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Feature

International Student Mobility: Patterns and Trends

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Over the past 10-15 years international student mobility has become an increasingly important part of the global higher education landscape. The total number of mobile tertiary education students was estimated to have reached more than 2.7 million in 2005[1], a nearly 61% increase since 1999[2]. Significant changes in the infrastructures and capacity of higher education systems across the world partially explain why there has been such growth in such a short time. The large majority of national governments have been allocating more funds to higher education to improve the quantity and quality of tertiary education being offered within their borders. Even so, capacity is insufficient to meet demand in the major source countries. At the same time, with higher household levels of wealth and rising GDP per capita, more students from across the world are able to participate in higher education abroad, especially those from countries with rapidly growing economies. The total number of worldwide tertiary enrollments is 40% higher than it was seven years ago, with more people participating in higher education than ever before.

Traditionally, more than 90% of international students have enrolled in institutions in countries belonging to the Organisation for Economic Co-operation and Development (OECD) with the main destinations (the US, the UK, Germany, France and Australia) recruiting over 70% of them. Interestingly, however, developments over the past five to six years demonstrate that international student demand might not continue to focus on what have been the main destinations in the past. The US, the UK and Australia have all experienced either a decline in enrollments or a 'slump' in the growth experienced in previous years. Many European countries, which traditionally have maintained significant and stable recruitment numbers from a range of nations with which they a share historical or linguistic connection have stepped up their marketing efforts. Meanwhile, new players in Asia and the Middle East have entered the market with declared ambitions to become regional education centers by attracting as many as several hundred thousand international students to their countries.

Importantly, Western economies are increasingly seeking to both recruit international students and retain them after graduation because in an era of globalization, international students hold several short- and long-term gains for institutions and countries. In the first instance, with public per student funding for higher education decreasing in many countries, universities and colleges are looking to diversify their generated income and the revenue earned from overseas student tuition has become one important way of doing so. In the long term, and in the wider socio-economic context, developed countries are looking to attract foreign skilled labor to supplement their rapidly decreasing and ageing populations. According to national immigration authorities, Australia will have 200,000 more jobs than people to fill them in five years' time. With one of the lowest birth rates in the OECD, Canada is expected to become increasingly reliant on skilled immigration to the country to boost the labor force. Close to 20% of current Canadian citizens were born abroad, an indication that the country is arguably already reliant on the skills the more than 130,000 international students who annually enroll there. For these reasons, concerns over enrollment trends have warranted the attention of national governments in countries such as the US and the UK, because not only do these countries want overseas students, they actually need them for economic development.

In light of such considerations, this report examines current and emerging international student mobility trends, with a particular focus on developments likely to be increasingly important for the successful recruitment of international students.

RECENT TRENDS AND DEVELOPMENT: INTERNATIONAL STUDENT MOBILITY

The Major Players: United States, United Kingdom and Australia

For the past decade, international students have predominantly traveled to the United States (US), the United Kingdom (UK) or Australia for the purposes of higher education. With approximately 45% of the total amount of all foreign students, or roughly 1.2 million of the 2.7 million students studying abroad, these three countries rank first among the most popular destination countries for overseas studies. In terms of straight numbers, the US is the undisputed frontrunner with approximately 565,000 foreign enrollments in 2006, followed by the UK and Australia, respectively with 330,000 and 280,000 registered overseas students[3].

There are several reasons why the US, the UK and Australia are the key players in the international student market. Firstly, all of these English-speaking countries source significant amounts of students from a wide variety of countries throughout the world, and have consistently done so for many years. By successfully attracting tens of thousands of students from several different countries, each has managed to establish a diversified market with strong growth potential. Over time, certain markets have performed less well than others, but each of these host countries has maintained relatively steady numbers in a core stock of source countries. Secondly, all three have extremely high numbers of students from India and China, the world's two most prominent source countries. Indeed, the US, the UK and Australia have successfully managed to supply a massive demand for international education for students coming from both countries, especially in recent years. Moreover, each country could potentially record even higher numbers because the percentage of Indian and Chinese citizens seeking higher education provision is only predicted to grow in the coming years. Thirdly, education organizations in the US, the UK and Australia have developed impressive marketing strategies to target potential students. Not only can these three countries provide foreign students with the opportunity to study in English at internationally renowned facilities with 'world-class facilities,' but the US and Australia often offer substantial financial incentives to do so. Quite significantly, they thus have the capacity to give considerably more to students than can other competitor countries, and this is a major reason why they manage to recruit more international students.

The US, the UK and Australia are the leaders in the international student market not just because they annually record the highest number of foreign students but also because they strategically target students in potentially high-yield countries. With a sound awareness of the contribution that foreign students make to host nation economies, both culturally and financially, these three countries seem to recognize how advantageous international higher education can be as an export service. Having already taken considerable steps towards internationalizing their higher education systems, especially in recent years, each is currently implementing further initiatives to facilitate the arrival and integration of overseas students, including substantial amendments to immigration requirements and procedures. For these reasons, they are likely to remain the top host nations in an increasingly competitive market for the foreseeable future.

The Middle Powers: Germany and France

With approximately 20% of world's foreign students, or 515,000 out of the 2.7 million students studying outside their home countries, Germany and France are best understood as secondary higher education destinations (see Appendix B). In 2006, both countries welcomed an average of 257,000 foreign students, and, together with the UK, annually enroll a very large majority of the total number of international students in Europe. According to UNESCO, three out of every five foreign students studying in Europe choose to attend an institution in the UK, Germany or France, making these countries the dominant regional leaders[4].

In regards to international student numbers, Germany and France compare favorably with other countries, but in contrast to the US, the UK and Australia they tend to attract students from regional European nations or those with socio-cultural or historical ties. In addition, both have managed to attract large numbers of students from China, one of the world's two most promising markets (India being the other), not least because of the extremely good value provision on offer at institutions in each country. The limited tuition fees for which overseas students are financially responsible certainly play to their favor, and within recent years, there have been dramatic increases in the proportion of Chinese students traveling to each for the purposes of higher education, especially to Germany. Yet while both have implemented strategic initiatives to seek students in new markets, the Middle East in the case of Germany, and Asia for France, they have not targeted key emerging markets as successfully as have the leading countries. Indeed, their low tuition fee rates may be a disadvantage in this respect, resulting in limited tuition fee revenue with which to finance marketing and recruitment. As a result, and perhaps most conspicuously, both countries attract relatively few Indian students in comparison to the US, the UK and Australia, and their failure to grow the Indian market is perhaps one of the reasons why they have remained behind the key players to date.

In strategic terms, therefore, because they seem to influence student mobility trends to a lesser degree than the major players, Germany and France are the international student market's middle powers. With some international influence in student mobility trends, and a not inconsequential percentage of the total number of the world's overseas students, they consistently perform well without threatening the leadership of the US, the UK and Australia. On the strength of their quality institutions and affordable provision, these countries are able to rely on numbers from their traditional markets. Importantly, and presumably in an attempt to attract more students, individual institutions have begun to introduce English as a medium of instruction, with approximately 300 such postgraduate programs now running in Germany and more than 100 in France. Given the rapid growth in demand for English-language provision throughout the higher education world, not least in Asia, these programs might be understood as a calculated risk. For the moment, Germany and France will remain regional rather than world powers with relatively good numbers of foreign students, but with conservative recruitment efforts unlikely to radically impact new markets.

The Evolving Destinations: Japan, Canada and New Zealand

Japan, Canada and New Zealand together share roughly 13% of the international student market, with approximately 327,000 of the 2.7 million students who travel abroad for the purposes of higher education (see Appendix B). According to Canadian higher education organizations, at one point as many as 130,000 foreign students enrolled in the country's institutions in a single year, with Japan and New Zealand having each recorded peak numbers of around 120,000 students. In recent years, however, each country has experienced

declining international enrollments, and has become a less significant destination for transnational higher education.

With 'peak and decline' patterns of international student enrollments, Japan, Canada and New Zealand each attract between 75,000 and 115,000 overseas students per year, a not insignificant number. For the most part, however, because they overwhelmingly rely on one or two countries to provide the very large majority of these students, their overseas student numbers are contingent on continued recruitment in well-established markets focused on Asia. In 2006, for example, Chinese students accounted for more than 74,000 (63%) of Japan's roughly 117,000 international students, with the next nine top source countries together sending just over 32,000 students. In past years, while all three countries have expanded their numbers in key countries, they have continued to depend on familiar markets, making them potentially vulnerable to declines in outgoing student mobility within them and less secure in terms of their overall competitiveness in international recruitment. Yet even as total international enrollments are on the decline, rather than developing more 'adventurous' strategies to pursue new markets, all three seem to be concentrating their marketing activities towards the protection of already established ones.

Japan, Canada and New Zealand are thus the international student market's evolving destinations, attracting significant numbers of foreign students but operating in the 'shadow' of their more visible regional neighbors, China, the US and Australia respectively. In recent years, presumably spurred by declining international enrollments, the governments of each of these countries has highlighted the value of higher education as an export service, yet to date none has developed an action strategy to more successfully market their advantages, including well-regarded institutions, safe environments and a reasonable cost of living, as higher education host nations. Until they do so, these countries will remain less popular destinations among overseas students and fail to seriously challenge the competitive position of the leading destination nations.

The Emerging Contenders: Malaysia, Singapore and China

At present, Malaysia, Singapore and China have a combined share of approximately 12% of the global student market with somewhere between 250,000 and 300,000 students having decided to pursue higher education studies in these countries in 2005-6 (see Appendix B). In terms of student numbers, China has experienced especially rapid growth, but because each nation has taken active measures to develop strategic initiatives to recruit overseas students, all of them have dramatically increased their competitiveness in a rapidly changing market. The large majority of students come from Asia, with all three countries sourcing students from neighboring regional nations. Given the socio-cultural and linguistic similarities between them, student mobility between Malaysia, Singapore and China is considerable, and for this reason, they concurrently source and provide significant student numbers from one another.

Interestingly, however, Malaysia, Singapore and China have set ambitious targets to attract thousands more foreign students in the coming years, with each having declared ambitions to become major exporters of higher education. Within the past decade, all three countries have allocated substantial financial and human resources towards the development of 'world-class' higher education, and this is one of the main reasons why they are becoming contenders in the global student market. Indeed, the decision to invest in their national higher education systems is a crucial development in their competitiveness, and changing mobility patterns suggest that they might well succeed in establishing a broader portfolio of source countries and students. Secondly, the increasing use of English as a language of instruction is contributing to their growing popularity as an overseas student destination. In the past, language may have acted as a 'mobility barrier' to Asian countries but the adoption of English as a language of instruction in a range of programs seems to be enabling Malaysia and China to substantially widen, and Singapore to strengthen, their recruitment pools so as to compete on more equal terms with other destinations, and especially with English-speaking ones[5]. Thirdly, tuition fees and living costs are considerably lower than those in the US, the UK and Australia, and the comparatively low cost of higher education is an attractive feature.

By investing substantial resources in the development and implementation of international higher education initiatives, including recruitment, Malaysia, Singapore and China are rapidly emerging as contenders in the global student market. Certainly, they face certain challenges before increasing their market share, not least regarding infrastructural capacity and immigration procedures. Yet because they appear interested in welcoming overseas students from an increasingly diverse range of countries, they may eventually succeed in their ambitions to become centers of higher education excellence for students beyond Asia. At the moment, while neither Malaysia nor Singapore, nor even China can seriously compete with the established English-language destinations, as the cost of higher education becomes increasingly significant, it is likely only a matter of time before they start to challenge at least the non-elite institutions in the competitor countries.

RECRUITMENT

Given increasing competition in the market and changes in mobility patterns, many countries have started to consider how they might implement or strengthen their strategic approaches to international recruitment. Importantly, there are various elements to which countries seem to be paying increasing attention in an effort to retain or increase their competitiveness, with international student and graduate visa schemes, for example, being increasingly used as integral parts of recruitment strategies in accordance with their perceived importance and strategic value. The importance of migration opportunities for overseas students is arguably reflected by the statistics produced through a 2006 survey undertaken by Australia's Monash University. According to the findings, 75% of Indian students who completed a university

education in Australia in 2003 applied for and were granted permanent residency visas. The author of the study, Michiel Baas, suggests that the most important reason Indian students chose to come to study in Australia was not the academic reputation of the universities but the opportunity to gain permanent residency visas[6].

In light of this realization, institutions and countries appear to be increasingly cognizant of the importance of satisfied international graduates, and are thus looking to ensure that recruitment is not only as 'user-friendly' a procedure as possible, but that foreign students receive the education and overall student experience they were promised during the recruitment process. From this perspective, especially since 'word of mouth' and information widely disseminated via the internet have become efficient marketing tools, the little 'perks and privileges' afforded students, in addition to employment and residency rights, could go a long way in today's competitive market.

Cost, moreover, is increasingly likely to motivate students to apply for study to particular destinations, and to deter them from applying to others, not least because it can be a determining factor in the quality of the overall 'student experience'. The usually high value of certain currencies, the UK pound (£) and US dollar ($) most prominent among them, could arguably dissuade students even further from going to high-cost nations, since unfavorable exchange rates exacerbate the already considerable financial concerns of foreign students, especially those from Africa and Southeast Asia.

Indeed, a report recently published by New Zealand's Ministry of Education and Education New Zealand, an umbrella organization promoting the export of the country's education services, found that the cost of higher education was among the top factors influencing the decision to study in the country[7] . For Chinese students in particular, traditionally New Zealand's largest overseas student population, cost was the key factor in the decision about where to study abroad, with 51.3% of students surveyed for research pertaining to the experiences of Chinese students in the country having responded that the comparably low cost of an overseas education in New Zealand was a motivational factor in their choice[8]. According to Robert Stevens, Chief Executive of Education New Zealand, "the fact that quality and value are the key influences in deciding where to study come as no surprise," [9] and for this reason, in addition to New Zealand, countries such as Japan and Canada might do well to highlight their affordable provision, and emerging destination such as Malaysia, Singapore and China, their low living costs to prospective students.

CONCLUSION

International student mobility is changing the global higher education landscape, with an increasing number of students going abroad for tertiary studies. Importantly, because nations understand and account for student mobility differently, this area is still characterized by a lack of comparable data, and for this reason, definitive statistical analyses of reported figures are challenging to produce.

The growing number and diversification of players in the international student market partly explains why countries are seeking innovative strategies to attract higher numbers of students. Yet because the current generation of 'savvy student customers' are more knowledgeable about the opportunities available in certain countries, prospective hosts arguably have little choice but to offer targeted advantages. Research undertaken suggests that visa schemes and immigration procedures will play an increasingly important role in the decision-making process, with students not only seeking employment upon graduation, but perhaps (at least temporary) residency in their country of choice. Countries which facilitate the arrival and integration of overseas students through employment and immigration initiatives are likely to be more competitive in the market.

Institutions and countries are furthermore striving to meet, if not exceed, the expectations of prospective overseas students, because the 'student experience' and the costs associated with an overseas education, including tuition fees and accommodation are becoming significant motivational factors for application to one country over another. Given the rising fees of study abroad, the comparative cost of higher education in particular is likely to give certain countries a competitive edge in the coming years. In light of recent, and perhaps unexpected, trends in international student mobility, however, institutional and national recruitment strategies will almost certainly consider a growing number of indicators to compete in a rapidly changing industry.

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[1] According to the United Nations Educational, Scientific and Cultural Organisation (UNESCO), there were 2,455,250 students studying in a country other than their own in 2004. The Organisation for Economic Co-operation and Development (OECD) claims, however, that more than 2.7 million students were enrolled in higher education outside their country of citizenship in 2005, representing a 5% increase in the reported foreign student intake total. See UNESCO (2006) *Global Education Digest 2006*, Institute of Statistics (UIS), Montreal, Canada. Last accessed 15 May 2007; and the OECD (2007) *Education at a Glance 2007: OECD Indicators*, Paris, France, p.299. Last accessed 26 September 2007.

[2] In 1999, according to UNESCO, there were 1.68 million "internationally mobile students" students, a figure which refers to those students who have crossed a national border for the purposes of education, and who are enrolled outside their own country of origins. For more information, see UNESCO (2006) *Global Education Digest 2006*, UIS, Montreal, Canada, p 3. Last accessed 15 May 2007.

[3] It is important to note that some countries, such as Australia, combine enrolment statistics for the total number of foreign students enrolled in Australian programmes provided inside and outside of the country, whilst others, such as the UK, produce separate statistics for overseas students enrolled in UK transnational programmes. Such differences in statistical methodology explain why there may be considerable variation in the reported numbers of overseas students between countries.

[4] UNESCO (2005) *Tertiary Students Abroad: Learning without Borders*, UIS, Montreal, Canada, November. Last accessed 15 March 2007.

[5] The Malaysian government has introduced English-medium instruction in science and technology subjects at the higher education level, following a similar development in secondary education in 2002. In addition to Beijing University, other leading Chinese institutions in China have reportedly started to do the same. For more information, see 'Malaysia launches new US$4.8 billion higher education strategy in continued pursuit of 'regional hub' status', *The Observatory on Borderless Higher Education (OBHE)*, 28 April 2006. Last accessed 13 June 2007; and 'English Orated Here', *Newsweek*, 26 February 2007. Last accessed 26 April 2007.

[6] 'Universities being use as immigration factories', *Sydney Morning Herald*, 30 March 2006, Last accessed 6 March 2007.

[7] Ministry of Education (2007) 'Making a choice about where to study', *The Experiences of International Students in New Zealand: Report on the results of the National Survey*, January. Last accessed 31 July 2007.

[8] Education New Zealand (2007) *The Experiences of Chinese Students in New Zealand*, April.

[9] Education New Zealand (2007) 'Chinese student research indicates progress—but still room for improvement', *Media Release*, 30 April. Last accessed 31 July 2007.

Appendix A: Definitions of 'International Student' by (alphabetical) Country

The following definitions are specific to national education systems and specify how each included country identifies the 'international student' for the purposes of data collection and the publication of enrollment statistics:

Australia: 'International students' are defined as those studying onshore only with visa subclasses 570 to 575, excluding students on Australian-funded scholarships or sponsorships or students undertaking study while in possession of other temporary visas. (Data also exclude students with New Zealand citizenship because they do not require a visa to study in Australia).

Canada: 'Foreign students' are defined as temporary residents who have been approved by an immigration officer to study in Canada. Every 'foreign student' must have a student authorization, but they may also be in possession of other types of permits or authorizations. (Students do not need a study permit for courses of six months or less if they will finish the course within the period of stay authorized upon entry, which is usually six months.)

France: 'Foreign students' are defined as foreign nationals who travel to France for the purpose of study or long-term or permanent residents in possession of French secondary qualifications and who likely have French residency status. Data thus include students who are long-term or permanent residents without French citizenship in France and overseas territories such as Guadeloupe, Reunion and Martinique (*départements d'outre mer* , or DOM).

Germany: 'Foreign students' are defined as 'mobile foreign students' (*Bildungsausländer*), those who travel to Germany specifically for study, and 'non-mobile foreign students' (*Bildungsinländer*), those in possession of German secondary school qualifications and who likely have German residency status. Data thus include students who are long-term or permanent residents without German citizenship.

Japan: 'International students' are defined as foreign nationals who study at any Japanese university, graduate school, junior college, college of technology, professional training college or university preparatory course on a 'college student' visa, as defined by the Immigration Control and Refugee Recognition Act.

New Zealand: 'International students' are foreign nationals who travel to New Zealand for the purpose of education, and/or are currently studying on a student permit or domestic passport. Data thus exclude students who are permanent residents. (Data also exclude students with Australian citizenship).

United Kingdom: 'International students' are defined as students who are not UK domiciled, and whose normal residence is either in countries which were European Union (EU) members as of 1 December of the reporting period (EU students) or whose normal residence prior to commencing their programs of study was outside the EU (non-EU students). Data thus exclude students who are permanent residents without British citizenship.

United States : 'Foreign students' are defined as students who are enrolled at institutions of higher education in the US who are not citizens of the US, immigrants or refugees. These may include holders of F (student) visas, H (temporary worker/trainee) visas, J (temporary educational exchange-visitor) visas and M (vocational training) visas. Data thus exclude students who have long-term or permanent residency.

Appendix B: International Student Mobility 1997-2006 in Major Destination Countries according to % Market Share

Rank	Country	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1	US	457,984	481,280	490,933	514,723	547,867	582,996	586,323	572,509	565,039	564,776
2	UK	198,064	213,264	219,285	224,660	230,870	242,755	275,270	300,055	318,400	330,080
3	Australia	100,383	109,285	119,988	138,381	168,916	193,621	218,654	236,142	255,925	281,633
4	Germany	151,870	158,435	165,994	175,065	187,027	206,141	227,026	246,136	246,334	248,357
5	France	N/A	118,433†	151,969	160,533	174,557	196,748	221,471	244,335	255,585	265,039
6	China	43,712	43,030	44,711	52,150	61,869	85,829	77,715	110,844	141,087	162,695
7	Japan	51,047	51,298	55,755	64,011	78,812	95,550	109,508	117,302	121,812	117,927
8	Canada	30,264	29,203	37,695	44,335	52,523	49,746	46,381	41,338	42,590	39,008 (year to date)
9	New Zealand ‡	6,169	9,293	11,922	16,809	26,565	41,461	47,121	50,450	47,369	42,652
10	Singapore	N/A	N/A	N/A	N/A	Approx. 50,000	Approx. 50,000	Approx. 50,000	N/A	72,000	N/YA
11	Malaysia	N/A	N/A	N/A	N/A	N/A	N/A	N/A	27,731	66,000	N/YA

* Figures not available for this year

** Figures not yet available (or not reported) for this year

† Figures available for this year include the number of international students enrolled in universities only

‡ Figures include the number of international students enrolled in publicly funded tertiary education only

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