Higher education global trends and emerging opportunities to 2020

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Outline

Where are international students coming from?
Trends in Engineering recruitment
Forecasting international student mobility
The Shape of Things to come
Brief comment on Visas
Good news as student numbers continue to rise…

The 2010–11 HESA data reveals that there were a total of 480,755 non-UK domiciled students in UK HE institutions in 2010–11. This represents an increase of 9.5 per cent on the previous year and a growth of 62 per cent since 2002–03.

The number of non-EU domiciled students stands at 328,415 (growth of 6.4 per cent on 2009–10).
## Top 10 sending countries to UK 2010-11

<table>
<thead>
<tr>
<th>Country</th>
<th>2009-10</th>
<th>2010-11</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>60705</td>
<td>71400</td>
<td>17.6%</td>
</tr>
<tr>
<td>India</td>
<td>40470</td>
<td>40890</td>
<td>1.0%</td>
</tr>
<tr>
<td>United States</td>
<td>23705</td>
<td>24605</td>
<td>3.8%</td>
</tr>
<tr>
<td>Nigeria</td>
<td>17550</td>
<td>18325</td>
<td>4.4%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>14840</td>
<td>14865</td>
<td>0.2%</td>
</tr>
<tr>
<td>Hong Kong (SAR)</td>
<td>10410</td>
<td>10925</td>
<td>4.9%</td>
</tr>
<tr>
<td>Pakistan</td>
<td>10420</td>
<td>10865</td>
<td>4.3%</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>8775</td>
<td>10850</td>
<td>23.6%</td>
</tr>
<tr>
<td>Canada</td>
<td>6720</td>
<td>7120</td>
<td>6.0%</td>
</tr>
<tr>
<td>Thailand</td>
<td>6030</td>
<td>6505</td>
<td>7.9%</td>
</tr>
</tbody>
</table>
What the data tells us

The large growth in the number of students from China continues. 17.6 per cent in the last year on top of 20 per cent growth from 08-09 to 09-10.

Growth from India has dramatically slowed (after high growth in recent years).

India and China now account for more than one in three non EU students in UK HE (34.2 per cent).

The number of students from Saudi Arabia continues to grow at a rapid pace (23.6 per cent on top of 55.5 per cent in 09-10).

Eight non-EU countries send over 10,000 students to the UK (13 countries in total).
Newly enrolling students

188,740 non EU first year students enrolled in UK HE in 2010-11 – an increase of 7.6 percent on 09-10.

Vietnam sent 2,010 new students in 2010, an increase of 36 per cent on 08-09. Numbers also grew from Colombia (25%), China, Mexico and Nepal.

There was a decrease in the number of new students from Nigeria, Malaysia and UAE despite the overall student numbers increasing – this could be an indication that these markets are soon to contract.
BUT: increased dependency on fewer markets for UK

Countries sourcing 50% of the non-EU population in 1998 and 2010

<table>
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</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>12632</td>
<td>China</td>
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</tr>
<tr>
<td>United States</td>
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<td>Singapore</td>
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<td>Nigeria</td>
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</tr>
<tr>
<td>Japan</td>
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<td>Malaysia</td>
<td>14865</td>
</tr>
<tr>
<td>Norway</td>
<td>4055</td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>4017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taiwan</td>
<td>3570</td>
<td></td>
<td></td>
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<tr>
<td>India</td>
<td>3498</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total 1998/99</strong></td>
<td><strong>117290</strong></td>
<td><strong>Total non-EU 2010/11</strong></td>
<td><strong>328,415</strong></td>
</tr>
</tbody>
</table>

Source: HESA Student Record
International students globally by subject of study

Note: Data include 35 countries, mainly OECD countries.

UK and Non UK FT PGT students in Key subject areas 2010-11

Education
Biological sciences
Historical & philosophical studies
Veterinary science
Subjects allied to medicine
Architecture, building & planning
Medicine & dentistry
Physical sciences
Creative arts & design
Social studies
Languages
Law
Mass communications & documentation
Agriculture & related subjects
Mathematical sciences
Computer science
Engineering & technology
Business & administrative studies
Combined

Source: HESA Student Record (2012) and British Council Analysis
Vision 2020 – the first prediction

Global demand for UK Higher Education

Study in own country
Study in UK
Forecasting the International Student Mobility (2010)

*British Council & the Economist Intelligence Unit*

Forecasting tool which will produce predictions on international student demand for education in the UK

Predictions are:

- country specific (vs. predictions for 140 countries)
- Short-term to mid-term (vs. long-term)

Model prototype developed for China and replicated in India, Malaysia, Nigeria and other key countries

Includes calculation of price elasticity and other country specific parameters

Will allow the user to use the model independently, change parameters and produce scenarios
Forecasting model - China

Estimated number of Chinese tertiary level students in UK, '000s

- Baseline EIU forecast
- Optimistic scenario
- Pessimistic scenario

Chinese students studying in the UK (undergraduate and postgraduate), 000s
Main findings so far - China

Demographics not good for China potential pool in future: call for different engagement with China in longer term

Noticeable flat-lining in recent years in total outward students not caused by income or demographics from China

Domestic provision in China is increasing rapidly in both capacity and quality, and we think this is contributing strongly to this drag

But the total amount of Chinese international students set to continue increasing if at a decelerating rate (the leakage rate declines slowly)

Our competitor model suggests Chinese students do seek value and are price conscious

UK’s market share appears to depend mostly on its relative share in bilateral trade growth, the number of existing Chinese students in the UK and tuition fees. Full report available at:

http://www.britishcouncil.org/eumd-information-forecasting-student-mobility.htm
Estimated number of Indian tertiary level students in UK, '000s

Baseline EIU forecast

Optimistic scenario

Pessimistic scenario

Indian students studying in the UK (undergraduate and postgraduate), 000s

China forecast

India forecast
Global Higher Education in the next decade

1. Forecasts are policy neutral

2. Slower tertiary enrolments growth at 1.4% pa compared to 5-6% pa

3. Based on demographic and macroeconomic factors, China, Colombia and Brazil should start closing the gap in tertiary education enrolments on advanced economies
The Shape of Things to Come

1. Demographic changes and economic slow down will affect the growth of the tertiary education sector – it is expected to grow 1.4% per annum on average, down from 5% per annum in last two decades.

2. The growth in international student mobility, which was found to be a constant percentage of domestic enrolments (2%), will follow this pattern – as such a significant slow down in the growth is expected next decade. The highest growth in absolute terms in international students will come from India, Nigeria and Malaysia.

3. Trans-National Education (TNE) is expected to see continued growth especially in East Asia and further expansion of flexible modes of delivery.

4. About one third of all the academic research produced globally is carried out through international collaborations. *The Shape of Things to Come* finds that for the top 18 countries with highest research output, 80% of their research impact is attributed to their international research collaboration rate.
Drivers of Higher Education Demand

1. Demographic and macroeconomic drivers

2. Countries’ national policies on international education and legal frameworks

3. Demographics:
   - By 2020 – 4 countries will account for over 50% of the world’s 18-22 population: India, China, US and Indonesia
   - Further 25% will come from Pakistan, Nigeria, Brazil, Bangladesh, Ethiopia, Philippines, Mexico, Egypt and Vietnam
   - However significant decline for China (over 20m), Russia, Germany and South Korea
Tertiary Education in 2020

1. Highest growth in tertiary enrolments expected in China – from 24% to 38%

2. India to reach 23% from 16% enrolment rate in tertiary education

3. Other emerging economies with significant growth: Brazil (+2.6m), Indonesia (+2.3m), Nigeria (+1.4m), Philippines, Bangladesh and Turkey (+0.7m each) and Ethiopia (+0.6m)

4. Top largest tertiary education systems:
   i. China (37m)
   ii. Indian (28m)
   iii. US (20m)
   iv. Brazil (9m)
   v. Indonesia (7.8m)
Tertiary age (18-22) population

Source: UN Population Division, Oxford Economics

Forecast
Globally mobile students

1. 3.5m international students in 2009 - up from 800,000 in mid 1970s

2. However, global mobility rate remained unchanged at 2%

3. China and India make up 29% of the tertiary enrolments, but only 21% of the globally mobile students

4. Outbound ratios vary across countries: from over 25% for Mauritius, Trinidad and Tobago and Botswana to less than 1% for the UK, US, Russia, Indonesia, Philippines, Egypt and Brazil
Trans-National Education (TNE)

- Massive growth in TNE programmes
- Shift from capacity building to tight quality assurance
- Increased role in contributing to host countries’ national priorities
- Trend towards more ‘partnership-led’ model
- More research-led universities engaging in TNE
- Developments in host countries are having an impact
- TNE increasingly being seen as a significant priority institutionally, and part of internationalisation strategies
Transnational Education

the number of students studying their entire UK qualification outside of the UK has increased 5.3% in the last year from 388,135 in 08-09 to 408,685 in 09-10.

UK qualifications are now delivered in 223 countries outside of the UK

There are now 78 countries where at least as many students study a UK HE qualification *in that country* compared to the number of students travelling to the UK for their education

There are 12 countries where the difference between students studying a UK qualification in country and those studying in the UK is greater than 5,000:
Conclusions

• Since 1990 tertiary education participation grew by 5% pa on average, while tertiary age education (18-22) grew by 1% pa. Globally mobile students reached 3.5m in 2009 - up from 800,000 in mid 1970s. However, global mobility rate remained unchanged at 2%

• By 2020 – 4 countries will account for over half of the world’s 18-22 population: India, China, US and Indonesia; further 25% will come from Pakistan, Nigeria, Brazil, Bangladesh, Ethiopia, Philippines, Mexico, Egypt and Vietnam

• The largest tertiary education systems in 2020 will be China (37m); India (28m); US (20m); Brazil (9m); Indonesia (7.8m)

• Based on demographic and macroeconomic factors, China, Colombia and Brazil should start closing the gap in tertiary education enrolments on advanced economies

• However – significant slow down in tertiary education enrolments from 5-6% pa over the past decades to 1.4% this decade – this will slow the growth in globally mobile students
Conclusions (Cont’d)

- Highest growth in outward mobility will be from India, Nigeria, Malaysia, Nepal, Pakistan, Saudi Arabia and Turkey

- Research has become increasingly interconnected with 35% of the global research produced with international co-authors (up from 25% 15 years ago). The internationally produced research has highest citation impact - 80% of the variation in citation per document across countries is explained by their international research collaboration rate

- Significant revenue growth from “open innovation” partnerships between multinational companies, SMEs and universities

- Demand for science and engineering related degrees is the most popular globally

- Postgraduate taught demand in the UK heavily dependant on non-EU students (75% of the total students are from outside the EU, 15% are from UK)
Impact of the changes in UK to student visas

No official figures exist yet to show the impact of visa changes on overseas students’ applications to the UK. But the majority of international students study at Post Grad level, and research on the ground suggests they will be discouraged by the great reduction in post-study work opportunity.

The British Council’s ‘Shape of Things to Come’ research shows that the boom in international student recruitment is over. The UK will have to compete much harder to continue to attract the best and brightest students.
Thank you

http://www.britishcouncil.org/eumd-information-research.htm

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