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## Higher Education Crosses Borders

Philip G. Altbach

Philip G. Altbach is Monan professor of higher education and director of the Center for International Higher Education at Boston College. He is author of *Comparative Higher Education* and other books.

At present, about 2 million students worldwide study outside of their home countries, a number that a recent study suggests will increase to 8 million by 2025. Nations' interest in student flow across borders has increased in the past couple of decades for a number of reasons. Industrialized countries are recognizing the need to provide their students with a global consciousness and with experience in other countries in order for them to compete in the global economy. For instance, the European Union has instituted policies that have increased the numbers of students studying outside of their home countries within the Union. With the expansion of the EU and the implementation of the "Bologna initiatives," which will harmonize academic structures within the European Union, these numbers should surge.

In addition, in some countries demand for access to postsecondary education outstrips capacity. In general, the direction of student flow is from south to north—from the developing world to the rich countries of the north. Today, more than half the world's postsecondary students are in the developing world, and this proportion will grow in the coming decades. Many of these high-growth countries cannot educate everyone at home and send increasing numbers overseas to study. In addition to capacity, the institutions of the north have a prestige and power — due

to their domination of the curriculum and of scientific discourse — that is little questioned in the contemporary academic marketplace.

For those countries importing foreign students, international higher education is big business. Foreign students contribute more than \$12 billion to the U.S. economy each year, for example, and two-thirds report that their own and family funds pay for their study. In the current environment of financial constraint, these students are increasingly attractive. International students don't just fill seats — they also contribute to the nation's global competitiveness by swelling the numbers of highly trained people in key disciplines. In some graduate specialties such as engineering, computer sciences, and a few others, foreign students constitute a majority of students at the doctoral level.

With its 586,000 international students, the United States is currently by far the largest host country and home to more than a quarter of the world's foreign students. It attracts more foreign students than the three largest competitors (the U.K., Germany, and France) combined. The large majority of foreign students in the U.S. come from developing and newly industrializing countries, with 55 percent coming from Asia (the top five sending countries are India, China, South Korea, Japan, and Taiwan).

But there have been some significant variations in the countries from which the U.S. draws students over time, reflecting major economic or political shifts. For example, Iran was once one of the top sending countries, but since the downfall of the Shah, virtually no students have come from there. Indonesia's recent economic troubles combined with post-September 11 problems have reduced flows from that country—down 10% in the past year. In the same period, Saudi Arabia and Kuwait, both with strong academic ties to the U.S., have seen declines of 25%, while the United Arab Emirates is down by 16%. Continued growth in enrollments from some major Asian suppliers—notably India, which replaced China as the largest sending country to the U.S. in 2001-2002 — and South Korea have partially offset losses elsewhere. But even though it is not clear if the 2002-2003 numbers are long-term patterns or temporary adjustments (there was considerable surprise that the

2001-2002 figures increased by 6.4%, despite the immediate aftermath of September 11), it is clear that the continued US dominance of the world higher-education market is no longer indisputable.

### *Pushes and Pulls*

Nations have an interest in student mobility, but what motivates individual students to go abroad? Students are “pushed” from their home countries by a variety of forces. Many very able students are unable to obtain entry into local universities because of lack of space and sometimes very competitive entry requirements. Such students often find it easier to gain entry to good foreign institutions than to local schools. Many of the world’s brightest students seek opportunities abroad because there are few, if any, “world-class” institutions in much of the world, especially in developing countries. Students also leave home when the specializations they want to study, from astronomical physics to aspects of zoology, are unavailable in their own countries, especially at the graduate and professional level.

Most developing nations offer very limited opportunities for study at the masters and doctoral levels, and the programs that do exist often cannot compete internationally.

Social and political forces also push students out of their home countries. In a few cases, discriminatory admissions policies, such as preferences given in Malaysia to students of Malay background as opposed to ethnic Chinese students, drive students to study overseas. Students study abroad to escape political or other repression at home or to experience academic freedom. Some students seek to escape from academic systems burdened by disruptions due to student unrest, faculty strikes, closures by government authorities, or other problems.

Students are “pulled” to study in the United States in particular for many reasons. The U.S. is generally seen as the world’s best academic system. Some

students feel that the prestige of a degree from a foreign university, especially an American degree, is greater than that of one from a local institution. At the same time, foreign students are attracted to lower-prestige four-year schools and to some of the best community colleges in growing numbers, sometimes finding it easier to gain admission to an unselective U.S. institution than to a university at home. Thus, there are “pulls” from different segments of the academic system. Students are also pulled by America itself—by the lure of life in and the globally disseminated culture of the United States.

A significant number of international students go abroad to study with the aim of staying in the host country to work and make a career. The U.S. is a major attractor of these students because of its large and diverse economy, the willingness of employers to hire well-qualified foreigners, and the high salaries available in many fields, including in academe. It is hard to quantify this motivation, since few international will admit that immigration is a major goal, but the non-return rates of students from several key sending countries are indicative. Estimates of Chinese and Indian students choosing to not return home after their study in the U.S., for example, range from 66 to 92 percent and 77 to 88 percent, respectively.

### *September 11 and its Implications*

The essential elements of American higher education’s role in the world did not change as a result of September 11. The U.S. academic and research systems remain the strongest in the world, and students worldwide still see the U.S. as a major academic attraction. Furthermore, the very size and diversity of the U.S. continues to make it especially attractive. Yet shifts are evident—some obvious, some subtle, and some not yet clear. While the total numbers of international students worldwide is growing, increases in foreign-student enrollments in the US stopped in 2002-2003, at a time when other countries have been seeing dramatic growth in their overseas enrollments.

These countries, increasingly entrepreneurial in pursuit of graduate enrollments particularly, are reaping the benefit of a progressively more inhospitable environment for foreign students in the U.S.

Coming to study in the United States has become an obstacle course, and prospective students abroad are increasingly leery of stringent, changing, arbitrary, and sometimes inconsistent government regulations regarding visas, reporting to government agencies, and the like. Students from developing countries, especially those from the Islamic world, report being treated with disrespect by U.S. officials in their countries. American university administrators responsible for international students also report that a significant number of students are denied visas or are delayed sufficiently long that they are unable to study in the U.S. The implementation of the Sevis computer-based tracking system by the Department of Homeland Security and the imposition of new fees charged to students from abroad are additional barriers. The stories and myths concerning these difficulties are, in many ways, as damaging as the reality. Student applicants and their parents hear them, and many choose not to come to the United States.

Recent attitude surveys also indicate that students considering studying abroad see the U.S. as a less safe place to study compared to such competitors as Australia and Britain, but that such safety concerns do not yet loom very large, at least in the absence of additional major terrorist attacks in the U.S. Although American international study administrators have noted a major increase in concerns about safety, foreign students currently studying in the U.S. report feeling quite safe—security is seen as a greater problem from the outside. Only a small number of foreign students returned home immediately following September 11, and most of those who fled returned to the U.S. to complete their studies.

The world of international higher education does not remain static. Key competitors have placed much greater emphasis on attracting students to their universities and see that increased American barriers to foreign students work to their advantage. Australia is an especially aggressive recruiter of foreign students, with Britain and New Zealand not far behind. All of these countries see attracting

students to their institutions as a major source of revenue. Governments in all three countries have stimulated an active foreign-education policy as a means of reducing local expenditures on higher education.

The changes taking place in Europe as a result of the EU Bologna process are equally important, although in a different direction. More European students will probably choose to study within the EU, where costs are low and the “common academic space” makes cross-border study easy. Once fully implemented, which should happen in the next five years or so, the EU might well turn abroad to lure students from outside Europe both to earn income and to contribute to EU foreign-policy aims.

#### *Americans abroad*

American students also study abroad in growing but modest numbers. Almost 161,000 Americans studied abroad in 2001-2002, an increase of 4.4 percent over the previous year, continuing an upward trend of the past decade or so. American colleges and universities, especially those in the upper tier of prestige, have long declared their interest in providing students with an international consciousness and, if possible, with an overseas experience, as part of their undergraduate education. There is at least a nominal recognition that, in a globalized economy, American students need to be aware of the world around them. Nevertheless, the proportion of American undergraduates in four-year institutions studying abroad is only a tiny 0.2 percent.

Americans studying abroad behave differently than students from other countries coming to the U.S. The large majority of Americans crossing borders are undergraduates, and they almost never obtain a degree overseas. In contrast, the majority of foreign students in the U.S. are graduate and professional students, and most of them (including foreign undergraduates) obtain a degree.

Americans typically go overseas during the junior year for a “cultural experience” and language training rather than for academic knowledge. The

American study-abroad experience has become shorter on average—often a summer or even less—and many critics point to a decline in academic rigor in such programs. In contrast, foreigners in the U.S. seek academic and professional training and seek the knowledge and prestige of an American academic degree.

The countries favored by Americans going abroad have been remarkably consistent over time. The vast majority of Americans go to rich countries (only Mexico among the top nine destinations, is not an industrialized nation), with 62 percent going to Europe for their overseas experience. The U.K., Spain, Italy, and France account for half of Americans students abroad, although a few countries with strong immigrant or other ties to the U.S. — such as Greece and Israel – also attract students. But in 2001-2002, under 3 percent of American students studying abroad went to Africa.

U.S. schools also promote campus internationalization by enrolling students from other countries, establishing exchange programs to promote university-to-university linkages, and other initiatives, thus contributing to cross-border student flows. But despite the large numbers of international students coming to the U.S., they constitute only 2.7 percent of undergraduate students in four-year institutions and 13.3 percent of graduate students—a much lower percentage than for other major host countries.

### *The New Transnationalism*

Not only are students on the move – so too are institutions. We are at the beginning of the era of transnational higher education, in which academic institutions from one country operate in another, academic programs are jointly offered by universities from different countries, and higher education is delivered through distance technologies. This growth will affect flows of students from one country to another.

Transnational initiatives share in the south-to-north dynamic. They are almost without exception dominated by the partner institution in the north—in terms of curriculum, orientation, and sometimes the teaching staff. Frequently, the language of instruction is the language of the dominant partner, very often English, even if the language of instruction in the country is not English. There is often little effort to adapt offshore programs to the needs or traditions of the country in which the programs are offered—they are simply exported intact. A McDonald’s hamburger in Malaysia is the same as one in Chicago, even if the beef is Halal to meet Muslim religious requirements.

Australia and the U.K. have been pioneers in transnational higher education, with the U.S. only now becoming a major force in this area. In some cases, transnational arrangements are made between universities and postsecondary institutions abroad, and in others, the “partners” are corporations or entrepreneurs interested in entering the new education industry. Australian universities have, for example, linked up with academic institutions and private companies in Malaysia, and more recently in South Africa and Vietnam, to offer Australian degrees “offshore.” A student can earn an Australian degree in Malaysia or Vietnam, for example, without ever setting foot in Australia. There are also franchising agreements that permit local providers to use educational programs of offshore institutions, for which they give their own degrees. Governments see transnational education, like attracting foreign students, as a way to increase higher education’s revenues. At the campus level too, international initiatives produce significant income for a small but growing number of institutions. Indeed, the primary goal of many of the branch campuses and transnational programs is to enrich the home campus.

Although their presence has not historically been a significant part of the overall picture, American academic institutions have been involved in transnational enterprises for a long time. A few U.S. universities—Boston University and Widener University, for example — have been operating offshore branches for many years, in part to serve Americans (including those serving in the armed forces) overseas

and in part to serve an international clientele. And a few foreign institutions have operated under the umbrella of American accreditation and sponsorship—the American University of Beirut is a distinguished example. In the 1970s, over a dozen American colleges and universities opened up branch campuses in Japan in the hope of benefiting from Japan’s booming economy and academic market at the time. But with one or two exceptions, the U.S. institutions in Japan were not among the most prestigious colleges and universities. The American branches had problems with recognition by the Japanese education authorities, and when the Japanese economic “bubble” burst, severe economic and enrollment problems ensued. Now, just one of those branches continues to operate. The Japanese case shows that offshore higher education expansion can be a risky business.

But the past few years have brought a new and more sophisticated approach to global expansion on the part of American institutions. The University of Chicago’s business school has a branch campus in Barcelona, Spain, where a Chicago MBA is available. The curriculum includes a period of study at the main campus in Chicago. Both Chicago and the Wharton School of Business at the University of Pennsylvania are establishing branches in Singapore. American universities have also assisted with the development of growing number of institutions called the “American University of Ö.” in such countries as Bulgaria, Azerbaijan, Tajikistan, and others. These schools typically seek, and are often granted, accreditation by agencies in the United States.

American overseas expansion is in some cases becoming frankly entrepreneurial. When Israel opened its educational market several years ago, several U.S. schools set up programs in teacher education and other fields in cooperation with Israeli entrepreneurs to meet a local need. The American institutions were all low-prestige and in several cases quite marginal schools that needed a financial boost from overseas enrollments. Israeli authorities have since partially closed the door to foreign collaboration, in part because of concerns about low quality and the lack of adequate supervision from the sponsoring institution. Sylvan Learning Systems, a for-profit higher education provider, is pursuing a

different strategy for its overseas expansion. Sylvan has purchased several foreign institutions, including some in Mexico and Spain. It is not clear if these schools will have links with U.S. institutions or will be accredited in the U.S. Without question, U.S. higher education exports will grow and will have an as-yet-to-be determined impact on American higher education generally.

The prospect for opening up trade in higher education services worldwide through the implement of a version of the General Agreement on Trade in Services (GATS), which is part of the current negotiations of the World Trade Organization, may accelerate both the opportunities and problems associated with transnational education. GATS, if implemented, would remove some restrictions on cross-border higher education initiatives, making it easier for U.S. academic institutions and corporations to offer programs and set up branches abroad. How this would affect international student flows or the specific policies of American universities is unclear.

The U.S. government, through the Department of Commerce, and the for-profit private higher education providers have favored GATS, while organizations like the American Council on Education and the academic community generally have opposed it. They are concerned about how the increased emphasis on competition and markets that GATS would bring would affect the traditional values of American colleges and universities.

There is a general feeling that higher education is not a commodity to be traded in international markets like steel or bananas. Some people in higher education also worry that GATS would jeopardize academic autonomy in the developing nations, in that they would no longer be able to control education imports to their own countries. The debate continues, and the effects of GATS remain unclear.

Distance education is also part of the transnational picture. So far, cross-border distance higher education is a small part of the total picture, but the numbers of students seeking Internet-based degrees is growing rapidly and will continue to expand. Will distance degrees be accepted in job markets around the world? If so, will students choose to study on the Internet in large numbers rather than traveling

overseas? These questions will help to determine the impact of emerging distance technologies on flows of students across borders.

### *Conclusion*

The United States faces significant competition in the rapidly expanding world of international study. Competitors have several major advantages. They have national policies relating to international study and cross-border higher education initiatives. They have been setting goals, putting policies into place, and giving incentives to academic institutions to attract foreign students. The United States, in contrast, has never had a national approach to international higher education, and the federal government has provided scant support for it. Now, whatever national policies do exist are negative—significant barriers have been erected in the name of national security that make it more difficult for foreign students and scholars to come to the United States. “Front-line” American government officials in U.S. embassies around the world, implementing national policy, are among those giving the most negative messages to students interested in studying in the U.S. Further, the number of federally funded scholarships to overseas students showed a decline in the last year. The states, traditionally responsible for higher education policy in the U.S., have been uninterested in and even hostile to international students, despite the fact that those students bring significant amounts of money into local economies and provide needed help as low-paid teaching and research assistants in public universities. Thus, it is likely that little will be done in terms of public policy to encourage international exchanges.

The story of international student flows is one of significant expansion in worldwide numbers, increased competition among the major host countries, and the growing but as yet unclear impact of technology on the delivery of academic programs. The United States will remain a major player in all of these developments because of the size, importance, and excellence of its academic system. Whether

the U.S. will be able to maintain its competitive edge and its leadership is another matter.

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