



## Higher education

## The future is another country

A world of colleges without borders should benefit everyone, including students who stay at home

JUST a few decades ago, students at universities outside their home countries formed a tiny elite. Some gained scholarships with famous names like Rhodes or Fulbright; others were sent by governments, grooming them for top jobs in academia or public service. A few were born to cosmopolitan parents who searched for the best schooling money could buy.

That picture has changed. The 20th century saw a surge in higher education; in the early 21st century, the idea of going abroad to study has become thinkable for ordinary students. In 2006, the most recent year for which figures are available, nearly 3m were enrolled in higher education institutions outside their own countries, a rise of more than 50% since 2000.

One reason is the growth of the global corporation; ambitious youngsters sense that a spell studying abroad will impress multinational employers. But for school-leavers in the developing world, the poor teaching and lack of places at home are stronger factors. China, the biggest "sending" country, with around 200,000 students currently in higher education abroad, has university places for less than a fifth of its 100m college-age youngsters. In June 2008 around 10m sat the *gao kao*, the state university entrance exam. There were places for two-thirds of them. That is despite huge growth; the number of places has risen almost fivefold in as many years.

The general level of China's higher edu-

cation remains low. In 1966 Mao Zedong closed the universities and scattered their teachers; when they re-opened they were short of cash, and a preference for rote learning still leaves many graduates ill-prepared. A 2006 study by McKinsey, a consultancy, found that of the country's 1.6m young engineers only 10% were capable of working for multinational firms.

In the 1990s, China began pouring money into research at around 100 of its 1,800-odd higher-education institutions, hoping to create an elite tier of universities. But the country has yet to register on the global education scale: a ranking by Shanghai Jiao Tong University puts no Chinese institution in the world's top 200 universities; Britain's *Times Higher Education* magazine puts Peking University 50th and only six Chinese institutions in the top 200. For Chinese youngsters who can raise the cash, study abroad looks attractive.

Students travel to help themselves, but universities and host countries gain too. Around a fifth of university students in Australia were born abroad, and international education is the country's third-biggest export after coal and iron ore. Foreign students who work in their spare time plug gaps in Australia's labour markets.

But some ideas risk succeeding too well. Since 2001 foreign students in Australia have been able to apply for residence; so the marketers of that country's campuses have been touting an enticing deal—take

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a vocational course in a field where Australia needs expertise; work while studying; then settle for good.

According to Fiona Buffinton, head of Australian Education International, a government agency, about a third of the country's foreign students are motivated mainly by the hope of gaining residence, and a third primarily by the education on offer, while also nursing hopes of staying on. Only a third plan to go home after their studies. She fears that if Australia does too well at attracting students seeking a back door to immigration, its position in the global education market—and its attractiveness to really serious students—will suffer.

Such worries are a reminder that in a global business, reputation is easily lost. In Britain, too, students from distant lands help to balance the universities' books: fees for students from the European Union are capped at uneconomic rates. But a study by the Oxford-based Higher Education Policy Institute sounded a warning: Britain's "quickie" masters degrees (doable in a year, and nice earners for colleges) are coming to be seen as substandard. Meanwhile, a survey of Chinese students in Britain found that many felt their institutions valued them only for their fees.

Ideally, "sending" countries can benefit as much as those who take students. Taiwan urges its students to leave, although with 164 universities for a nation of 23m, there is no clear need. "We push them out, especially [doctoral] students," says Ovid Tzeng, a government minister. "Otherwise everyone works on the same problems."

A wise view—though the benefits of exporting brains can be slow to materialise. Once again, China's history is instructive. In 1978, Deng Xiaoping decided to send 3,000 scientists to foreign universities each year for training. Even if 5% did not return, he said, the policy would be a success. In ▶▶



fact, only a quarter of the students who left China as a result ever returned.

So by 1990 China had a brain drain, and this prompted a row within the government, notes David Zweig, a Hong Kong-based scholar. Some wanted to make students return; others saw little point, since China lacked facilities to make use of the students' training. Zhao Ziyang, the Communist Party chief, said it would be more far-sighted to "store brain power overseas". His ideas prevailed: a new policy urged Chinese people living overseas to "serve their nation from abroad" as consultants, investors or scholars.

The dream of bringing well-trained Chinese minds home is having some success. Some of the cash earmarked for elite universities is being used to lure scholars back to the motherland. Both the Academy of Sciences and private donors such as Li Ka-shing, a Hong Kong-based billionaire, are dishing out money to make conditions attractive for returning Chinese scholars.

This sort of global contest for grey matter certainly makes for a bracing environment. By contrast, when universities mostly recruit locally, well-known campuses can coast along, knowing they have a brand that can hardly be challenged. In a global market, cross-border partnerships can alter the scene, and create entirely new brand names, in very unexpected ways.

Here too, China offers interesting case studies. Under a law passed in 2003, foreign universities were permitted to set up campuses, or whole universities, inside China, if they partnered with a local body. In the short period before the government called a halt to take stock, two British universities moved in. Nottingham University opened a campus in Zhejiang province, in 2005; the British institution recruits students and faculty, sets course content, conducts exams and confers degrees. A year later Liverpool University, in partnership with Xi'an Jiaotong, one of China's best colleges, opened a new university 100km (60 miles) from Shanghai. The first few cohorts will get degrees from Liverpool; the new university will soon award its own degrees. Neither British university put up any capital; what is at risk in such ventures is mostly reputation. Both universities, respected in England, but not world-famous, have decided that risk is worth taking in the hope of boosting their global profile.

Meanwhile, some campuses that already flourish in the global market want to go further. Spain's IE business school ranks among the world's top ten. It now plans to go into undergraduate education—and, in the words of Santiago Iniguez, rector of IE's new offshoot—to "re-invent the university". All courses will have close ties with the hard school of real life. Would-be psychologists will see how organisations work; art students will learn how to run auctions; architects how to deliver on time and on

### Internationalising American universities

## The Americans are coming

The next big shake-up of the global higher education business

**A**LTHOUGH the United States takes a bigger share of the international student market than any other country, with 22% of the total, it underperforms in relation to its size. Just 3.5% of students on its campuses are from abroad.

What explains this? Certainly not the quality of education on offer, which is often superb. One huge factor is the way that American universities shun the intermediaries whose services are used by most students wanting to study abroad. Markus Badde, the chief executive of ICEF, a student recruitment consultancy, says two-thirds of the world's border-crossing students, and almost all of those from Asia, turn to "agents" to find a university place. But hardly any important American institution will pay intermediaries.

"There is a real hostility in this country to the use of agents," says Mitch Leventhal, vice-provost for international affairs at the University of Cincinnati. "Some universities think it is illegal—it's not, what's illegal is recruiting American students via agents. Some think it's un-

ethical—but it's only unethical when done unethically. We know that many students, perhaps half of all undergraduate Chinese students, for example, have paid advisers at home to help them. We have no idea what that help consists of."

Mr Leventhal hopes such attitudes will alter. He is the founding president of the American International Recruitment Council, a new non-profit organisation formed by a group of educational institutions. To join the network, recruitment agents will have to accept a code of practice and get regular training. The organisation hopes American universities will be sufficiently convinced of the quality and ethical standards of member agencies that they will agree to work with them. Already 35 universities have joined; the figure should reach 100 soon. The council is working on a trial basis in Bangkok and hopes to process "large numbers" of agents by the end of 2010.

If that happens, the market in international students will be transformed. A survey carried out by i-graduate, a market-research firm, found that although few agents recommended American institutions to their clients, most wanted to. "Agents said the United Kingdom was the country in which they placed the most students," according to Will Archer, the firm's director. "But they said the country in which they would most like to place students was the United States." Those agents rated America as most desirable for undergraduate, postgraduate and MBA courses, leaving Britain in the lead only for language and foundation courses, and Australia only for vocational ones.

Mr Leventhal insists that there are lots of students to go round. But he concedes that academics in other countries are not thrilled by the American plans. "Their hair is on fire," he says. "They're saying, 'Oh my God, the Americans have finally figured it out, they're going to kill us.'"



China to Kansas: a well-trodden path

budget. The ethos will be thoroughly global, with teaching in English and up to 80% of students from outside Spain.

Masao Homma, vice-chancellor of Ritsumeikan University in Japan, thinks an influx of foreign students could help his country's campuses: in a homogeneous land—which in his view is growing even more introvert—such exchanges could expose Japan's young to the wider world. Academics, too, could be changed by the new arrivals. Japan's tenured faculty members

are hardly challenged by home students; foreign ones could do the trick. In Britain, Mr Homma notes, a quarter of all students are over 25, while in his country the figure is only 2.7%. Japan's timid young students rarely ask questions; outsiders might.

Like many of his counterparts in rich and not-so-rich countries, Mr Homma looks forward to a world where educational shoppers take a hard look at what is on offer in the global supermarket before settling for a home-made product. ■