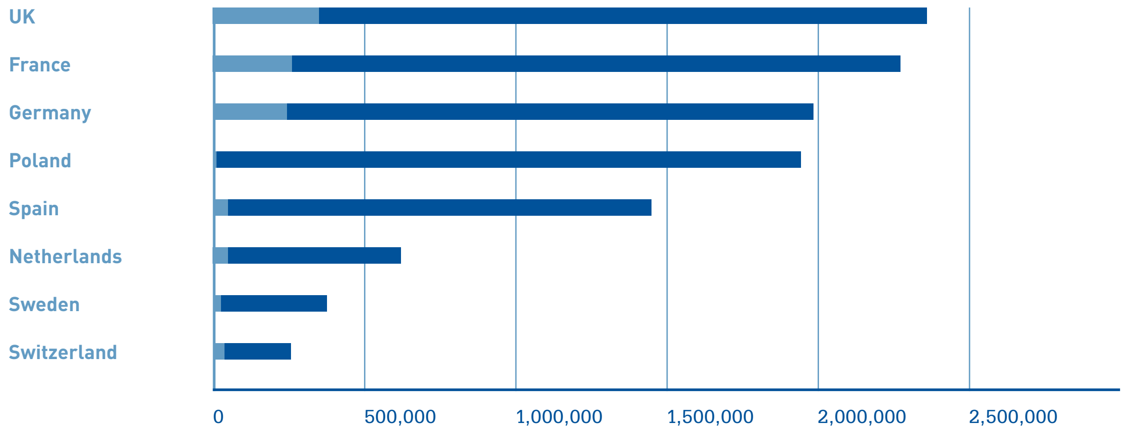
At the national level, Germany offers an attractive 'funding package' to entice international students. Generous federal government and DAAD (German Academic Exchange Service) funding is available to assist German universities to develop TNE initiatives abroad, while UK universities are not permitted to use government funding to set up TNE activities.

	Number of students in HE	Number of international and other European students	International and other European students as a percentage of total	Notes
UK	2,362,815	351,470	15.0%	International/EEA = approximately 70/30; China 14% of total
Germany	1,986,774	246,360	12.4%	China is largest single group (11% of total)
France	2,274,000	263,126	11.5%	Majority from French-speaking countries; China a significant group
Spain	1,400,000	51,000	3.6%	50% from Spanish-speaking countries
Netherlands	571,750	49,750	8.7%	50% are other European
Switzerland	219,444	39,500	18.0%	75% from European countries
Sweden	350,000	28,000	7.3%	> 50% from EU/EEA; 40% are on exchange programmes
Poland	1,945,000	13,000	0.7%	Majority from neighbouring countries and Polish diaspora

Table 1
Number and proportion of international and other European students in HE, by country, 2007

Figure 1
Number of international and other European students, by country, 2008

- Number of students in HE
- Number of international and other European students



DAAD funds international student recruitment campaigns. Since 2001, it has offered federal-government funding to encourage German universities to develop integrated international joint- and dual-degree programmes with universities abroad (in Poland, Spain, Italy, China and Russia). They are instrumental in recruiting more international students.

In 2007, DAAD funded 31 TNE programmes for German or joint masters programmes abroad or the establishment of overseas German institutes for education and research. The German Ministry of Economics and Technology also allocated three years of funding to selected German universities to develop dual- or joint-degree programmes with universities in the USA and Canada. Furthermore, since 2001, a federal government funding programme has also encouraged German universities to establish branch faculties abroad. In 2009, DAAD will start a joint initiative with the federal Ministry of Education and Research called 'A New Passage to India', allocating €4.3m (£3.8m) to the project. At national level, German international student recruitment initiatives therefore appear to be comparatively well-funded.

The British Council and UK government do of course invest in attracting international students. The Council has dedicated marketing funds for this and the UK government has allocated targeted funding for a number of international student recruitment and partnerships schemes with specific countries or regions.

The UK-India Education and Research Initiative (UKIERI), for instance, was launched in 2006 to strengthen links between the UK and India. It was allocated £23m in funding by the Department for Innovation and Skills, the Office of Science and Innovation, the Foreign and Commonwealth Office, the British Council and the devolved authorities of Northern Ireland, Scotland and Wales. There were further contributions from the private sector. Similarly, the British Council-funded BRIDGE (British Degrees in Russia) project helps universities in both countries to develop dual-award programmes for mutually recognised qualifications.

Compared to the UK, in several continental European countries (such as Germany and the Netherlands, with Sweden expected to follow) a higher degree of national-level funding allocated to universities for internationalisation is invested in expanding and improving the provision of services for international students. Such services are an important factor for international students when they consider study abroad options. There are two interesting examples from the Netherlands. Under one initiative, Dutch universities will receive €50m (£45m) in government funding to improve international student services in order to attract more international students. In a separate initiative, the Dutch government in recent years has allocated €5m (£4.5m) to enhance the quality of selected internationally oriented HE programmes.

With the exception of the University of Leiden, whose total budget for international student recruitment and admission is approximately 1% of its total institutional income, the case-study institutions do not make funding levels for international student recruitment publicly available.

While there are a number of competition-based scholarships available to international students in the UK, for example, through the British Council and the Commonwealth Scholarship and Fellowship Plan, the German, French, Dutch and Swiss governments and national organisations also offer attractive scholarships to international students. In Germany, for instance, while DAAD does not offer many scholarships for international undergraduates, between 2008 and 2011 it is allocating more attractive scholarships for international students. The French government, primarily through the Ministry of Foreign Affairs, funds 22,000 students each year through scholarships made available under bilateral assistance programs and student grants. The Dutch government in 2006 introduced a scholarship programme for high-quality international students aiming to study in the Netherlands. The Swiss Federal Commission for Scholarships for Foreign Students (FCS) offers scholarships both on the basis of reciprocity (a fixed number of scholarships for each country) and non-reciprocity, although the organisation, through its scholarship scheme, particularly aims to attract students from Brazil, Chile, China, India and Russia.

Most universities offer a limited number of institutional scholarships to international students. Three examples may be of interest to UK universities. The University of Granada (Spain), for instance, offers a scholarship programme for students enrolled in bilingual Spanish schools in central European countries such as the Czech Republic, Poland, Romania and Slovakia, aimed at recruiting a higher number of students from these countries. The University of Leiden offers a scholarship package that includes several partial tuition fee waivers for students in particular departments and for new and 'excellent' international students, allocated on the basis of financial merit and academic need, and a separate scholarship scheme for students from key recruitment countries China, Colombia, Russia, South Korea and Taiwan. The most interesting example is the University of Maastricht (UM), which offers three scholarship programmes to international students:

i A fund for a limited number of talented international students which covers the tuition fees for a masters programme.

ii UM Company Scholarships, which are funded by university partner companies and are available for talented students wanting to pursue a masters programme at specific faculties.

iii Since 2007–08, the top 3% of students selected by their faculty are eligible for a scholarship that will cover their tuition fees for the following academic year, provided that they continue their studies at UM.

Under the last scheme, students in their final masters year will be reimbursed the tuition cost of the current academic year, while students in their final bachelors year will see the amount applied to their masters programme. This strategic innovation may help to keep talented bachelors students continue for a masters degree at UM.

In order to develop sustainable strategic international partnerships, it is important for the UK and UK universities to consider student recruitment funding packages in consultation with a broader and coherent internationalisation strategy.

Student immigration regimes

The main characteristics of each country's entry requirements for international students are given in Table 2.

The new points-based UK visa system is designed to streamline the process for students and the government. However, it restricts students' choices to one university and places extensive requirements on UK institutions as sponsors of students and as managers of the arrangements. Considerable extra costs have been reported by institutions. The system began in March 2009.

Table 2
An overview of entry requirements for international students, main characteristics of the student immigration system and entry costs in 2008, by country

	Entry requirements to country and characteristics of student immigration system	Entry/visa costs
UK	New points system for students. Requirements: ■ Acceptance onto a programme with a licenced provider ■ Proof of means to cover fees and maintenance for study period	£99 (£145 from April 2009)
Germany	■ Proof of financial means to cover the expenses for entire period of study in Germany ■ Acceptance letter from HEI (or in some cases confirmation of the student's status as an applicant)	€60 (£55)
France	■ In some cases an interview at the local French embassy is required. A letter of registration/admission from a French academic institution ■ Proof of resources for tuition fees and living expenses ■ Proof of accommodation in France for the period of stay ■ If residing in France for more than three months also must obtain a student residency permit within two months of arriving	€99
Sweden	■ Acceptance letter from a university ■ Copies of previous qualifications ■ Confirmation from the sponsor of the studies ■ Two copies of the bank statements for the last six months (the applicant should be able to show an amount of SEK7,300 (£565) a month for at least 10 months per year, for the entire study period) ■ Health insurance for students whose studies will not last more than one year	€94
Netherlands	■ Two separate procedures (for student and temporary residence visas) ■ Additional controls added for Pakistani students (ie English test and interview) ■ Plans to make process easier for students in study areas and professions with a shortage of employees from 2011	Non EU/EEA: €250 + €188 per year + €433 admin costs to change programme
Switzerland	■ Proof of acceptance from the school ■ Proof of financial means for the duration of studies	€112 + residence permit €19 for two semesters Also need to purchase compulsory insurance from government
Poland	Government is responding to existing administration difficulties for students getting temporary residence permits	not available
Spain	■ Acceptance in any private/public educational or scientific centre to undertake/extend studies or undertake non-lucrative jobs in research or educational centres ■ The study plan implies attending for no less than three months, including the approved studies, research or educational itinerary ■ Students must prove and guarantee that they have the financial means to live, support their studies, and return to their country, as well as that of relatives joining them ■ Once in Spain, foreign students must apply for authorisation to remain during the specified time, at the Foreign Office or police station	€75

Visas will be granted to students able to demonstrate a proven track record in education and apply for a course that meets a minimum level of qualification. Students must also demonstrate that they can financially support themselves and dependants. At institutional level, UK institutions offer a range of guidance and support for international students in relation to the visa process.

French immigration policy is increasingly moving towards stricter requirements for entry. President Nicolas Sarkozy has stated he wants a 'chosen immigration' policy to target skilled workers who can fill critical gaps in the labour market. Swiss immigration policy, while more liberal than in past years, is still comparatively restrictive, with limited strategies directed towards highly-skilled international students. In Sweden, residence permits for study purposes are provided to international students for a maximum period of one year, and need to be renewed after one year if the programme lasts longer. In the Netherlands, while the government has promised to ease visa procedures for international students in course areas and professions with a shortage of employees, student visas are among the most expensive in Europe. In the UK, Germany, Belgium, Switzerland, Denmark, Sweden and France, visas cost considerably less.

The UK does not appear to be at a disadvantage in terms of initial student visa conditions or fees as most countries require acceptance from an institution and some level of available funds. Visa fees are comparable to several other countries, such as France, Sweden and Switzerland. However, the UK has higher living and tuition costs. ID cards, which are being trialed for international students in the UK in 2009, will be another administrative (and therefore possibly financial) burden on international students, although several other European countries have similar processes in place. Furthermore, some countries (eg the Netherlands and Poland) appear to be moving towards simplifying the student visa application process, while the UK has recently tightened up its processes.

Employment regimes

In the UK, international students are entitled to work a maximum of 20 hours a week during their period of study and up to 40 hours a week during the holiday period. Of the countries analysed, only Sweden offers a more attractive employment package for international students during their study. Sweden is the only country that does not place any restrictions on the number of hours that international students can work during term time. It should be noted, however, that employment levels in Sweden are currently high and that in practice, therefore, (student) employment opportunities for non-Swedish speakers are limited. In the other countries studied, international students are allowed to work fewer hours per week (18 hours in France, 15 in Switzerland, 14 in Germany, 10 in the Netherlands).

In terms of employment opportunities for international students after graduation, the UK offers the most attractive package. The UK's new 'post-study work scheme' will allow international graduates from UK universities to apply to stay in the UK for up to two years upon completion of their programmes. Of the other countries analysed, Germany and the Netherlands offer the best employment opportunities on completion of study: international students are able to extend their residence permits for up to one year to look for employment. On completion of masters degrees in France, international students may apply for a six-month residency permit that will enable them to obtain and complete a professional internship or other professional experience. Non-EU/EEA students who have received this residency permit may apply for a separate 'skills and talents' permit if their professional plan meets government criteria. When granted, the permit allows students the right to undertake professional activities as stated in the application form for a period of up to three years, after which an application to renew the permit may be submitted. In Sweden, international graduates are very limited in terms of employment, as Swedish student visa and residence permits require individuals to leave Sweden immediately on completion of studies and to re-apply for a work permit from their home country if they wish to return.

Compared to regulations in the other European countries studies, the fact that international students, after graduating from a UK university, are now eligible to apply to remain in the UK to look for employment for a period of up to two years suggests that the UK is attractive relative to other European countries. Furthermore, in the UK there are no requirements for additional languages apart from English (compared to Sweden, for instance, where one needs to speak a Nordic language to get most office jobs). On the other hand, programmes at UK universities include work placements to a lesser extent than universities in Germany and the Netherlands. With the new relaxation of laws in the EU, those international students with a European degree could find a job in another country almost as easily as the one they have studied in. This may work in both ways, with international students coming to look for work in the UK and going to look for work outside of the UK.

Fees

Tuition fees for international students in the UK are the highest in Europe. They are also higher than those in China, Japan and South Korea and generally lower than those in the US. Among the other countries in this study, universities in the Netherlands set the highest international tuition fees, although still lower than at UK universities. As at January 2009, Dutch universities must cover the full costs of teaching following the government's decision to cease subsidising international students. The institutions, which are allowed to set any level of fees for international students, have recently raised their international fees, with annual fees currently ranging from €5,000 to €9,000 (£4,500 to £8,000). As can be seen in Figure 2, Sweden, France and Spain offer the lowest fees for international students (although in Sweden, international fees are expected to be introduced in 2010; the fee level has not yet been determined).

Figure 2
Average annual international tuition fees per country, in sterling, 2008

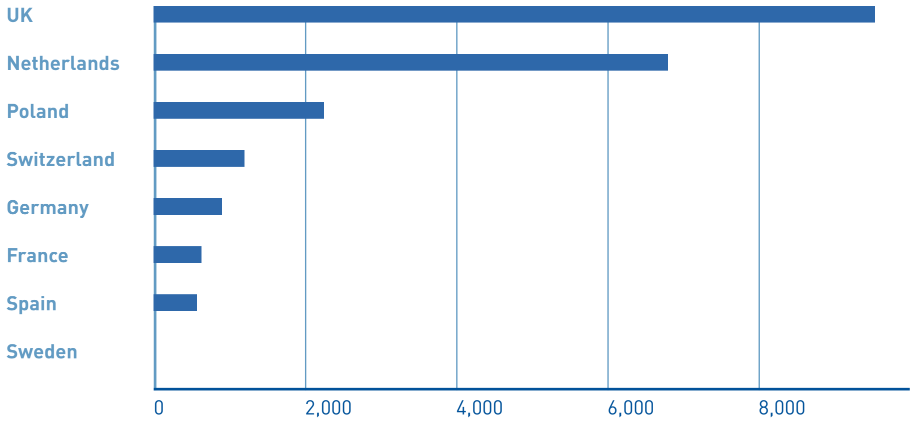


Table 3
A comparison of tuition fees and living costs in euros, 2008

	Annual tuition fees	Living costs per month	Estimate of annual cost of study and subsistence
UK	€10,400 (PG) (£9,540)	€875 (£800)	€20,700 (£19,000)
Germany	€1,000	€630	€8,600
France	€700	€700	€9,100
Sweden	€6,600 (estimate – from 2010)	€675	€14,700
Netherlands	€7,500	€630	€15,060
Switzerland	€1,300	€1,000	€13,300
Spain	€630	€500	€9,630
Poland	€2,500	€300	€6,100

The cost of studying and living in the UK is significantly higher than in the other countries. Studying and living costs in Sweden are close to those of the UK. Swedish international tuition fees will be introduced in 2010, and although the previous Swedish government indicated that an appropriate fee would be in the region of SEK80,000 (£6,300) per year, the rate has not yet been confirmed by the government, which is expected to present a fee proposal to Parliament in March 2009. In relation to the other countries, the UK seems to be at least twice as expensive.

Table 4
National government investment in HE as a percentage of GDP, highest to lowest

	Investment in HE as a % of GDP
OECD average	**1.5**
Sweden	1.6
Switzerland	1.4
UK	1.3
Netherlands	1.3
France	1.3
Germany	1.1

International students do not choose their study destination countries on the basis of fees alone. The issue is the 'whole study package', including living costs, student support offered and value for money.

Interestingly, among the countries studied, those countries charging the lowest tuition fees are not the ones that are the most popular with students, so cost clearly is not the deciding factor. With the current global economic downturn, however, and with other countries becoming increasingly competitive in terms of issues such as opportunities, quality, reputation, and English-taught provision, comparative costs are likely to become more important.

The Swedish government has stated that tuition fee income will be used to provide additional funds to invest directly into improving the HE sector and promoting internationalisation of Swedish HE. (Germany has also stated that tuition fees are not to make a profit for universities, but to fund additional services required by international students to provide a 'world-class' experience. Germany charges the same fees to home, EU and non-EU students for this reason.)

For the UK, a key question is whether the tuition fee increases of recent years mean that universities will have enough resources to enable them to carry out significant, large-scale investment, for example for developing international partnerships, collaborations, infrastructure, and quality improvement of programmes. If not, where could such investment come from in the UK?

The OECD's *2008 Education at a Glance* does not place the UK as significantly lower than its European counterparts in terms of government investment in HE as a % of GDP (see Table 4). But the UK's investment is lower than the OECD average and significantly lower than the USA (2.9% of GDP) and Australia (1.6% of GDP).

Working while studying

Opportunities to gain work experience during studies abroad can play a role in international students' choice of study country and institution. While little evidence is available of the extent to which company internships and similar forms of work experience lead to faster or better forms of employment for international students (either in their country of study or home country), employers have positive attitudes about these internships as they value the skills students acquire while gaining practical work experience. This report highlights a few interesting examples.

In the UK, at institutional level, interesting opportunities have been developed to provide international students with work experience as part of their study programme. The University of Exeter organises regular employer presentations and holiday/graduate business partnership placements for (international) students. At Oxford Brookes University, most undergraduate programmes have either an elective or compulsory sandwich mode whereby the third year is spent with a relevant company in a salaried position.

Germany's universities of applied sciences commonly offer a choice of subjects based on the needs of professional practice, corporate partnerships and applied research in co-operation with companies and research institutes. At institutional level, the Technical University of Munich has formed strategic partnerships with global players from industry, which have created resources for international activities and provide traineeships for international students at the university. UK universities may consider developing similar initiatives.

In the Netherlands, the Technical University of Eindhoven (TU/e) has developed an interesting co-operation agreement around a dual MSc degree programme in Computer Science and Engineering with India's Manipal University (Manipal). TU/e has developed partnerships with technology companies in the Netherlands to attract Manipal students to study and work in the Netherlands. Selected by the funding company, the Indian students spend the first year of their MSc programme in India, while the second year is undertaken at TU/e, funded by a technology company scholarship. The practical work placement in the second year of the programme is spent at the company that funds the student's study period at the Dutch university. One of the companies participating in this arrangement is Capgemini, an international provider of consulting, technology and outsourcing services that has an office in India, where 20,000 Indian employees (approximately one quarter of its total number of workers) are employed. The company's main reason for funding the scholarships of Indian students is the shortage of masters graduates in India, due to the fact that many IT companies in the country recruit graduates straight from their bachelors studies. Another reason for the company's investment is that computer science and engineering education in India is often geared towards the North American way of working, and as the company also needs graduates who are able to work in European markets, it is important to teach Indian students about European business styles.

At institutional level, French institution ESC Lille has established extensive support services for students, including career development services, personalised programme advising, internship placement, and assistance with finding employment opportunities.

Overall, in terms of the 'pull factors' addressed above, it is important to realise that issues including those of tuition fees, living costs and work regulations are not considered by international students in isolation, but rather as a whole 'international study package'. Table 5 gives a comparative overview of the 'pull factors' addressed so far.

Table 5
Fees, scholarships, living costs, and work regulations for international students during study and after graduation, by country.

	International student fees	Scholarships	Living costs	Work regulations during study on a student visa	Number of years an international student can look for work after	Student visa regulations	Immigration regulations
UK	**high** (£9,500 on average)	**medium**	**high**	**20 hours/week** and 40 hours/week in holidays	**maximum 2 years** (on separate permit)	**strict**	**very strict**
Germany	**very low** (maximum €1,000 a year)	**medium**	**medium**	**maximum 14 hours/week** 90 full days/180 half days/year and no full-time work/holidays	**maximum 1 year** (on separate permit)	**medium**	**medium**
France	**very low** (mostly up to €700/year)	**many**	**medium**	**maximum 18.5 hours/ week** and maximum 18.5 hours/week in holidays	**3 years** (if in skilled areas as specified by government)	**strict**	**strict**
Sweden	**none** (fees expected in 2010 – level not yet decided)	**medium** (grants expected to be introduced)	**high**	**full-time work allowed** and 40 hours/week in holidays	**very difficult** to obtain permit and permit will not lead to permanent residency	**medium**	**very strict**
Netherlands	**high** (approximately €7,500 a year)	**medium**	**medium**	**no work on student visa – maximum 10 hours/week on separate work permit** and no holiday work on student visa – 40 hours/ week on separate work permit	**maximum 1 year**	**medium** but visas expensive	**medium**
Switzerland	**low** (approximately €1,300 a year)	**low – medium**	**high**	**maximum 15 hours/week** and no full-time work in holidays	**very limited**	**medium**	**strict**
Poland	**low** (approximately €2,500 a year)	**low** (mostly for students with Polish ancestry on reciprocal basis)	**very low**	**limited work allowed – but only on a separate work permit** and 40 hours/week in holidays	not available	**medium**	**medium**
Spain	**very low** (approximately €630 a year)	**medium**	**low**	**limited work – but only on a separate work permit** and full-time work in holidays (not exceeding 3 months)	not available	**medium**	**medium – strict** (becoming stricter)

Teaching in English

Programmes taught in English are becoming a regular feature in European HE, although this is less the case in Spain and France. The Netherlands, Sweden, Switzerland and Germany offer the largest numbers of English-taught HE programmes.

Dutch universities offer the highest number of English-taught programmes in continental Europe. More than half (927) of all degree programmes are taught in English. More than half of masters degree programmes are also offered in English, as are a further 358 non-degree programmes. The most popular subject areas of international degree students are economics, language and culture, behaviour and society, technology, and health care.

The Swedish government has strongly encouraged the growth of English-language provision as part of its aim to attract international students and staff to Swedish universities. More than 500 masters programmes are taught entirely in English at Swedish universities (this figure is up from approximately 330 in 2005) and 75% of English-taught masters courses are two-year programmes. In relation to undergraduate programmes, a number of single courses are offered solely in English, mainly aimed at those on international exchange programmes. Completing a full programme of undergraduate study in English is not generally possible at Swedish universities as many core courses still require a good command of the Swedish language. However, some institutions are now beginning to offer complete programmes and this appears to be an area of growing interest.

In Switzerland, as much as 80% of masters-level provision is available in English at some institutions. The number of English-taught programmes, or programmes with at least a proportion of modules available in English, is growing rapidly.

According to DAAD figures, German universities offer 33 bachelors programmes in English, 36 partly in English and partly in German, and 14 either partly in Spanish and German or partly in French and German. In total, German universities offer 415 masters programmes at least partly in other languages, with the majority being offered in English, and – interestingly – several programmes taught in combinations of German/English, German/Spanish and English/French. In the latter so-called 'international bachelor and masters programmes', German-language courses are offered parallel to, or are integrated into, the programme. The international programmes are highly structured and provide particularly intensive student guidance and supervision, and approximately half of the participants in these 'international' degree programmes are international. The different types of dual-degree programmes, in particular, are a competitive advantage to mono-lingual English-language programmes offered in the UK and a number of other countries, as they better prepare both home and international students for employment in a global economy in which knowledge of a range of languages is valued or necessary.

In Germany, there is potential for further growth of English (and other language)-taught HE programmes. The Technical University of Munich, for instance, is continuing to expand its English-taught programmes at institutional level. In Sweden, English-language provision at undergraduate level is still in the very early stages, but it looks set to increase in the coming years. Spain offers limited amounts of English-taught provision, but a (growing) number of Spanish universities are revising their language policies to consolidate their reputations as 'international' institutions and hence, multilingual ones.

Among the countries studied, English-taught HE programmes are most often offered in the subject areas of engineering and technology, business and management, the natural sciences, and the social sciences. They are also available in a wide range of other subject areas, albeit to a smaller extent. Poland is one of Europe's strongest providers of English-taught postgraduate-level provision in business and management. In France, the growth of English-taught programmes has been predominantly at the masters level in business schools due to pressures to teach English in MBA and masters of Management programmes. In Sweden, almost half of English-taught masters programmes are in 'technology', a quarter are in 'business and social sciences', and almost a fifth in natural sciences. There are only a very small number of programmes offered in English in other subject areas.

It may be important for UK universities to realise that English-taught programmes in other European countries have the advantage of offering international students an opportunity to learn (and study and work) in an additional language alongside English-taught study, with potentially better opportunities for finding employment in international organisations and companies on completion of studies. This serves also to highlight the importance of second-language trining at UK universities.

The Bologna Process

The Bologna Process is an intergovernmental initiative involving 46 countries. It is conducted outside the formal decision-making framework of the European Union. There are no legal sanctions or penalties for countries that fail, or choose not, to implement Bologna Process reforms.

Table 6 shows that universities in Sweden and the Netherlands have fully implemented the Bologna bachelor/master structure, that universities in Switzerland, France and Germany have converted the majority of their HE programmes to the bachelor/master structure, and that Poland and Spain so far have partially implemented the Bologna structure.

University staff in the other European countries perceive compliance to the Bologna Process as making their HE systems more attractive to international and other EU students. 'Bologna compatibility' is also perceived to lead to an increase in incoming and outgoing student mobility, both for short- and longer-term periods. For instance, HE representatives from Germany and the Netherlands interviewed for this study indicated that Bologna compliance is expected to attract more international students, but that the Bologna structures in participating countries also make it easier for both home and international students to continue their masters studies in another country.

Table 6
The extent of national alignment with Bologna structures

	Implementation of BA/MA structure	Duration of BA and MA programmes	Implementation of national qualifications framework
UK	not applicable	BA: 3 and 4 years MA: 1 and 2 years	completed
Germany	60% implemented	BA: 3, 3.5 and 4 years MA: 1, 1.5 and 2 years	currently being implemented
France	majority implemented	BA: 3 years MA: 2 years	completed
Sweden	fully implemented	BA: 3 years MA: 1 and 2 years	currently being implemented
Netherlands	fully implemented	BA: 3 years MA: 1 and 2 years – 1.5 year programmes are planned	currently being implemented
Switzerland	70% implemented (completion expected in 2011)	BA: 3 years MA: 1.5 to 2 years	under development
Poland	partially implemented	BA: 3 to 4 years MA: 2 to 2.5 years	under development
Spain	partially implemented (partial implementation expected in 2012)	BA: 3 to 4 years (180–240 ECTS) MA: 1 to 2 years (60–120 ECTS) 4+1 structure rather than 3+2	under development

Depending on their national context, the Bologna reforms are used by several European countries (eg France, Switzerland and Poland) to contribute to other aspects of national HE reform. Sweden makes a very clear distinction between 'international' and 'European' in relation to its HE sector (in terms of policies and goals, student mobility and the potential new addition of tuition fees). Both internationalisation and Europeanisation are key goals, and Sweden clearly aims to be a key player within Europe, as well as in the global market.

It is still too early to tell whether international student numbers are rising on 'Bologna-compliant' courses. What is clear so far is that the Bologna Process (as well as other political processes at European level) has stimulated, supported and accelerated the aspirations and objectives of continental countries in their internationalisation strategies, and that the Process has offered building blocks for the formation of international partnerships.

Is the Bologna Process making other European countries more attractive destinations for international students than the UK? Full engagement with the Bologna Process (and where relevant, the Lisbon Agenda) has facilitated important changes in many continental European countries, and these changes are likely (in the longer term as they become embedded) to be useful with respect to international student recruitment. In addition, the external impact of the Bologna Process may also be as great on developments in other countries and regions, and these developments will also impact on international student recruitment and mobility (see Annex C for further details). For UK universities, it may be important to consider whether they are making the most of the advantages they could gain from engaging with the Bologna Process. Other European countries have used the Bologna Process as an opportunity to learn and partner with each other within and across countries. This growing number of European networks and collaborative provisions (as evident from the case studies) with English-taught and bilingual programmes and periods of study in several countries are likely to be appealing to international students. The lessons for UK universities is that there is much to gain by emphasising to prospective international students that the UK degrees are fully 'Bologna-compatible'.

Table 7
Key target markets for international students, by country

UK	Germany	France	Sweden	Netherlands	Switzerland	Poland	Spain
Australia	Brazil	Algeria	Australia	Brazil	Australia	Australia	Argentina
Bangladesh	Canada	Armenia	Canada	China	Canada	Belarus	Chile
Brazil	China	Canada	China	India	Chile	Canada	Colombia
Canada	India	China	India	Indonesia	China	Kazakhstan	India
China	Indonesia	Egypt	Iran	Mexico	India	Russia	Mexico
Ghana	Japan	India	Pakistan	Russia	Indonesia	Ukraine	Morocco
Hong Kong SAR	Kazakhstan	Indonesia		South Korea	Japan	US	Peru
India	Malaysia	Mexico		Taiwan	Russia	Vietnam	US
Japan	Russia	Morocco		Thailand	South Africa		Venezuela
Malaysia	Singapore	Pakistan		UAE	South Korea		
Mexico	South Korea	Russia		Vietnam			
Nigeria	Thailand	Senegal					
Pakistan	Ukraine	Thailand					
Russia	US	Tunisia					
Saudi Arabia	Vietnam	UAE					
Singapore		Vietnam					
South Korea							
Sri Lanka							
Taiwan							
Thailand							
Turkey							
UAE							
US							
Vietnam							

Table 8
Key target markets for other European students, by country

Germany	France	Sweden	Netherlands	Switzerland	Poland	Spain
Poland	Germany	France	Germany	Germany	Germany	Portugal
Spain	Spain	Spain	Belgium	Italy	Lithuania	Italy
Italy	Italy	Norway	Spain	France	Norway	France
France		Finland	France	Austria	Sweden	Germany
Czech Republic		Denmark		Liechtenstein		Romania
UK		Baltic states				

The key student markets of Europe

The key target international student markets of the European countries under study appear to be shifting away from colonial ties to large emerging powers, such as China and India. This does not mean, however, that former colonisers stop targeting former colonies for students, but that new targets are added, and sometimes moved to the core.

Table 7 shows that of the five former colonial powers that are part of this study (the UK, Germany, France, the Netherlands and Spain), three are shifting their international student target markets to emerging economically competitive countries. Among the countries studied here, this shift is most clear in Germany and the Netherlands. Germany does not list any of its former colonies as key recruitment markets, and among the Netherlands' 11 key target recruitment markets, only Indonesia is a former colony, while the other 10 key countries have been selected on the basis of being newly emerging economically competitive countries.

Approximately half of the UK's and France's target recruitment countries consist of former colonies, but the other half are those with no colonial ties to the UK/France and with new economic markets. Spain, however, is still strongly focused on recruitment from its former colonies; only India and the USA have become new key target markets. Furthermore, two of the three non-colonial powers in this study (Sweden and Switzerland) have also started to actively target China, India, the Middle East and Latin America.

While Table 7 gives an overview of key target markets for international student recruitment, Germany, France, Sweden and the Netherlands have developed teaching and exchange collaborations with a much larger number of countries than are noted here, and these collaborations are also investments in current and future international student recruitment.

European recruitment strategies

Table 9 shows that of the 24 target countries in the UK PMI2 initiative, 10 are directly targeted by Germany and nine by the Netherlands, in both cases through marketing at international student fairs, the overseas support offices of DAAD and Nuffic, exchange partnerships and TNE initiatives. France targets nine of the UK's student recruitment target countries, mainly through marketing at international education fairs and through Campus France's offices in these countries. Switzerland targets seven of the UK's targets, mainly through international research collaborations. Sweden and Spain actively target only two of the UK's target countries. Poland does not actively recruit students from any of the UK PMI2 countries, although it does receive students from Russia, Vietnam and China.

The international student market is so large and there are an increasing number of countries competing, that European countries' and universities' recruitment efforts in the short term may only have a marginal influence on the UK's competitive position in the global international student market. The existing evidence is that the international student recruitment market is large and increasing and becoming more complex and segmented. TNE programmes attract different kinds of international students from programmes offered at 'home' campuses. UK TNE programmes offered in the United Arab Emirates, for instance, attract more international students from the Middle East and North Africa, who prefer to enrol in UK programmes offered in a country with social-cultural and religious similarities to their home country, and where degrees are cheaper that similar degrees offered in the UK.

In addition, in a number of countries there seems to be a recruitment problem in relation to particular subject areas. Germany, Sweden and the Netherlands (and universities in those countries) report the need to recruit international students to their programmes because of falling numbers locally in particular subjects, especially in science, technology, engineering and mathematics, areas in which UK universities are also experiencing falling student numbers. UK universities can thus expect increased competition for international students in these subject areas. Overall, UK universities are also likely to face increased competition for international students in these and other subject areas from German universities, with Germany being both a current and future direct competitor to the UK in terms of international recruitment, and with Germany's demographics indicating a shortage in 18–24 year olds.

Furthermore, governments and universities in other European countries are increasing their investment in high-quality programmes by monitoring international league tables and trying to improve their position in them, increasing their support for internationalisation in general, seeking partnerships with high quality partners, and monitoring and evaluating international student experiences. The Dutch government, for instance, has implemented a 'Code of Conduct pertaining to international students in Dutch Higher Education'. Only those universities that sign the Code of Conduct may recruit international students and take advantage of the services offered by the international offices of Nuffic. All 14 Dutch research universities and most universities of applied sciences have signed the Code.

Table 9
PMI2 priority countries targeted for international students, by country

	Germany	France	Sweden	Netherlands	Switzerland	Poland	Spain
Australia					X		
Bangladesh							
Brazil	X			X			
Canada		X			X		
China	X	X	X	X	X	(X)	X
Ghana							
Hong Kong SAR							
India	X	X	(X)	X	X		(X)
Japan	X				X		
Malaysia	X						
Mexico		X		X			X
Nigeria							
Pakistan		X	X				
Russia	X	X		X	X	(X)	
Saudi Arabia							
Singapore	X						
South Korea	X			X	X		
Sri Lanka							
Taiwan				X			
Thailand	X	X					
Turkey	(X)			(X)			
UAE		X		X			
US				(X)			(X)
Vietnam	X	X		X		(X)	

Note
(X) means that the country is an indirect target country (ie the country is not actively targeted) but a substantial number of international students come from this country nonetheless. For example, German policies do not actively target Turkey as a student recruitment country, but Germany receives a high percentage (9%) of its international students from Turkey.

5 The British Council (2008) *What does the future hold? China country report: the outlook for international student mobility.* A report by the Economist Intelligence Unit for the British Council.

The introduction of English-medium programmes elsewhere in Europe makes those countries and universities potentially more attractive to international students. What may be even more attractive to international students and become a form of direct competition to UK universities are the dual-language programmes that are being developed by universities in Germany and the Netherlands. Dual-language programmes are likely to be attractive to international students and valuable to students who are going to pursue international careers.

Targeting UK priority countries

According to a forecast by the Economist Intelligence Unit for the British Council in 2008, the demand by Chinese students for UK HE is, in the very near term, likely to continue to grow faster than demand can be met, even when taking into account the growth of HE in China and TNE programmes offered in China.[5] However, a gentle decline in Chinese student numbers in the UK is expected by 2015.

Germany, France, Sweden, the Netherlands and Switzerland all actively target students from China and India. Table 10 shows that the UK, compared to four other European countries, currently attracts a much higher number of students from China, but that Germany and the Netherlands receive a relatively high percentage of their international students from China as well.

It is difficult to obtain comparable data for students from India, another UK key target market. About 24,000 Indian students are in the UK, or about 7% of the total. Indian student numbers in other European countries are much lower, with Sweden having about 900 in 2007 and the Netherlands receiving very few indeed. The UK has a current advantage in attracting students from India, although other European countries are developing teaching and research partnerships with universities in India.

Table 10
Approximate number of students from China, by country, 2007

Note
Figures for Switzerland, Poland and Spain are not available, but are likely to be low compared to the countries here. Figures for France are for 2005.

	Approximate number of students from China	Percentage of all international students
UK	50,000	14%
Germany	27,000	11%
France	16,000	3%
Netherlands	5,000	10%
Sweden	1,600	3%

German universities have established a significant presence in UK target markets. They offer several dual and joint-degree programmes with universities in Russia and China, two of the UK PMI2 target countries. DAAD has offices in many of the UK's target countries (including China and Vietnam) and in 2007 alone funded eight initiatives for German universities to build partnerships with institutions in China, Brazil, India, Japan, Malaysia, Russia, Singapore, South Korea, Thailand and Vietnam. In addition, the German government has funded English-taught summer programmes at German universities, specifically targeted at students from Canada and the USA – also PMI2 priority countries. Furthermore, two German universities have established branch faculties in Thailand and China, while the Technical University of Munich has set up a German Institute of Science and Technology in Singapore.

Nuffic from the Netherlands has established branch offices in several UK PMI2 target countries, namely China, Mexico, Taiwan and Vietnam, with further offices to come in Brazil, India, Russia, South Korea and Thailand. In addition, a number of Dutch universities have set up teaching and research collaboration and student and staff exchange agreements with universities in China.

The Swedish Foundation for International Co-operation in Research and Higher Education offers programmes relating to research and exchange in South Korea and other Asian-Pacific countries. The Swiss State Secretariat for Education and Research is allocating CHF 43m (approximately £26m) for worldwide bilateral scientific research co-operation with seven priority countries, five of which are UK PMI target countries (China, India, Japan, Russia and South Korea).

Recruitment from India

Apart from Poland, the countries in this study identify India as a key target markets for international student recruitment. All take part in student recruitment fairs in India and have developed additional initiatives to recruit Indian students. DAAD, for instance, has a new initiative with the Federal Ministry of Education and Research called 'A New Passage to India', with €4.3m (£3.7m) of funding to be allocated. In July 2008, the Association of Dutch Universities signed a co-operation agreement with the Association of Indian Universities to collaborate in teaching and research. The Dutch universities agreed to target the Indian student market collaboratively rather than individually. In Switzerland, a federal scholarship scheme that includes India has been established.

Campus France operates 11 offices in India despite the low number of Indian students in France (India is not in the top 10 source list for international students in France) and offices in China (nine), Russia (seven), Canada (four), Mexico (three), Pakistan (three) and Thailand (three), and many more in other countries. French universities also operate a small number of TNE programmes in Vietnam. Furthermore, following two decades of HE co-operation between France and India, in January 2008, the Indo-French Consortium of universities (IFCU) was formed to encourage the creation of dual degree programmes, PhD programmes and student exchange. While the UK has a head start, therefore, European countries are all gearing up efforts to attract students from India.

Balance between European and international students

Table 11 shows differences in the balance between the proportion of EU/EEA students and international students in each country. The proportion of international students is relatively high in the UK, Poland and Spain, and very high in France. In part because of efforts by UK universities to attract full fee-paying international students, it receives large percentages of students from Asia, North America and Africa. The high proportions of international students in France and Spain are a consequence of both countries receiving large proportions of international students from their former colonies (Morocco, Tunisia, Algeria, Cameroon, Senegal and Vietnam in the case of France, and Spanish-speaking Latin America and Morocco in the case of Spain).

In Germany, Sweden and (to a lesser extent) the Netherlands, the proportions of international students from Europe and those from beyond Europe are balanced, probably because of their emphases on developing partnerships both within and outside of the EU. Among our countries, Switzerland has the highest proportion of European students. Given the country's central location in Europe and the fact that German, French and Italian are three of its four national languages and institutional languages of instruction, the neighbouring countries of Germany, Italy, France, Austria and Liechtenstein provide the big majority of the country's non-domestic students at both bachelors and masters level.

The figures for Poland in Table 11 are slightly different in that European vs international categorisation does not explain effectively the balance in Poland between international students from surrounding and geographically more distant countries. Poland receives many students from Russia, Belarus, Kazakhstan and Ukraine, which are in Poland's neighbouring region but not part of the EU. In consequence, approximately 10% of international students in Poland are estimated to be from the EU, around 10% of them come from the US, Canada and China, and approximately 80% are from Poland's 'neighbouring' countries which are not part of the EU.

Most attractive subject areas for international students

Table 12 shows that, overall, business and management, and technology and engineering are the most popular subject areas for international students in the eight European countries, followed by economics, and language and cultural studies. It is important to note that the high popularity of language and cultural studies among international students in Germany, the Netherlands and (to some extent) France and Spain is likely due to the fact that EU/EEA student enrolments are included in these data, with EU/EEA students possibly being more likely than international students to study language and cultural studies.

Technology and engineering, the area in which the UK receives most international students, is also the area of study in which Sweden and Switzerland receive the most, and in which the Netherlands recruits a large proportion of international students. Business and management, the area in which the UK receives its second-largest number of international students, is also a top choice for international students in Spain and Poland, and one of the top choices for international students in Sweden and Germany. In law studies, UK universities are currently competing for international students with Germany and France in particular (among the countries examined in this study). In mathematics, UK universities are competing for international students mainly with universities in Germany and Switzerland. It is important, therefore, for a UK-wide strategy to look at how to maintain and improve international student enrolments in its strength subject areas.

Table 11
Proportions of European and international students in higher education programmes, by country

Note
Proportions for exchange students are completely different (more weighted to Europe).

	Other European students as a percentage of international and other European students	International students as a percentage of international and other European students
UK	33%	67%
Germany	51%	49%
France	25%	75%
Sweden	51%	49%
Netherlands	60%	40%
Switzerland	75%	25%
Poland	35%	65%
Spain	30%	70%

	UK	Germany	France	Sweden	Netherlands	Switzerland	Poland	Spain
Technology and engineering	1			1	4	1		
Business and management	2	3		2			1	1
Economics		4	3		1	4	2	
Computer science	3						3	
Law	4	2	4					
Mathematics	5	5				5		
Natural sciences		6	2	3		3		
Health sciences			5		5		4	
Social sciences					3	2		
Language and cultural studies		1	1		2			2

Table 12
Higher education subject areas with the largest proportions of international students, by country

Note
The numbers in Table 12 refer to the subject area's ranking with respect to international student numbers in each country. For instance, in the UK, technology and engineering is the subject area in which most international students in the UK are enrolled.

Bachelors versus masters programmes

National statistics do not specify these data in detail. From the available evidence, it is clear that UK universities attract much larger proportions of international students than EU/EEA students, both to their bachelors and masters programmes. International students even make up just over half of all masters students in the UK. While Dutch data do not distinguish between EU/EEA and international students at programme level, available data indicate that the large majority of (EU, EEA and all other) international full-degree students in the Netherlands are enrolled in a bachelors programme. With over half of Dutch masters programmes being offered in English, there is scope in the Netherlands to attract more international masters students.

TNE initiatives

Several studies suggest that both demand and supply of TNE are growing worldwide and will continue to do so for the foreseeable future.[6] Within Europe, several countries have become more active in the TNE market (see Table 13).

Compared to continental European countries, the development of TNE initiatives by UK universities is advanced. According to a report by the Department of Innovation, Universities and Skills, franchises, validation and distance learning account for 62% of all UK TNE programmes.[7] Approximately 60% of all international students in UK higher education are enrolled on UK overseas TNE programmes.

Germany is also highly involved in TNE programmes: German universities have developed nearly 100 dual- or joint-degree programmes at bachelors, masters and diploma levels with partners in 35 countries and they receive incentives from DAAD to do so. In Germany, TNE, including dual degree development, and the establishment of overseas institutes for education and research, is well-funded by DAAD although funding is time-limited and awarded on a competitive basis.

France, the Netherlands and Spain are medium players in TNE. French universities offer a limited number of small cross-border programmes, although one institution (Paris-Sorbonne University) has established a campus in Abu Dhabi, and there are two small French-backed universities, which both award dual degrees: the French University in Egypt and the French University in Armenia. In the Netherlands, several Dutch universities have developed dual- or joint-degree programmes with foreign universities, a development that is accelerating, and a few universities are operating small campuses or centres abroad. Spain is also a medium player in TNE, with the University of Granada having established two campuses in Spanish-speaking Morocco, and several Spanish universities offering face-to-face and online programmes abroad, particularly in Latin America. In the coming decade, it is likely that Spain will accelerate its TNE initiatives with a focus on both Latin America and the EU.

At the moment, Sweden and Switzerland are minor players in TNE. Strongly encouraged by the national government, Swedish universities offer a small number of dual-degree programmes, but the development of joint-degree programmes currently is not legally allowed (this may be changed in the future) and Swedish institutions have not established any overseas branch campuses. Switzerland is also a minor player in TNE, with one HEI backing a foreign university and several universities having developed dual degree programmes, but the country's move to create a federal higher education system by 2012 could bring an increased national effort to develop TNE initiatives.

6
A Bohm *et al* (2004) *Vision 2020: forecasting international student mobility – a UK perspective* (London: British Council); OECD (2008a) *Education at a Glance 2008: OECD Indicators* (Paris: OECD).

7
S Drew *et al* (2008) *Trans-national Education and Higher Education Institutions: Exploring Patterns of HE Institutional Activity* (London: Department for Innovation, Universities and Skills).

	TNE degree programmes offered abroad	Dual or joint degree programmes	International branch campuses	Backing foreign-backed universities	Franchises (number of programmes)	Validation of foreign programmes	Distance learning (number of programmes)	Country's overall involvement in TNE
UK	yes (>1530)	yes (>25 dual >23 joint)	yes (several)	yes (five)	yes (430)	yes (300)	yes (210)	advanced
Germany	yes	yes (97 in 35 countries)	yes (one institute and two faculties)	yes (five and one more planned)	not available	not available	not available	high
France	yes	yes (several)	yes (one)	yes (two)	not available	not available	yes	medium
Sweden	not available	yes, but only some dual degrees	no	no	not available	not available	not available	low
Netherlands	yes	yes (several)	yes (a few small ones)	no	not available	not available	not available	medium
Switzerland	not available	yes (several)	no	yes (one)	not available	not available	not available	low
Poland	no	yes (several)	yes (one small one)	no	no	no	no	very low
Spain	yes	yes	yes	no	yes	yes	yes	medium

Table 13
Types of transnational higher education (TNE), by country

Notes

1 A foreign-backed university is a legally independent higher education institution of the country where it is located which is academically affiliated to one or several universities in another country ('patron universities').

2 UK data are based on international students only. In the other countries, national data do not distinguish between EU/EEA and international students and therefore include European students.

Poland is a minor player in TNE. Several Polish universities offer dual degree programmes with foreign universities (eg in the UK and the US) in the areas of business, psychology, and Polish history and culture, and in October 2008 one university opened a small branch campus (across the Polish border) in Lithuania, offering two degree programmes in economics and computer science. It appears that no other forms of transnational education have been developed.

In TNE, only Germany is likely to form direct competition to the UK in the coming five years. For further analysis and discussion of TNE trends, see Annex D.

Governmental regulation and institutional autonomy

National (or sub-national) policies appear to be important and helpful in attracting international students and to promoting internationalisation of HE is part of a coherent policy framework and backed by appropriate funding initiatives.

The institutional autonomy of UK universities enables them to pursue international student recruitment in ways that meet their own goals, largely or wholly independently of any national goals. But while UK universities are 'autonomous', autonomy is not the sole route to success in international student recruitment and internationalisation of HE more widely. UK universities are highly dependent on international tuition fee income and nearly all internationalisation activities have to be self-funded (from income generated by those activities themselves). At UK universities, a highly entrepreneurial business model has been created with a strong emphasis on 'competition' between universities, both within and outside of the UK.

In other European countries, where universities are still strongly regulated by national governments, universities do not always compete with each other. In consequence, international student recruitment does not only focus on international students, but also on student exchange and recruitment from within Europe. Internationalisation activities in HE are built on long-term strategic collaboration and mutual benefit; this is a broader view of the importance of internationalisation than generally promoted in the UK.

The autonomy of the UK HE sector is one of its core strengths. But it is likely that the ongoing desire to safeguard that autonomy is not only consistent with a competitive mindset, it also reinforces it. The trick here is to learn to see more collaborative efforts – with both UK and other universities – as consistent with institutional autonomy. Collaborative activities and competition between universities are not mutually exclusive; the issue is one of balance.

Internationalisation versus recruitment

Compared to the UK and its universities, other European countries and their universities place a much stronger emphasis in national and institutional policy documents on 'internationalisation' and 'co-operation', and on 'attracting high quality students' with a focus on the quality of HE programmes. They also place more emphasis on international student exchange, research collaborations, and partnerships as a way to build the competitive strength of their HE systems and ultimately, their national economies.

The above point can be illustrated by an example from Spain. Spain's Ministry of Science and Innovation has recently unveiled a new policy directed towards the development of HE 'excellence'. Announced in October 2008, the country's 'University Strategy 2015' is aiming to propel the country's most competitive universities into Europe's 'top 100' universities and in so doing, help Spain to 'keep pace' in the race of HE internationalisation. Importantly, one of the strategy's key actions is the establishment of a national agency for the internationalisation of Spain's HE sector. The principal task of the new agency, to be called *Universidad.es*, is the promotion of Spanish HE and the reinforcement of student mobility in compliance with the Lisbon objectives towards the creation of the EHEA. At this point, while the agency is predominantly focused on Europe, it is likely to also encourage collaboration between Spanish and Latin American universities in an effort to develop an Ibero-American Knowledge Space. Indeed, the agency's proposed policy is not only calling for the establishment of more internationally collaborative masters provision, but the elimination of the legal restrictions which have until now challenged internationalisation and research excellence in the country. (The identification of the strategy's first projects were expected in December 2008, with actions for them following shortly thereafter in January 2009.)

Overall, judging by the growth in, and emphasis on, consortia and partnerships at HEI level (eg the Dutch Higher Education Consortium, and Dutch universities targeting the Indian market collaboratively), and by mainland Europe's emphasis on the development of double (and sometimes joint) degrees, collaborative approaches are becoming increasingly important.

Historical, social and economic contexts for competition

Historical, social and economic contexts do influence whether the selected countries are or will be competitors to the UK.

In terms of historical factors, Spain and France continue to receive a large number of international students from their former colonies. Because of the country's colonial and language ties, Spain and Spanish universities overwhelmingly target Spanish-speaking countries rather than English-speaking countries and in consequence do not form strong direct competition to the UK and UK universities.

Social factors play a role too. Poland, for instance, is a homogeneous society and social attitudes to immigration and foreign students are not always positive. These attitudes do not help to make the country more competitive in the international student recruitment market.

The economic position of countries is important for prospective international students in terms of the level of employment opportunities available on graduation, comparative living costs, comparative tuition fees, and potential scholarships being made available. Furthermore, the case of Germany shows that, at the national level, the German government has understood that an international student recruitment policy is more effective when it is integrated within the country's international trade, cultural and international development co-operation policies, and it has developed an integrated policy framework. This coherent and integrated approach is likely to make Germany a stronger competitor to the UK, where such integrated policies are currently lacking.

Marketing for attractiveness

Table 14 shows which key strategies are employed by European countries to attract international students and to support internationalisation of HE in general. While Germany and the Netherlands (and their universities) use the widest range of strategies, it is too early to find clear evidence of success. The UK does very well in this comparison.

The Netherlands and Germany in particular are increasing their marketing efforts in several ways. International student recruitment is becoming an increasingly important strategy for the Dutch government, and the country doubled its international student population between 2000 and 2005. Through increased marketing efforts and the January 2008 launch of the 'Study in Holland' branding, the Dutch government is striving to strengthen the competitive profile of the country in the international marketplace.

Since 2001, Nuffic has established seven foreign offices, called Netherlands Education Support Offices (NESOs), in six key target countries, including China, Indonesia (two offices), Mexico, South Korea, Taiwan and Vietnam, as well as a 'Study in Holland Desk' in India. The main tasks of these offices are the promotion of Dutch HE abroad, enhancement of co-operation between Dutch and foreign universities, and market analysis and development. These offices are aimed at attracting students, not only from the target countries, but also from the wider region, to Dutch HE. In the past two years, the support offices have been strengthened in order to promote Dutch HE better. The Dutch government is currently planning to establish further NESOs in Brazil, Russia and Thailand. Dutch HE is also promoted abroad through research and teaching at 10 Dutch academic institutes that are located in countries around the Mediterranean. In Germany, DAAD is organising a large number of overseas campaigns to promote study in Germany and has implemented measures to improve information for, and the recruitment of, international students. Other European countries are also increasing their marketing efforts to attract international students, some in the same markets the UK is targeting.

Summary of competitive threats to the UK

The United Kingdom is a success story in the internationalisation of higher education. It ranks second in the world in the number of international students it attracts and its position in terms of international postgraduate research students is particularly strong. UK universities operate sophisticated student recruitment activities in key target countries in Asia and elsewhere, and are big players in the global transnational education market. UK higher education is perceived internationally as being high quality and worth paying for.

There are any number of reasons for this success. They include the autonomy of UK universities, a liberal regulatory regime for international activities, a competitive mindset, a society and cities that are considered to be vibrant, exciting and relevant, and increasingly sophisticated intelligence and UK branding initiatives from sector-wide bodies such as the British Council.

	UK	Germany	France	Sweden	Netherlands	Switzerland	Poland	Spain
Overseas offices for education and research	X	X			X			
Overseas marketing offices	X	X	X		X			
National funding to improve resources or international student support		X			X			
National funding for international student scholarships	X	X			X	X		
Streamline student application procedures	X	X						
Strategic partnerships with foreign universities	(X)	X			X	X		
Company internships as part of HE programme	(X)	X			X	(X)		
Market diversification	X	X			X	X		
Full branch campuses abroad	X	(X)			(X)			
National funding for branch faculties abroad		X						
TNE programmes	X	X	X		X			
Dual or joint degree programmes with a foreign university	X	X	X	X	X	X	X	X
Academically backing foreign universities	X	X	X			X		
Integration of recruitment policies with trade and cultural policies		X						
Central certification service		(X)						
Summer schools for students from targeted countries	(X)	X						
English-taught programmes	X	X	X	X	X	X	X	(X)
Student and staff exchange programmes	X	X	X	X	X	X	X	X
Integrating international student recruitment in strategic institutional co-operation		X		X	X	X		
Internationalisation of the curriculum	X	X	X	X	X	X	X	X

Table 14
National and institutional activities for recruitment and internationalisation

Note
(X) means that the activity is conducted to a very limited extent only.

	Number of UK target countries targeted	Level of involvement in TNE	HE capacity to enrol more international students	Fees and living costs	Work opportunities for international students during study	HE closely linked to industry
UK	–	advanced	yes	very high	good	no
Germany	10	high	yes	low	restricted	yes, strongly
France	9	medium	yes	low	good	yes, medium
Sweden	2	low	no	high	good	yes, medium
Netherlands	9	medium	medium	high	restricted	yes, medium
Switzerland	7	low	no (but it does have capacity for the 'top' students it is targeting)	medium	medium	yes, strongly
Poland	0	very low	yes	very low	restricted	no
Spain	1	medium	yes	very low	none	yes, medium

Table 15
Aspects of competitiveness/ competitive threat to the UK in attracting international students, by country (including the UK as the comparator country)

Table 16
Countries' levels of present and future (five year's time) direct competitive threat to the UK in terms of international student recruitment

	Present	Future
Germany	current threat	future threat
France	no threat (except in multilingual business programmes)	no threat
Sweden	no threat	no threat
Netherlands	no threat	potential threat
Switzerland	no threat	potential threat
Poland	no threat	no threat
Spain	no threat	no threat

There should be, however, no presumption that such success can somehow automatically continue, nor that the competitive mindset can itself continue to serve the UK well. Looking to the next five years, the UK HE sector may need to review its position on dual-language programmes, which are attractive to international students, and respond to increasing competition in disciplines such as science and technology from Europe. UK universities may also need to be wary of being perceived as reliant on international student recruitment for financial security.

The following paragraphs summarise the findings on the competitive positions for each of the seven countries. In terms of targeting non-European, international students, Germany and the Netherlands are ahead. The others draw their non-domestic students primarily from their neighbours or through colonial linkages in North Africa, Asia, and Latin America.

Germany is both a current and future competitive threat to the UK. It is third in the world in attracting international students. It has low tuition fees and living costs and is increasingly engaged in TNE. Germany directly targets 10 of the UK's key markets. It aims to recruit more and 'the best' international students and its universities have the capacity to accommodate more students. There are close partnerships between German universities and industry. Germany's international student recruitment policies are integrated with national trade and cultural policies. The quality of technical and engineering programmes at German universities and its strong specialist institutions could lure technical students away from the UK. And while UK universities target English-language markets, German universities are not only developing programmes in English, but also in Spanish and French. This makes their programmes attractive to a wider range of international students and prepares them better than UK universities for careers in which bilingualism is an asset.

The Netherlands is often discussed in the context of new competitive threats to the UK sector but it is a medium-term rather than immediate threat to the UK. While the cost of living is lower than in the UK, full fees are charged to international students and – importantly – opportunities for international students to work during study are restricted. Visa and administrative costs at entry and transfer of courses are high, although procedures will be streamlined from 2011.

In five years, however, the Netherlands is likely to be a competitive threat. It has many government-supported initiatives to attract international students. It already targets nine of the UK's two dozen priority markets (as specified by the 'Prime Minister's Initiative for International Education', or PMI2). Dutch universities are implementing collaborative approaches to international student recruitment in India and elsewhere. Several of them are strong in science and technology. The majority of Dutch degree programmes are taught in English. Masters programmes are both one and two years in duration, and 18-month programmes are to be developed to facilitate international cooperation. Applied bachelors programmes have a strong international student profile and many degrees offer work internships (quite distinct from restrictions on employment that is not study-related). The number of joint degree programmes with universities abroad is increasing and links have been developed to PhD programmes, work placements and employment in China and India.

Switzerland is also a medium-term threat to UK universities. It targets the best international students but lacks the capacity to accommodate many more than at present. There is not likely to be a large growth of the private sector and Swiss universities will not be significant players in TNE in the near future. In five years, however, Switzerland could be a competitive threat to the UK because the country is targeting top postgraduate students in certain subject areas (science, technology and hospitality) and it is targeting specific countries. Swiss universities are also strong in science and technology. A high proportion of their programmes are offered in English and several other languages. Switzerland has started to streamline its HE policy-making, which is likely to lead to the development of national-level efforts to recruit international students.

France is neither a current nor future competitive threat to the UK unless it develops further its multilingual business studies programmes. French universities have developed recruitment activities in nine of the UK PMI2 priority markets but to a lesser extent than the UK. French universities focus on students from France's former colonies and these are not priority targets for the UK. At national level, France appears not to have set a clear direction for international student recruitment and appears not to make demonstrable efforts to recruit more international students from specific countries or in particular disciplines. Even so, the current French government's activism extends to higher education and the landscape could change.

Sweden is competitive in several ways: its universities are developing partnerships with 'world-class' institutions abroad, they attract more international students than ever before, and they are strong in business and technology. But Sweden appears to be neither a current nor future competitive threat to the UK. Its HE sector is small and has little space to accommodate a large increase in international students. International students are not allowed to remain in Sweden to seek employment after graduation. Sweden is likely to introduce full-cost tuition fees for international students in 2010. It is hard to say how this will affect international student recruitment, though experience elsewhere suggests the effect is unlikely to be straightforwardly negative.

Poland is not a current competitive threat to the UK and it is unlikely to become one. Its universities do have spare capacity, some of them offer low tuition fees for international students of Polish origin (eg from Canada and the US) and Poland's good, but cheap, medical programmes could attract more international students. Poland, however, focuses far more on closer alignment with European neighbours, largely through student and staff exchanges. They do not actively recruit international students and they do not target international students in specific disciplines or from Asia or the Middle East.

Spain is neither a current nor future competitive threat to the UK unless its business schools – among the best in the world – expand their multilingual programmes. Otherwise, Spain targets different markets. Spanish universities are well networked in Latin America and have much potential to develop joint programmes with universities abroad.

National initiatives

The European country analyses show several policy practices and initiatives that may be interesting for the UK (for the full country studies see Annex B). Many of them have a policy framework that is based on collaboration and partnership and is distinct from the UK's competitive approach. It may not be possible to emulate policy practices from continental Europe without a comprehensive rethinking and structural adaptation of the UK's policy framework with respect to international student recruitment and internationalisation of HE.

Overall policy framework

In Germany, the country's international student recruitment policies are integrated in national trade and cultural policies. The country's economic and research agendas drive international partnerships and international student recruitment, which is a major strength. Similarly, in Switzerland there is synchronicity between the strategies of the government, universities and industry.

In Germany, international students need only to contact one central office to apply for a study place at several German universities with only one set of application papers.

Tuition fees in Germany, wherever they are charged, are the same for home, EU/EEA and international students. This equity argument is an important strength. Furthermore, tuition-fee income is used to fund additional support services for international students, which sends a strong message of care.

National-level support to universities

In Germany, there has been encouragement from DAAD to attract international students, increase student exchanges, promote internationalisation of universities, and develop joint/dual (and sometimes bilingual) degree programmes with foreign institutions. In addition, a federal government funding programme in Germany has encouraged several German universities to establish full faculties abroad. In the Netherlands and Sweden, the number of joint degree programmes with universities abroad is also increasing and strongly encouraged by the government (despite legal barriers in Sweden, which will soon be removed).

In the Netherlands, the government announced the allocation of €50m to enhance support services for international students. This sends out a strong message to international students.

The focus of international student recruitment

Germany and the Netherlands make targeted efforts to recruit both more and 'the best' international students, although an increasing effort is placed on attracting 'the best'. Other countries already target only 'the best' (rather than more) international students. Switzerland, for instance, is targeting top postgraduate students in specific subject areas (science, technology and hospitality) and from particular countries.

International student recruitment is sophisticated in the UK but Germany's recruitment is focused on 'the broader national interest', including the opportunities for home students of the internationalisation of universities and the development of cultural and trading opportunities.

Areas of specific competition

In several countries (eg Germany, the Netherlands, Switzerland and Sweden), the quality of science, technical and engineering programmes at universities is high, and their specialist institutions could well attract technical students away from the UK. As the UK aims to become more competitive in attracting international students to programmes in these areas, the UK has to continue to ensure that its science, technical and engineering programmes are of high quality. The UK also faces competition for international business students from Spain, Sweden and the Netherlands.

While in several European countries, governments and universities appear to make clear attempts to recruit more international students at masters level, some countries (eg Sweden) have announced their intention to recruit more international students at bachelors level as well, namely by developing the currently small undergraduate market in English-language programmes and more recruitment initiatives.

In Germany, the Netherlands and Switzerland, there are close partnerships between universities and industry. Many universities in the Netherlands and Germany require an internship/period of work practice as part of the undergraduate curriculum, which appears to be attractive to international students. Data from the Netherlands indicate that there is a strong showing in international student recruitment to applied bachelors programmes, and in Germany numbers of international students at the universities of applied science are also increasing.

Germany and (soon) the Netherlands offer one-year, 18-month and two-year masters programmes, which are attractive to international students, and may therefore become stronger competitors to the UK. UK universities should remain flexible in a one- and two-year timeframe for masters programmes.

German universities together offer over 400 programmes that are taught at least partly in languages other than German. While the majority of these programmes is taught in English, several programmes are offered in combinations of German/English, German/Spanish and English-French, and are very attractive to students, not only in terms of linguistic and cultural experiences, but also in terms of preparation for employment on the international labour market.

Partnerships

The theme of partnership and collaboration is one that emerges strongly from this analysis of the international recruitment strategies of other European countries. UK universities need to build sustainable partnerships in multiple areas of internationalisation – beyond a focus on international student recruitment – because that way lies the maintenance of competitive advantage. This proposition appears to be well-understood by the continental countries in our study; at the moment, several continental European countries (notably Germany, the Netherlands and Sweden) are ahead of the UK in developing collaborative partnerships (within and outside Europe) that are based on mutual gain rather than financial returns to their country.

Dutch universities are organising collaborative approaches to international student recruitment by targeting India's student market jointly rather than individually, thereby giving them a stronger marketing position. In a different kind of partnership, six Dutch universities have joined forces by formally establishing the Holland Education Consortium (HEC), in which they collaborate by sharing market knowledge and taking turns in representing each other at international student recruitment fairs to save on costs.

Institutional initiatives

The country analyses also show institutional-level initiatives that may be interesting for the UK (see also Annex B).

Fees and hypothecation

In the UK, institutional tuition fees are comparatively high, and higher for international students than for home/EU/EEA students, unlike most of the other institutions examined in this study (eg those in Germany, France and Switzerland). Some of the case-study institutions (eg in Germany) also charge a separate student services fee from all students, of which the majority is invested directly in improving facilities and enhancing the student experience. This hypothecated fee is a visible cost to students but demonstrates clearly that part of the overall fee is for student-centred services. UK universities also provide such services but designating part of existing tuition fees in this manner would impact positively on perceptions.

In addition, a number of the institutions stated they would apply only 'inflationary increases' to tuition fees – again suggesting that these fees are not seen as an opportunity for commercial gain, but that they reflect the true cost of an education.

At the Fachhochschule Münster, students from international partner institutions are exempt from paying tuition fees if they enrol in a (non-degree) programme for one year or less (this is aimed at encouraging students to visit and 'try out' the institution with the aim of potentially enrolling in a longer course in the future).

Scholarships

Several universities (including, but not limited to, the Fachhochschule Münster, the University of Leiden and the University of Maastricht) offer scholarships for high-achieving international students and/or those from specified target countries. Such scholarships are considered a good way to attract international students. Maastricht also offers scholarships funded by its partner companies and has recently set up an open 'scholarship' award whereby the top 3% of students selected by its department have their tuition fees waived for the following year. This helps ensure retention of the top students and encourages them not only to work hard but to remain at Maastricht for further study.

Language

English remains a popular language of study for international and European students across the world – and in this the UK has an advantage. However, the continental European case studies highlight that there is significant demand by international and European students for study in other languages – and there also seems to be increasing demand for multilingual programmes, some of which are taught partly in English, but some others are taught in combinations of other languages, such as French/German. It may be that the appeal of English language 'only' degrees weakens among international students as opportunities to learn in more than one language increase, and as global employers look for graduates with good skills in numerous languages. As more institutions in Europe begin to offer degrees in English, with the opportunity to learn another language by living in, for example, France or Germany, institutions in the UK may need to develop strategies to ensure that students can learn additional languages and benefit from the 'European experience' to compete. Joint degrees, mobility opportunities, exchanges, the benefit of language facilities and, as in the case of ESC Lille (France), international staff who can teach in various languages depending on student demand are likely to become more appealing to international (and indeed home) students.

Student support

The Fachhochschule Munich allocates an 'international student advisor' within each faculty, to act as a single point of contact and feedback. At the University of Maastricht, senior Chinese/Thai students are paired with new students from their home country in a buddy system to help with induction.

Approaches to international student recruitment

International recruitment goes hand in hand with international reputation and this seems to be a major concern of a number of the case-study institutions. These institutions are developing recruitment strategies that do not only focus on attracting more international students, but also on how to attract and select high quality students (for example, through aptitude testing) and how to ensure that the top students are retained, that these students take up further study at the institution (eg by offering free tuition for the following year to the top 3% of students), and that low achieving students do not go forward to the next academic year without attaining an acceptable standard.

Many institutions have also started to focus on 'academic recruitment', not to replace commercial recruitment (such as student fairs) but to complement it and to attract students of a high academic calibre. Academic recruitment activities include supporting teaching, research and management staff in speaking at international events and in international exchanges where they have direct contact with potential international students and opportunities to seek out new areas for collaboration. Academic recruitment activities also involve making the most of the skills and expertise of staff to promote the institution as a place of study. These academic activities are gaining importance as they also contribute towards research, academic and broader internationalisation goals within institutions.

While recruitment fairs are still an important element in universities, much of the promotion and recruitment in universities (eg in Germany and Sweden) is carried out through international co-operation with universities across the world, developing exchanges, teaching and research partnerships and other types of collaborations involving student and staff exchange. All types of 'visits' are encouraged, for staff and students, both inwards and outwards and academic presentations are supported as a method of promotion. Alumni societies and networks are an increasingly important aspect of promoting the institution overseas.

Developing a co-ordinated internationalisation strategy which includes research, teaching and global positioning, and ensuring that recruitment strategies fit in with this is a potentially useful approach. Universities in several continental countries are developing portfolio models for internationalisation and are planning to integrate these within a coherent framework. UK universities will be stronger academically, social-culturally and financially if they continue to develop similar long-term comprehensive internationalisation strategies.

Exchanges, summer schools and short courses are widely used to attract students to the institutions, as it is expected that many of these students will end up enrolling on masters or PhD courses, or becoming researchers at the institution.

Memberships of international networks, consortia and other HE groups are considered increasingly important in terms of recruitment and international positioning. There is a particular interest in European networks, and continental European universities are taking advantage of many opportunities to develop interesting collaborations with high quality institutions. Universities that are part of such networks may also be appealing to students looking for a 'European' experience.

Some institutions prioritise recruitment from partner institutions, and many are developing joint, dual degree or research programmes that offer study opportunities in more than one country with these partners. Joint and dual degrees are thought not only to be increasingly attractive to international students and their future employers, but also to encourage mobility and co-operation between staff, sharing of knowledge and international recognition. In fact, joint and dual degrees were a priority for every institutional case study, while some specifically mentioned that franchises, offshore campuses and (to a lesser extent) distance learning would not be part of their future plans.

Promotion through alumni networks and societies, commercial partners and other regional links was also a growing trend.

For masters programmes specifically, considering how to work best with local employers (including in the case of Geneva, non-governmental organisations, government and European bodies – not just commercial companies) to provide opportunities for students and graduates are an increasing consideration, and employment opportunities are a key selling point for many institutions.

One respondent from Linköping University suggested that as Bologna facilitates study at more universities per student, this is likely to make increased mobility and study at more institutions in more countries more appealing. This is something Linköping plans to build into its recruitment plans for the future to facilitate movement and study in multiple countries to appeal to international students.

For the University of Leiden, that was seeking to be particularly strategic in its approach to international recruitment and internationalisation more broadly, the systematic capture and review of all partnerships, and their strategic importance to the institution was an essential tool in developing realistic targets for the future and in deciding where future priorities should lie. Recruitment at the University of Maastricht (the Netherlands) is also very strategic, organised into 'country teams' and with annual re-evaluation and assessment of target countries and aims based on 'performance' from previous years.

Partnerships

In the Netherlands, interesting international links have been developed to PhD programmes, work placements and employment. For instance, the University of Groningen (RuG) has an exchange agreement with China's Peking University and Fudan University, where PhD students complete the first part of their PhD studies in China and the last two years in the Netherlands funded by a RuG scholarship, and where they are offered a university staff post in China on completion of their PhD. For the Chinese, this construction is attractive because they do not have to fear losing their talented researchers to other countries, while the Dutch institution is certain to receive several top students and long-term co-operation with a top university in China.

Another example is the Technical University of Eindhoven (TU/e), which through an interesting form of a public-private partnership has developed a dual MSc degree programme in Computer Science and Engineering in co-operation with India's Manipal University (Manipal). TU/e has developed partnerships with technology companies in the Netherlands to attract Manipal students to study and work in the Netherlands. Selected by the funding company, the Indian students spend the first year of their MSc programme in India, while the second year is undertaken at TU/e, funded by a technology company scholarship. The practical work placement in the second year of the programme is spent at the company that funds the student's study period at the Dutch university.

8
European Commission (2006) *Perceptions of European Higher Education in Third Countries* (Luxembourg: Office for Official Publications of the European Communities).

This section seeks to make an assessment of the impact of political processes such as Bologna and Lisbon on the current and future 'attractiveness' of continental European countries for international students (particularly at undergraduate and masters levels). It also considers any potential impacts on the UK. The evidence that is drawn upon includes the earlier two sections on the internal and external perspectives on Bologna as well as our country data. It also includes evidence from experts and other reports.[8] The potential impact of Bologna and other political processes on international student recruitment (and mobility) will be addressed first in relation to the continental European countries and secondly in relation to the UK.

The impact of Bologna and other political processes in Europe

Different countries are at different stages in implementing the Bologna Action Lines. Institutions are at different stages of understanding, interpreting and revising their structures and educational processes and stakeholders such as students and employers have yet to understand fully the implications of the reforms and adapt to them. Together, the Bologna Process and Lisbon Agenda aim to make significant reforms within European institutions; such reforms take time to achieve and to become embedded. While it is still too early in most cases to judge the eventual gains from these political processes in terms of international student mobility, it is already clear that Bologna has stimulated dialogue, change and collaboration in a variety of areas – from quality assurance and enhancement to curriculum reform, joint degrees and new student exchange opportunities – all of which are relevant for making European institutions more attractive to partners and students alike. The 'Europeanisation agenda' of Bologna has built upon and enhanced collaboration across national boundaries of countries already geographically proximate and with historical or linguistic ties. Other mechanisms (such as European research programmes) have also supported this agenda.

Some examples from the case studies illustrate intentions, if not yet complete outcomes:

- **France**: postgraduate employment, stronger rigour in research and flexible options in research supervision have all been part of Bologna reforms at government level. The picture at institutional level is mixed.
- **Sweden**: an active supporter of the Bologna Process, using it strategically to increase Sweden's attractiveness as a country offering 'internationally competitive education'. European collaboration is important and actively encouraged. In addition, at an institutional level, ERASMUS MUNDUS programme agreements are growing in number, and research with other European countries continues to grow. Sweden makes a very clear distinction between 'international' and 'European' in relation to its HE sector and both are key goals.
- **Switzerland**: has used European political processes to enhance European compatibility and co-operation and, more importantly, has undertaken a restructuring of the entire education sector in order to improve overall efficiency.

9
Wächter and Maiworm (2008) *English-Taught Programmes in European Higher Education* (Bonn: Lemmens Medien).

- **Poland**: is using the Bologna Process to accelerate internationalisation and enable the country both to work within the EHEA to encourage international student mobility and to increase attractiveness externally. An indicator of external engagement is the participation of Polish institutions in the EU's European Higher Education Fairs' (EHEF) programme which aims to promote the attractiveness of the EHEA in countries such as China, India, Thailand and Malaysia.
- **Spain**: the Ministry of Education, Science and Technology has used the Bologna Process to develop policies to promote the internationalisation of the country's HE sector. At the first stage, these policies have involved aligning and integrating Spanish HE with the European Higher Education Area. This includes working to implement the various mechanisms associated with Bologna. The goal is to ensure international recognition and accreditation of Spanish qualifications.

In **Germany** and the **Netherlands**, the Bologna Process and Lisbon Agenda were built on existing reform programmes and internationalisation agendas. It is difficult to disentangle the two; what is clear is that these countries, their institutions and their international agencies have utilised the tools and funding available to assist them on a journey on which they were already embarked.

Overall, the evidence is that Bologna and other political processes at European level have stimulated and supported the aspirations and objectives of continental countries in their internationalisation strategies (whether these strategies have been explicit or implicit). In addition, the Action Lines have provided targets, tools, frameworks and examples and the numerous projects have provided opportunities for dialogue, debate and mutual learning. Together these elements have also offered building blocks for international collaborations and partnerships, the most recent examples being joint degrees and doctoral programmes, as well as a continuing growth in institutional networks and consortia.

It is also worth noting the assessment of expert commentators and earlier Academic Cooperation Association (ACA) reports. Wächter makes the following points:[9]

- While recognition has a long history in Europe, the Bologna Process has turned the theme and practice of 'recognition' into a very prominent internationalisation issue; it is a mobility facilitator.
- The Bologna Process has been broadened significantly since its outset and now comprises most of the items in the HE debate in Europe.
- An emphasis on internationalisation within the Bologna Process has, *until recently*, focused on mobility and co-operation inside the EHEA; the global perspective is now incorporated, but it is not clear that it will remain a permanent feature.
- Short-term intra-European mobility has shifted from expectations of growth to a decrease in mobility of students.
- Degree mobility has not been as strong an element within Bologna as short-term mobility.
- There is no certain knowledge, as yet, on how the Bologna reform will impact on student choice behaviour.

The 2006 ACA study undertaken for the European Commission examined the question of how attractive Europe was to international students at that time, focusing on six target countries: China, India, Mexico, Brazil, Russia and Thailand. The findings suggested that:

- The USA and Australia were still the lead destinations (over Europe).
- That Europe was relatively 'disadvantaged' in relation to its competitors in relation to the participation of Asian students (but had better standing in relation to Russia and Latin America than its competitors).
- That within Europe, international students were concentrated in the UK, Germany and France.
- Europe was not perceived as a 'union' in relation to HE (although it was perceived as an economic union) – and culturally, it was perceived as a range of different countries.
- There were perceived discrepancies between countries in terms of cost, student support and quality.
- Perhaps most importantly – regardless of destination – there was a perception of "traditional and cultural Europe, and the dynamic and innovative US". With the advent of a new US President this perception may well be reinforced.
- Prestige, quality of education and reputation of degrees were the most important criteria in student choices – and motivation to study abroad was career-oriented.
- Bologna measures and ERASMUS MUNDUS models were good, but not sufficient, and what was needed was an information portal, Europe-wide rankings and financial support for non-European students.

Wächter makes a number of observations in relation to international student recruitment into Europe. First, Europe is successful in the international student market; but a large share of Europe's students are European. Second, by examining countries such as the Netherlands, Norway and Italy that were early adopters of the Bologna architecture, it might be possible to assess the impact of Bologna. Wächter concludes that despite the fact that all three countries experienced gains in international student numbers and increases of mobility into Europe (between 2002 and 2006), other factors than the Bologna reforms (ie scholarships, visa policies, and promotion and marketing) were likely to be more influential factors on these results. In this regard, there is evidence of new marketing and promotional initiatives and here there are more visible links to the Lisbon Agenda than to the Bologna Process, perhaps reflecting a converging agenda. Third, the emergence of transnational education has happened outside the Bologna agenda, as a result of wider global trends. It is clear to Wächter that internationalisation in Europe is being shaped as much by global trends as by European policies. However, it is also clear that the fluid and dynamic process of Bologna regularly expands and absorbs new elements and will doubtless continue to do so post-2010.

Implications for the UK

The ways in which the UK HE sector and individual institutions have engaged with the Bologna Process is covered elsewhere. The issue here is whether the engagement of other continental European countries with the Bologna and Lisbon Agendas will adversely affect the UK if these countries challenge its position in the international student recruitment market at undergraduate and masters levels. There are two clear answers to this question, based on our analysis. First, full engagement with the Bologna Process (and where relevant, the Lisbon Agenda) has facilitated important changes in many continental European countries and these changes are likely (in the longer term and as they become embedded) to be useful with respect to international student recruitment. Secondly, the external impact of Bologna – indirectly perhaps more than directly – may also be as great on developments in other countries and regions and these developments will impact on international student recruitment and mobility.

It is difficult, if not impossible, to isolate wider global developments and responses to these developments at national and institutional levels from the specific impact of these political processes. Internationalisation agendas preceded Bologna, have developed and changed within it, and continue in parallel to the Process. Bologna is a further catalyst in continental European responses to international student recruitment.

Those countries that have used Bologna and engaged early with the Process are well-placed to compete for larger shares of the international student market, but these are not the overriding factors that affect student (or government) choices when supporting students in studying abroad. The wider aspects of university reform are more likely to touch on these factors.

Perhaps the most critical factor for the UK (in relation to these political processes) is that other countries have used them and their agendas of development and modernisation to change, learn and partner with each other within and across countries. These are factors that will be significant aspects of competitiveness in the future.

This chapter places the evidence collected into the broader context of developments in HE and draws some conclusions on what this means for the trajectory for internationalisation in the UK.

Discussion of findings

The reputation and brand of UK HE continues to draw students from across the globe. With greater focus on streamlining student visa requirements and creating opportunities for students to work upon completion of their studies, the UK HE sector and its agencies, UK governments and industry increasingly recognise that changes will be needed to retain a dominant position. The UK's advancement in the Bologna Process and 12–18 month masters programmes makes it very competitive at this level.

Barriers to recruitment include tuition costs, the cost of living in the UK, external perceptions of the UK as focused too narrowly on international student recruitment rather than wider internationalisation and international collaboration, and of UK TNE as being primarily profit-motivated.

Among the countries analysed, Germany is the strongest current and future competitor for the UK. Building upon its quality and reputation in graduate education, world-renowned programmes in the sciences and technology, low tuition fees compared to the UK, lower cost of living, increasingly streamlined visa procedures and expanding student employment opportunities, Germany poses the greatest competitive threat to the UK. Moreover, Germany targets many of the same countries for international students and is expanding its TNE programmes overseas.

There is increasing evidence of growing 'regionalisation' in other parts of the world. The British Council, DAAD, UNESCO, the Observatory on Borderless Higher Education, the International Association of Universities and other bodies have reported increasing mobility of students within regions as well as the movement of research and TNE programmes across regions. While the Bologna Process has attracted interest from all over the world, its innovative features for strengthening the EHEA and its attractiveness to international students, industry, and research collaboration may have served as a catalyst for other regions to follow suit. An unanticipated consequence of Bologna may therefore be increasing regional competition. A recent emerging example is the 'ASEAN Higher Education Model' as announced in November 2008 by the Association of Southeast Asian Nations (ASEAN) and the Southeast Asian Ministers of Education Organisation. The ASEAN model seeks to replicate many aspects of the Bologna Process and align the region's 6,500 HEIs and 12 million students across the 10 member countries – by 2015.

The UK is a signatory to Bologna, member of the EU, part of the EHEA and signed up to Lisbon, but unlike the comparator countries in this study, it is reluctant to take full advantage of these facts. How might the UK (or its constituent countries) approach a regional-international agenda, or a global agenda through regional relationships? Who might the UK's regional partners be? Is the UK's focus on international competitiveness (and its separation of EU from non-EU in its categorisation of internationalisation) blinding it to the emerging trend of building sustainable regional and global partnerships for the long-term?

The emergence of global English, in the long-term, will probably be a neutral factor in the partnership-building landscape for the UK. Many are concerned that as other countries offer more programmes in English, the UK will lose a competitive edge that it has enjoyed for decades. This is a simplistic assessment. The data sets from this study, and from many external studies, indicate the English trend to be most prevalent in specific disciplines and at postgraduate levels. In 2006, all secondary school graduates in India were said to be fluent in English. One prediction is that by 2015, China will be the largest English-speaking country in the world. Rather than level the playing field for international education, the English factor will focus attention on other factors such as academic quality, reputation, brand, costs and related factors for students and nations alike. The UK has established strong links in China and India and both these nations have publicly indicated that quality and reputation will be important factors for future partnerships for all international activities.

Conclusions

The policy considerations and recommendations set out in this report reflect the systematic analyses of multi-national data sets as well as global developments in internationalisation beyond the scope of this study. The consensus among the research team is that a reframing of internationalisation towards a sustainable partnership approach will strengthen the UK HE sector in the long-term and strategically position the UK for the future. Moreover, the recommendations require a flexible planning time-frame (ideally three to five years), if financial, governance, curricular, support service and staffing issues are to be addressed effectively. The global recession indeed may increase the urgency of making both the directional change and the infrastructural changes proposed since other countries are likely to focus attention on strengthening their HE systems. Exporting countries may turn inward if their markets are large enough, or look closer to home, and all countries that can do so will compete to attract 'the best talent'.

The comparative country analyses in this report are a valuable resource by which UK universities may benchmark themselves on policy and tactical strategies. Most universities already engage in 'environmental scanning' to tap into what other institutions are doing and determine practice that is potentially replicable. These best-practice tactics are not synonymous with long-term policy and strategic planning that require the collaborative input from the HE sector, government, and business. The issue is how UK universities can build sustainable partnerships over the long-term that create mutually beneficial relationships in multiple areas of internationalisation. The same question applies for India, the US, Europe, and other potential global partners. It is likely that multiple partnerships will be needed to spread risk and cope with economic volatility.

The uncertainty of the global business and financial landscapes creates a web of complexity that limits predictive capabilities, including on international student mobility. Growing regionalism in various parts of the world will certainly impact on traditional patterns of student and staff mobility. These trends may well become more pronounced. What is certain is that the HE sector will be affected by these rapidly changing developments and that close monitoring, mapping and reporting on shifting patterns will be essential.

In the UK, it is fairly safe to say that major public funding increases for HE will not occur (or will be carefully targeted) thereby placing increasing pressures on institutions to explore alternative funding sources and to find more creative ways of leveraging resources. There is no argument that international student recruitment and TNE programmes will be an integral and viable part of a university's internationalisation strategy to meet educational and financial goals. However, these programmes are not likely to be sustainable in the long-term as the only aspects of an institution's strategy. The UK sector as a whole will need to plan and prepare to meet the possible scenario of decreased enrolments among international students and perhaps fewer TNE opportunities; this is an agenda that needs to be considered beyond the institutional level. We present recommendations and offer examples of how this might be done in ways that take account of developments in the European countries we studied, and in the wider global context, and that reflect market conditions that may (for several years, if not longer) be radically different from even the immediate past.

A new HE internationalisation for the UK

Ideally, the UK higher education sector would ultimately have the following attributes:

- Perceived at home and abroad as a facilitator of sustainable strategic international partnerships around the world.
- Places high value on the cultural, language, and social benefits of international study for UK, European and international students. The student experience is an integral component of high-quality international education and exchanges.
- Perceived as leaders in 'portfolio' international strategies that incorporate a range of international activities for students, partners, faculty, and staff.
- Perceived as a facilitator of inter-institutional partnerships for internationalisation within the UK.
- Perceived as flexible and adaptable to new market conditions, changing quality parameters, curriculum design, and the use of open and distance learning to deliver international HE.

These recommendations are framed largely in terms of collaboration and partnership. They collectively advocate a new direction in the UK's approach to internationalisation in order to maintain our strong position. The competitive element remains important. But a global economic downturn can mean a rise in protectionist sentiment and economic nationalism. Flexibility and resilience become important attributes for a business sector. In the case of HE, flexibility and resilience is obtained through more long-term partnerships in more countries.

Other countries are alert to the UK's income-generating motive for international student recruitment and TNE programmes. This perception persists in spite of wider approaches to HE internationalisation in the UK and may damage the UK's position. European universities view the UK approach to international student recruitment with caution and see it as insular in relation to potential collaboration.

New thinking is needed at national and institutional levels and this may involve shifts in how resources are spent and a review of funding, organisational structures, marketing and governance.

1 UK universities should implement all Bologna Process reforms and brand themselves internationally as 'Bologna-compatible' and at the forefront of the development of the European Higher Education Area.

Mainland European universities now use the Bologna Process to attract more international students by highlighting the comparability of HE qualifications across Europe, underpinned by common standards and agreed guidelines for quality assurance.

UK universities can and must do more in their marketing to explain to prospective international students how their qualifications are 'Bologna-compatible'. International students are sophisticated and increasingly look for this information when deciding on where to study. While it will remain important to market the unique benefits of a UK HE qualification, international students should also be made aware that a UK university education is valued by 26 other EU member states and 19 non-EU Bologna Process-participating countries.

2 UK universities should review existing internationalisation strategies. They should adopt and implement 'portfolio' (collaborative partnership) models for internationalisation.

Reframing a collaborative national model to retain the UK's competitiveness will require individual institutions to implement 'portfolio' models of internationalisation. These shift the balance from a selling-based, market model towards one that integrates a broad range of collaboration and partnership activities.

The pervasive belief on the continent is that portfolio models for internatiolisation strengthen international recruitment and engagement in transnational education. Portfolio models should make UK universities stronger academically and financially.

The scope of these activities, internal and external, will vary across institutions. The key is the attempt to move from discrete activities to a continuum of processes. For example, recruiting more international students will require more investment in student services, English-language training, and building bridges with the local community. The proportion of fees that are designated for student-centred services could be clearly portrayed as such in order to enforce perceptions of value for money.

11 Council for Industry and Higher Education (2008) *Global Horizons for Employers* (London: CIHE).

3

UK universities should establish small cross-sector consortia to develop and implement internationalisation strategies.

There are some UK universities that engage in this practice but more can be done. UK universities should develop more internationalisation strategies within small consortia across mission groups. These consortia should project outwards the diversity of the sector and the reputation for quality across it.

The Netherlands provides an existing model: in the Holland Education Consortium, six Dutch universities collaborate to recruit international students by exchanging market information and taking turns to market the other universities at international recruitment fairs. This works largely because the consortium members are not competitors amongst themselves. International students get opportunities for studying at more than one institution.

4

UK universities should seek to work more systematically with the UK Foreign Office and Department for International Development.

Continental universities have demonstrated a competitive advantage by working closely with their governments and having their HE sectors more closely aligned with national foreign policy initiatives.

In Germany, international student recruitment policy is integrated with international trade and cultural and development cooperation policies. An integrated policy framework has arisen from this, developed collaboratively by the federal government, DAAD and institutions themselves. German universities piggyback on DAAD initiatives and secure access to aid and development funding. They thereby secure the goodwill of recipient countries. There is scope for the UK HE sector to do more of this.

5

UK universities should do more to provide and encourage second-language training as part of undergraduate degree programmes.

All UK university graduates should have some facility in a second language. UK graduates who have studied or worked abroad are popular among UK employers. The USA and UK have the largest international student populations and deliver the most TNE programmes. But neither sends large numbers of students abroad and neither advocates learning a second language. Although English is the global language of commerce, being unilingual may disadvantage UK students and the UK's international success, as at least one recent policy report suggests.[11]

German universities offer more than 400 programmes partly in languages other than German and English. There are even programmes with no German at all – for example, in English and French only. Such programmes are a competitive threat to the UK's unilingual English-language programmes as they better prepare both home and international students for employment in the international economy, whether in the UK or abroad.

6

A cross-sector national advisory group should be convened to develop a best-practice blueprint for a UK-wide internationalisation strategy based on a portfolio model.

Such a blueprint would serve to strengthen and broaden the sector's internationalisation strategies. Individual or small groups of universities could draw upon it. Higher education stakeholders in the UK, including universities themselves, business leaders and other relevant organisations, should be consulted, and European university collaborative models further explored, to develop this blueprint of best practice.

7

The UK HE sector, in consultation with the UK and devolved governments, should explore establishing a UK university-to-work programme for selected international graduates.

This is intended as a means of enhancing the attractiveness of the UK as a study destination. It builds on current arrangements in the UK, by which international students are able to stay to work for up to two years after graduation. Many European countries do not offer this. In the UK it is done completely on an individual and *ad hoc* basis. A formal study-to-work programme, however, would match UK skills requirements with skills offered by international students and provide appropriate jobs for a specified duration. This is ambitious: it requires central government leadership, the cooperation of universities and industry, up-to-date data on the supply of and demand for skills, and responsiveness to the employment demands of UK students.

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About the Europe Unit

The Europe Unit is a sector-wide body which raises awareness of European issues affecting UK higher education, coordinates the UK's involvement in European initiatives and debates, and strengthens the position of the UK HE sector in debates on the Bologna Process and EU policy.

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