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

Top level analysis of 2010/11 HESA data

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

Country	**2009-10**	**2010-11**	Growth
China	60705	71400	17.6%
India	40470	40890	1.0%
United States	23705	24605	3.8%
Nigeria	17550	18325	4.4%
Malaysia	14840	14865	0.2%
Hong Kong (SAR)	10410	10925	4.9%
Pakistan	10420	10865	4.3%
Saudi Arabia	8775	10850	23.6%
Canada	6720	7120	6.0%
Thailand	6030	6505	7.9%

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).

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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.

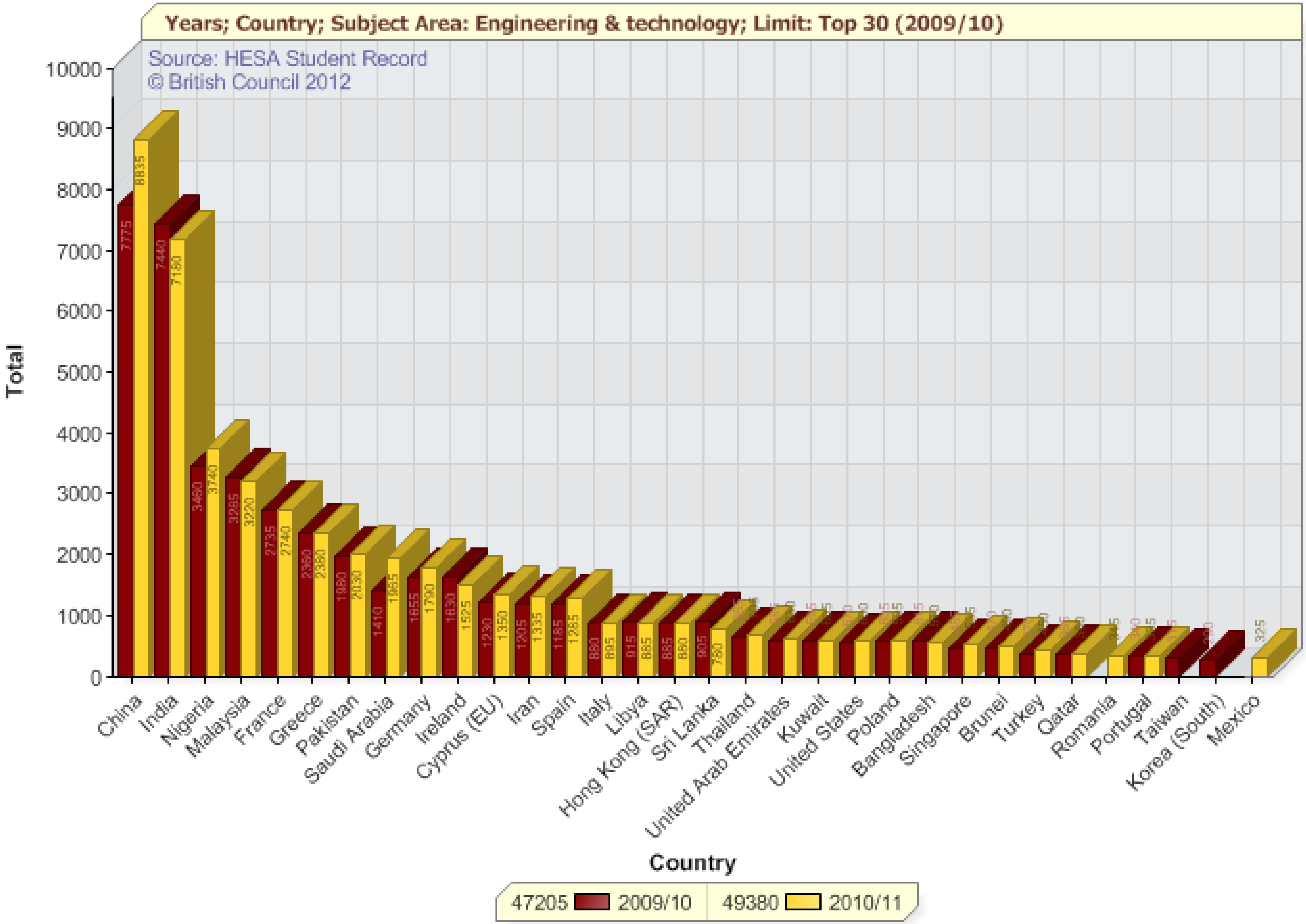
There was a decrease in the number of new students from Nigeria, Malaysia and UAE despite the overall student numbers increasing – this could be an indication that these markets are soon to contract.

BUT: increased dependency on fewer markets for UK

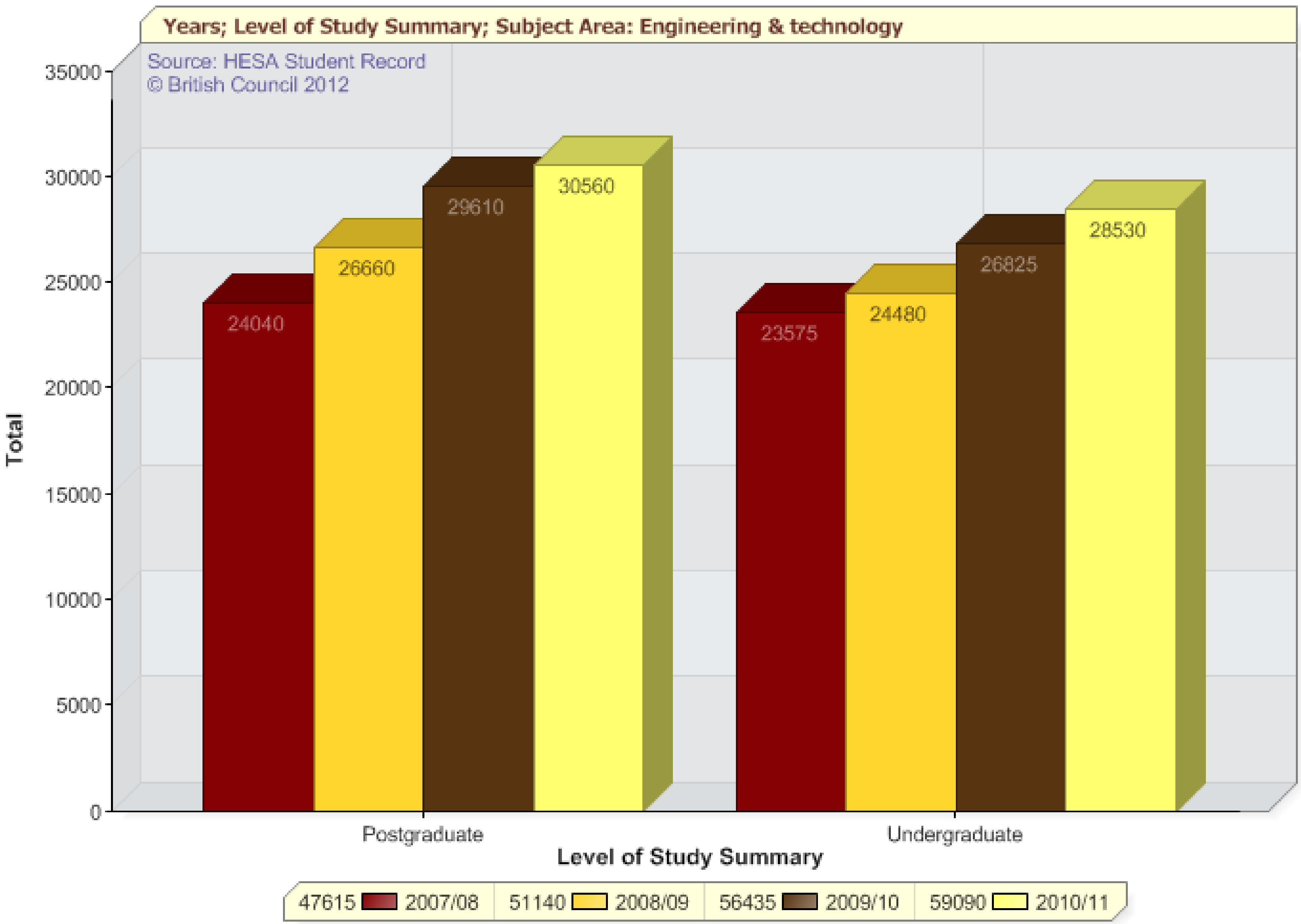
Countries sourcing 50% of the non-EU population in 1998 and 2010

Country	1998/99	Country	2010/11
Malaysia	12632	China	71400
United States	10981	India	40890
Hong Kong	8289	United States	24605
Singapore	6016	Nigeria	18325
Japan	5686	Malaysia	14865
Norway	4055		
China	4017		
Taiwan	3570		
India	3498		
Total 1998/99	**117290**	**Total non-EU 2010/11**	328,415

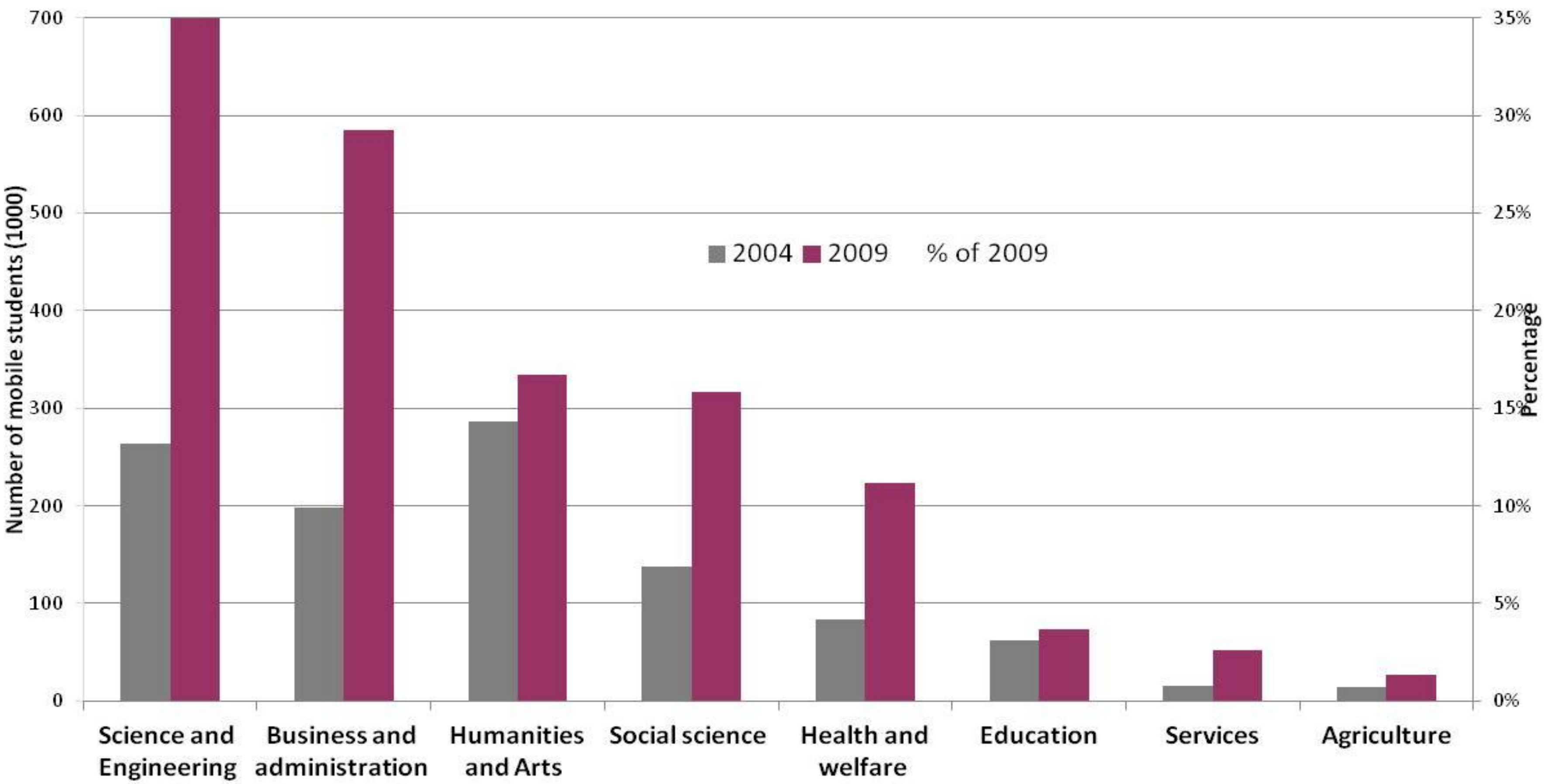
Source: HESA Student Record



Years; Country; Subject Area: Engineering & technology; Limit: Top 30 (2009/10)
Source: HESA Student Record
© British Council 2012
Total
0
1000
2000
3000
4000
5000
6000
7000
8000
9000
10000
Country
China
India
Nigeria
Malaysia
France
Greece
Pakistan
Saudi Arabia
Germany
Ireland
Cyprus (EU)
Iran
Spain
Italy
Libya
Hong Kong (SAR)
Sri Lanka
Thailand
United Arab Emirates
Kuwait
United States
Poland
Bangladesh
Singapore
Brunei
Turkey
Qatar
Romania
Portugal
Taiwan
Korea (South)
Mexico
47205 2009/10
49380 2010/11

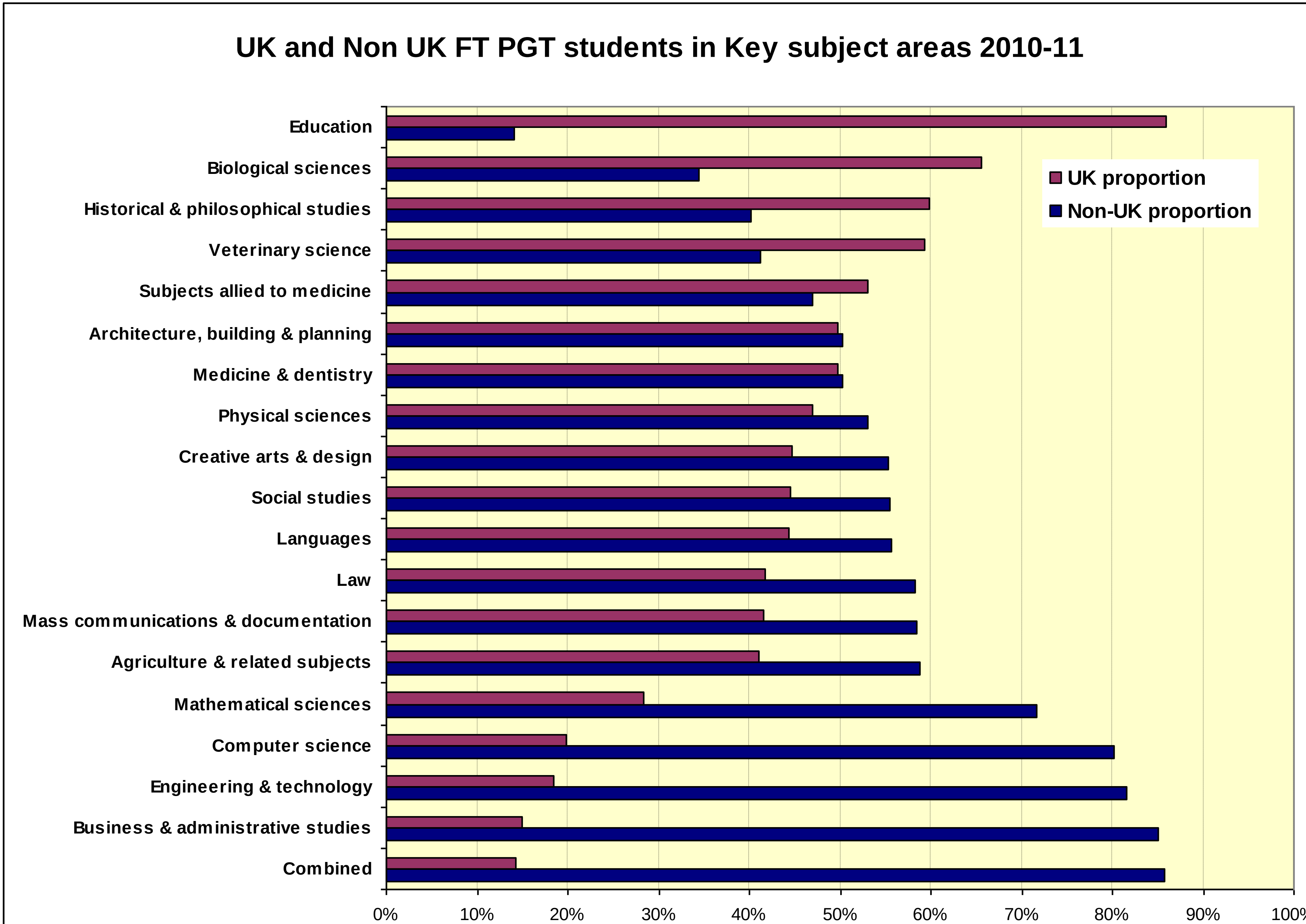

Years; Level of Study Summary; Subject Area: Engineering & technology
Source: HESA Student Record
© British Council 2012
Total
35000
30000
25000
20000
15000
10000
5000
0
24040
26660
29610
30560
23575
24480
26825
28530
Postgraduate
Undergraduate
Level of Study Summary
47615 2007/08
51140 2008/09
56435 2009/10
59090 2010/11

International students globally by subject of study



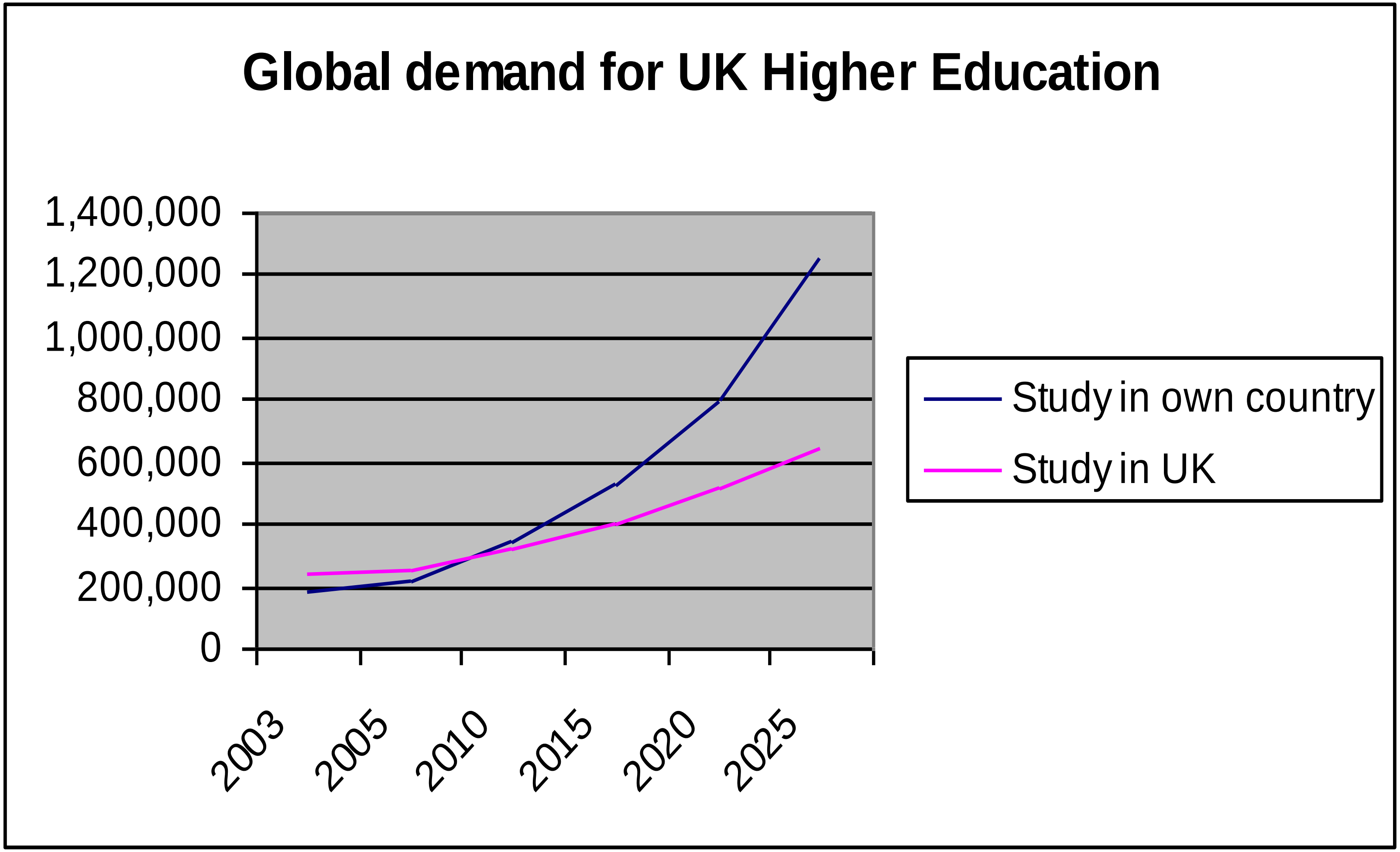
Note: Data include 35 countries, mainly OECD countries.

Source: Chien, Chiao-Ling (2012), Opportunities for global engagement and the role of UNESCO-UIS, Going Global 2012, London



Source: HESA Student Record (2012) and British Council Analysis

Vision 2020 – the first prediction



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:

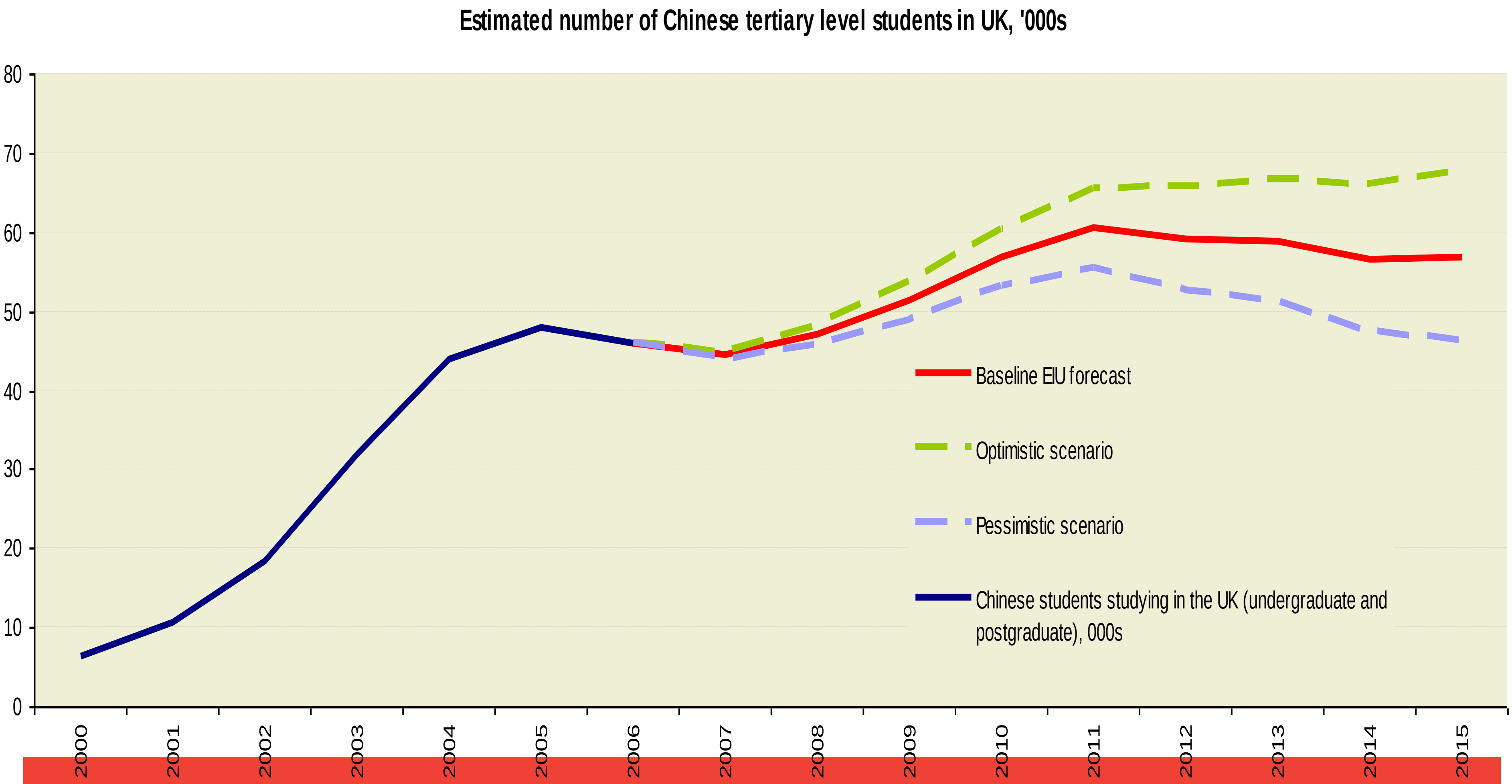
- country specific (vs. predictions for 140 countries)
- Short-term to mid-term (vs. long-term)

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



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

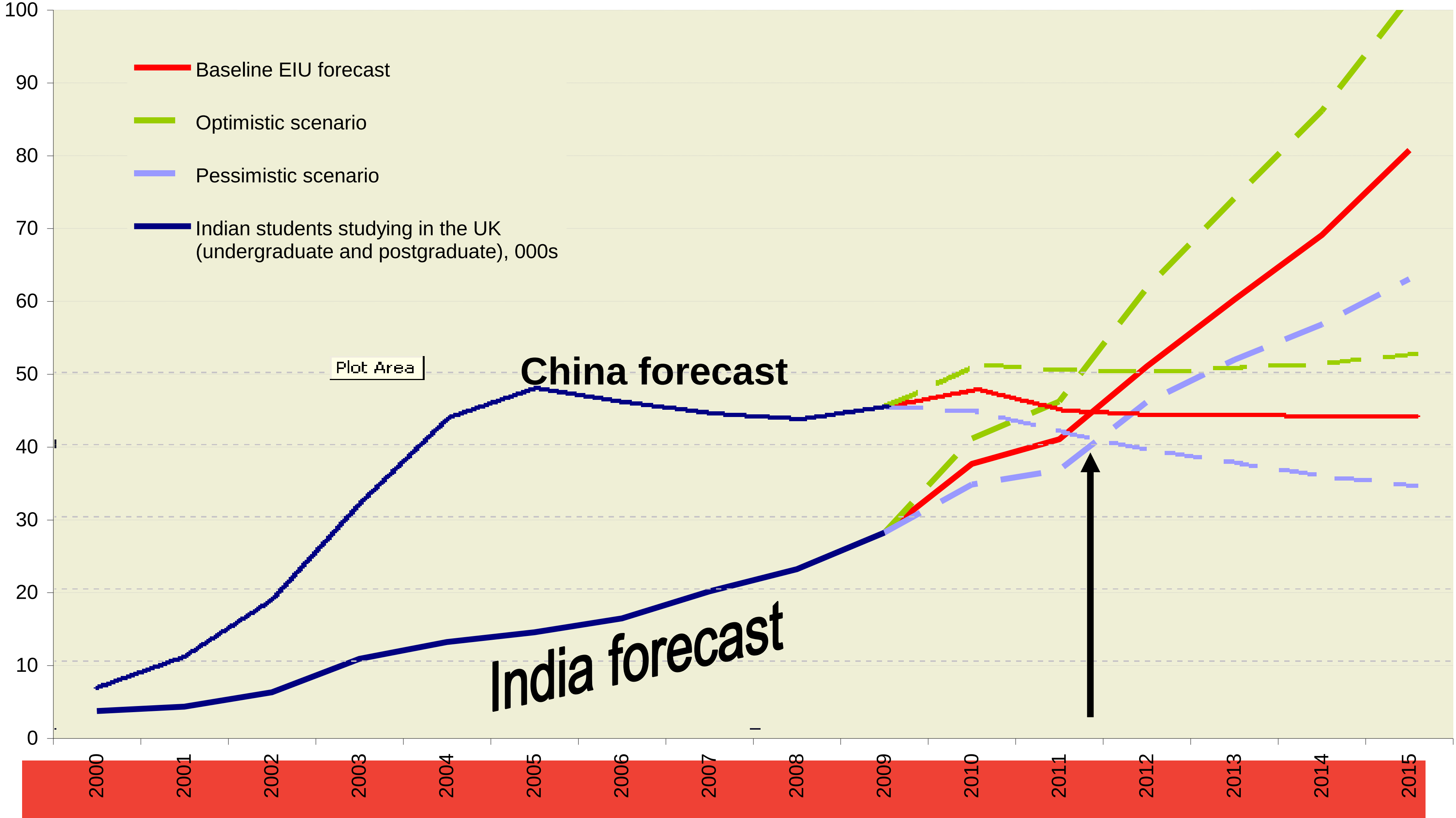
Domestic provision in China is increasing rapidly in both capacity and quality, and we think this is contributing strongly to this drag

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


Baseline EIU forecast
Optimistic scenario
Pessimistic scenario
Indian students studying in the UK (undergraduate and postgraduate), 000s
Plot Area
China forecast
India forecast
0
10
20
30
40
50
60
70
80
90
100
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015

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%

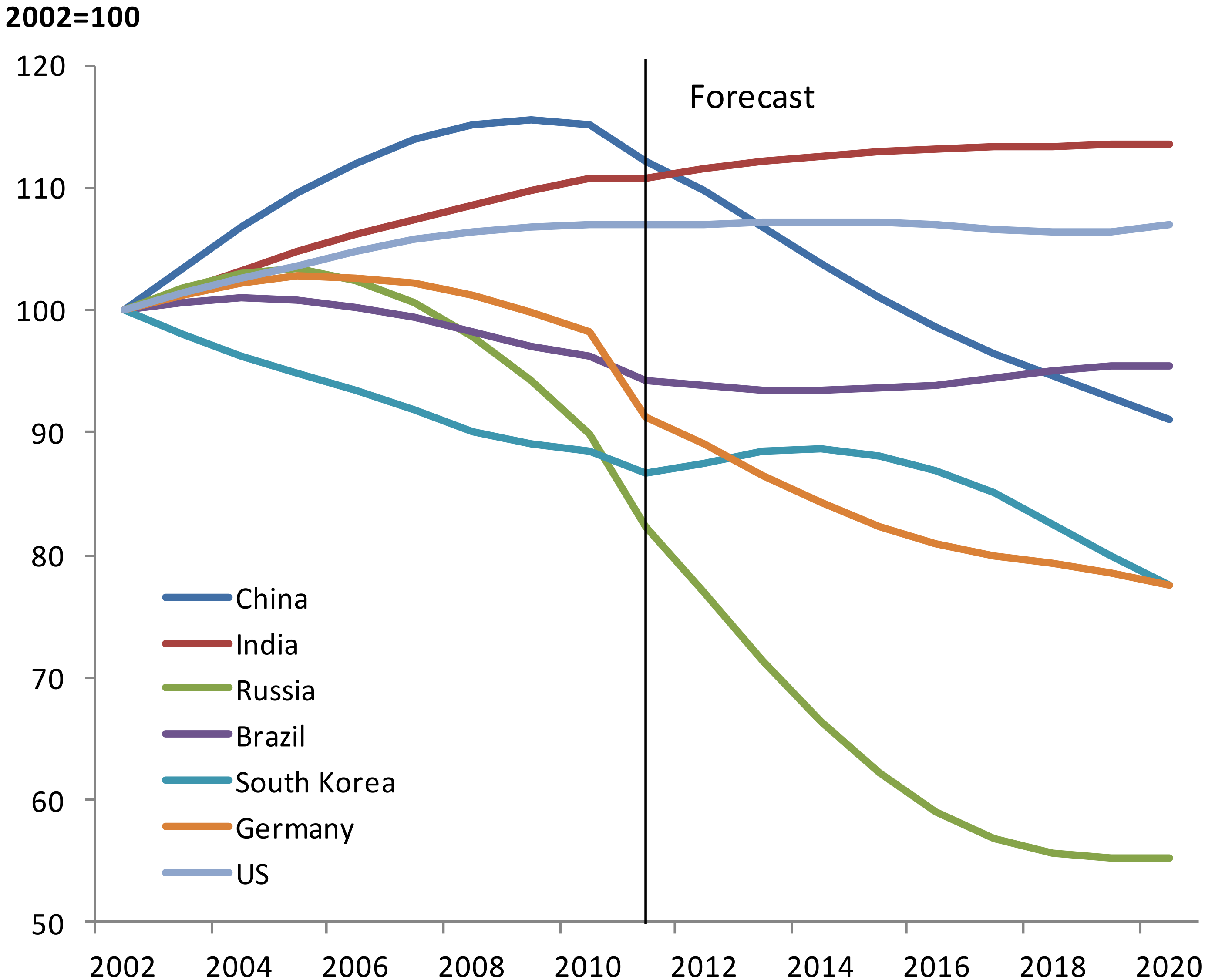
2. India to reach 23% from 16% enrolment rate in tertiary education

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

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

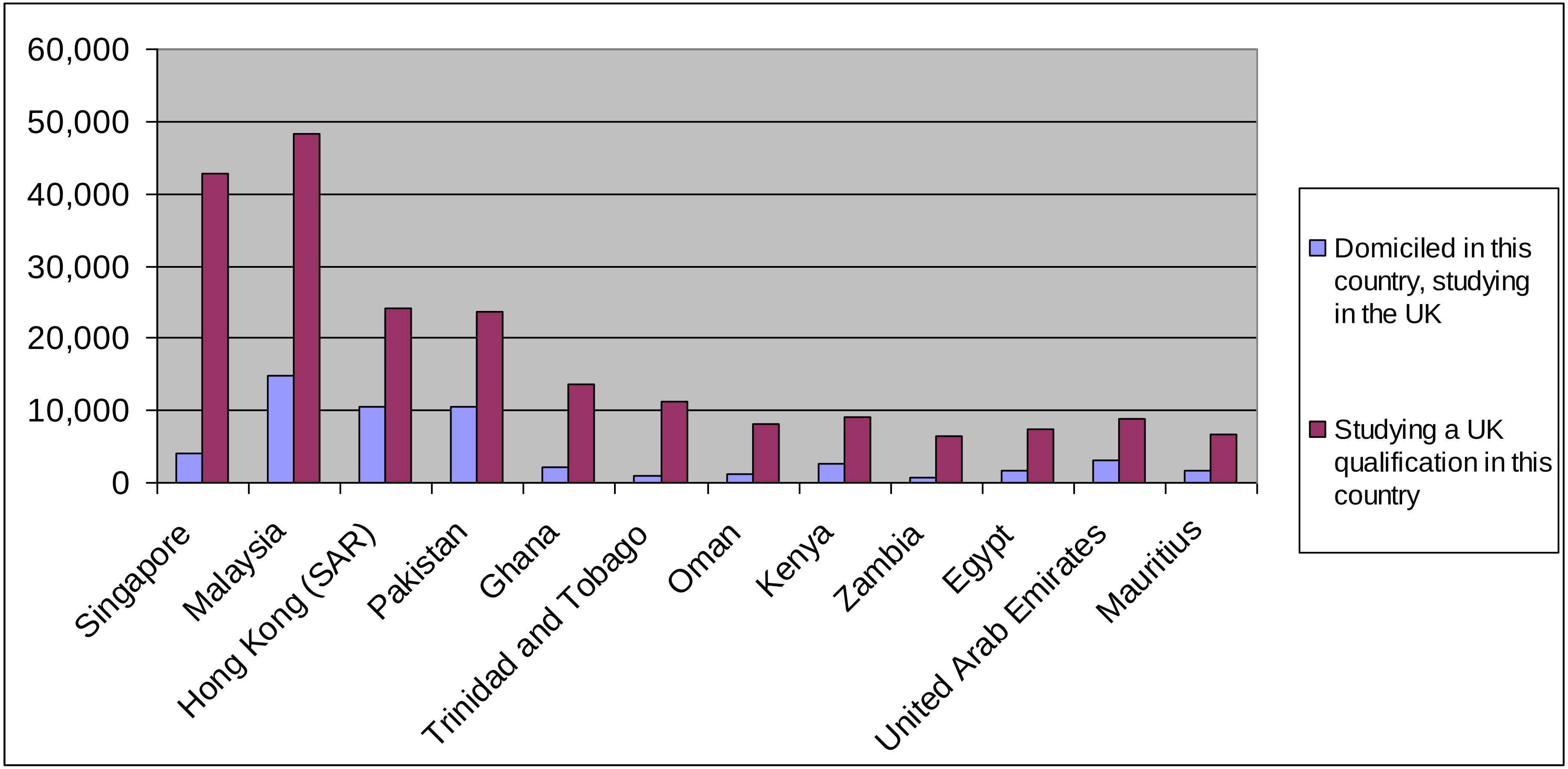
the number of students studying their entire UK qualification outside of the UK has increased 5.3% in the last year from 388,135 in 08-09 to 408,685 in 09-10.

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:

Study in UK vs TNE



Conclusions

- Since 1990 tertiary education participation grew by 5% pa on average, while tertiary age education (18-22) grew by1% 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 - <u>80%</u> 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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