2010 is an important date on the European calendar. It marks the first decade of advancement on the European Lisbon goals, i.e. making Europe a globally competitive knowledge-based economy — and in education policy terms, it is a significant benchmark for both the Education and Training 2010 agenda and the higher education reforms related to the Bologna Process. However, many of the goals of these processes will not be wholly accomplished across Europe by the established time-frame, despite the ambitions and efforts. What will be the hot issues in the next years, and what current challenges will persist well into the next decade? And where is European higher education heading? The articles of this volume attempt to provide a number of responses to these questions through scrutiny of themes that will not lose their centrality at the end of this decade: student mobility, alternative delivery of international education, funding of higher education, and the impact of labour market changes on higher education.

The articles in this volume are based on concept papers or presentations prepared for the ACA Conference Beyond 2010, held in Tallinn in June 2008.
Maria Kelo (ed.)

BEYOND 2010
Priorities and challenges for higher education in the next decade
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Introduction

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2010 is an important year on the European calendar. It not only marks the first decade of the twentieth century, but the first decade of advancement on the European Lisbon Strategy goals, and in education policy terms, the European Commission Education and Training 2010 Agenda, as well as the intergovernmental Bologna Process. Tracing back the policy trail, the Barcelona European Council in March 2002 ambitiously called on European systems of education to become a ‘world reference’ by 2010. Since then, a plethora of initiatives and advancements have cascaded down from the ministerial to the institutional level by means of the Bologna Process, a 40+ country wave of higher education structural reform, supported in turn by the European Community with cross-national policy and programmes. In the Commission communication ‘The role of Universities in a Europe of knowledge’, the more ambitious Bologna goals reverberate: adequate and sustainable university income, autonomous university management, resources and research excellence, bridging universities and enterprises, globally competitive higher education. In other words, a range of issues that place higher education at the heart of the Lisbon Strategy: to make of Europe the strongest global economy by 2010. Subsequently, a May 2006 communication ‘Delivering the modernisation agenda for education, research, and innovation’ stresses that a ‘major effort needs to be made to achieve the core Bologna reforms by 2010’ and that universities need to grasp the Lifelong Learning agenda with an entrepreneurial mindset.

While the deadline of 2010 is dooming in the horizon, the earthly paradise of higher education, where problems have been solved and all actors live and move in an unprecedented harmony, is not yet a reality. Indeed, it is very clear, that none of the mentioned goals – in both Lisbon and Bologna contexts – are finite, and many will not be accomplished across Europe by 2010, despite the ambitions. While the institutional, national, and European levels are working fastidiously on the individual components related to higher education reform, be it degree structures, mobility, adult learning, graduate attainment, social access, internationalisation of the campus, quality assurance, or the like, it is important not only to step back and reflect on the cross-cutting nature of these ambitions, but on their longevity as well. Several issues will need to remain central in the higher education policy agenda for well beyond 2010, while at the same time the new decade – or decades – will bring new challenges. While none of us has access to the higher educa-
tion crystal ball (or any crystal ball at all), it is helpful to analytically approach some of the issues that we know are shaping higher education in Europe and at the global scale: those who manage to anticipate the issues of the future will get a head-start in addressing them.

But, what do we know of the future of European higher education beyond 2010? Where is European higher education heading? What will be the hot issues in the next years, and what current challenges will persist well into the next decade? The articles reported in this volume attempt to provide a response – or rather, a number of responses – to these questions through scrutiny of themes that will not lose their centrality for European higher education at the end of 2010. Such issues include – but are not limited to – student mobility, alternative delivery of international education, funding of higher education, and the impact of labour market changes on higher education. Several articles address also the changing global scene of higher education, of which Europe is an inherent part and by which it is highly influenced. Indeed, even when it comes to higher education, the ‘rest of the world’ (which is – give or take – about 90% of the total world population) can simply not be ignored in an increasingly interdependent world.

The publication has been prepared with the support of the Lifelong Learning Programme of the European Commission. It is composed of a number of ‘concept papers’ which were written in the run-up to the ACA Conference ‘Beyond 2010 – European Higher Education in the Next Decade’, which took place in Tallinn, Estonia, on 16-17 June 2008, where the themes of the papers were presented and discussed. The other articles are based on a selection of presentations delivered at the same event, and together with the concept papers, they provide a wide perspective on the future of European higher education and consider the wider implications of global changes on the challenges facing our universities in the next ten years – if not beyond.

The first article, by ACA Director Bernd Wächer draws a comprehensive picture of the state of internationalisation of the European Higher Education Area. More specifically, it looks at the relationship of the Bologna Process with a number of areas of internationalisation including mobility, curricular internationalisation – and especially English language delivery – and promotion of European higher education. Importantly, the article addresses some false or non-funded beliefs regarding the impact of the Bologna reforms on international cooperation, and advances hypotheses regarding the relative independence of several phenomena from the formal higher education reform. Indeed, while the Bologna Process has undoubtedly supported the internationalisation of European higher education, the relationship between the two is very complex and – still – veiled.

The second article looks at a specific and relatively new phenomenon in European higher education, namely that of transnational education. Cross-border education provision, i.e. export of programmes or institutions, as
opposed to ‘import’ of international students, is still in child’s shoes in several European countries. However, several countries and institutions are seeing the great potential – if not necessity – in widening their international operations into education export and collaborative provision of degrees with foreign partners. Several motivations play a role in institutional transnational education policy and practice, and while it is often merely a side-effect, transnational education and the alternative forms of education adopted by the providers can support widening the participation in European higher education, in geographical, age, and financial capacity terms. While it is likely that in the next 10 years transnational education will grow in importance across our continent, and become an essential part of European higher education offer, its potential as a driver for internationalisation, research cooperation, brain gain, and access needs yet to be discovered.

Ulrich Teichler approaches the third central theme of the publication, namely higher education funding, by revisiting the well-known debate on public versus private funding of universities, and most centrally, on the discussions around – in favour and against – tuition fees. After presenting the main arguments in favour of privatisation of higher education financing, Teichler demonstrates that there is little practical evidence supporting the theory of cost-sharing in higher education. The central question is, however, what kind of an impact different funding models have on student and institutional behaviour and performance, and especially on mobility of students across country borders. The theme of funding is further elaborated on by Neil Kemp, who looks into the financial and human resource investment – by countries, institutions, and supranational organisations – on a specific area of higher education: its internationalisation. The article provides an analysis of different national policies and practices in some European countries, as well as Australia, the US, and China, including also an overview of specific EU level funding for mobility and other internationalisation activities, such as promotion and marketing campaigns. Several issues would need to be explored, at national and comparative levels, to be better able to assess the levels of investment needed to deliver national and institutional internationalisation strategies, and to measure potential returns of different investment models in financial or other terms. The expectation is that the future will see a growing interest and need to invest in internationalisation, as it is becoming the ‘bread and butter’ of institutional activity.

David Coyne considers in his article some of the factors that influence and will influence the picture of both higher education and employment in our societies ten years from now: ageing population, labour market needs, and employability of graduates. The article assesses the role of universities in this evolving framework, including the changing expectations on higher education in a world with more and more graduates, and less young people overall. Coyne underlines the importance of national governments in ensuring and improving access to higher education – mostly through funding –, in improv-
ing participation in lifelong learning, as well as in providing a sufficient amount of (the right kind of) graduates for the labour market. While arguing that the ‘production of graduates’ has to become a major part of the objectives of governments and of universities in the 2010s, Coyne questions the efficiency and sustainability of the model in which all countries attempt to be self-sufficient in all areas of training.

The subsequent two papers, by Joselyne Gacel-Ávila and Catharine Stimpson, look at the impact of the Bologna Process with ‘outsiders’ eyes. First, Gacel-Ávila looks at the impact of the Bologna Process on the Latin American higher education scene, and underlines – through explaining the specificity of Latin American higher education systems – to what extent a ‘Bologna Process’ could be feasible in the Latin context. In her view, the particular political and economic situation of the countries on the continent, and the great varieties between them, would likely hinder the implementation of a fully-fledged Bologna reform, while a weaker version, for example in the form of sharing of good practice, might support intra-continental cooperation. One important impact of the Bologna Process is that it has pushed Latin American actors to think through their own systems and policies, and to acknowledge the existing limitation and the potential. Catharine Stimpson reflects on what the Bologna Process has meant – and means – for transatlantic cooperation between Europe and the United States. She draws attention to the lack of knowledge about the Bologna Process in her own country, which is however slowly changing, as a result of the evident increase in competition by European countries for international students, globally: the reforms taking place in Europe have to be properly understood in order to evaluate their impact on the attractiveness and competitiveness of the ‘Old Continent’, and consequently on the competitive position of the US. Stimpson sees ours as essentially an era of increased international cooperation and partnerships – the two driving forces for higher education in the next decade.

The publication ends with an article by Sir Peter Scott, who draws together several of the arguments raised by other authors throughout the book. Scott addresses two main assumptions about higher education in the next ten years – the exponential growth in student mobility and other forms of international education, and that this growth will be mainly market driven – and presents other possible scenarios and outcomes of the mainstream visions: that growth may take unexpected forms, that the issues of cultural diversity and pluralism become central, and that while the market will be a driver of global higher education, it will be only one of several significant forces. Quite clearly, only time will tell what the European Higher Education Area will look like in 2020. However, it is meaningful to consider a number of scenarios and alternative outcomes and to take into account as many of the partially (if not mainly) unforeseeable factors that influence the higher education sector in a global economy, as possible. As Scott argues, the future of global higher education should not be seen simply as a technical process, but as a politi-
cal and cultural challenge, the relevance of which goes far beyond its impact on the creation of a global knowledge-based economy.

The range of issues covered in this publication is wide, and the diversity of the opinions and arguments expressed by the authors demonstrates that there are no self-evident answers to the question of what European higher education will look like ten years from now. Trying to predict which issues, from political to practical, will maintain or gain importance in the development of higher education, both in Europe and in other parts of the world, is not an easy task – and it is certainly not one that was given to the nine authors. However, it is essential that discussions on the future of higher education go beyond the objectives set for 2010, and that its changing role and requirements are taken up openly, and – even – enthusiastically. No doubt many challenges will still need to be addressed after the end of this decade. But challenges are not there to be ‘used up’ or ‘finished’: only dead fish swim downstream, they say, and perhaps only ‘dead’ universities take comfort in ‘having solved all problems’, in not being constantly challenged.
Mobility and internationalisation in the European Higher Education Area

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1 Introduction

This essay is one of the outcomes of the ACA Annual Conference 2008 Beyond 2010: European Higher Education in the Next Decade, held in Tallinn in June 2008. This conference, which received generous financial support from the European Commission, was scheduled to explore a number of ‘key themes’ for European higher education in the future, one of which was mobility. As a result of the discussions at the conference in Tallinn, the concept paper on mobility, which provided a typology of mobility, traced the main European mobility trends, and ventured to make some predictions about future mobility directions, was modified in the sense of a widening its scope. First, conference participants strongly recommended to approach the mobility theme in the framework of the wider set of instruments established in the process of the creation of the European Higher Education Area (EHEA). Second, they insisted that the set of issues to be looked at would be widened, and to include, in addition to student and staff mobility, other modes of internationalisation. The author has taken both recommendations seriously. Therefore, this essay is entitled “mobility and internationalisation in the European Higher Education Area”.

2 Internationalisation: a many-faceted phenomenon

Internationalisation has become a key element of the policy discourse in European higher education. This has not always been so. Until the mid-1980s, if not later, the international dimension of higher education was a marginal concern in the higher education debate, in education policy, and in institutional reality. Internationalisation was not perceived as an indispensable element of higher education, but rather as an interesting, if not exotic, add-on, to which homage was paid mainly in Sunday speeches. In parallel with the move from marginality to centrality, the meaning of internationalisation has also undergone a massive broadening. Twenty years ago, internatio-
nalisation was, for most observers, almost, if not fully, identical with the mobility of students (and, to a lesser extent, faculty) across country borders. The phenomena referred to as internationalisation today are legion. Internationalisation at the beginning of the 21st century has very many faces indeed. The inflationary use of the term has made some observers wonder whether it is really the phenomenon as such which has gained in importance, or if this is a misleading impression created by the trend to label higher education policies and practices of all sorts as ‘international’ which would not have been awarded this attribute two decades ago. So what is internationalisation?

There has been no shortage of attempts to define internationalisation. Of the many definitions, the most often-quoted is by the Canadian scholar Jane Knight, for whom internationalisation is:

“The process of integrating an international, intercultural, or global dimension into the purpose, functions and delivery of postsecondary education”.2

In its – necessary – abstractness, this definition is comprehensive indeed. Its main claim is that internationalisation is a process of change, from an original state of affairs where higher education institutions are basically national, to one where they gradually become international. One very important question which this definition – or any other – does not answer is what exactly constitutes the international nature of the ‘international dimension’. It implies that there is consensus, but this is not the case. In the absence of an agreement on what different observers refer to as international it might make sense to create an inventory of activities and themes most often labelled as belonging to internationalisation. There appear to be at least six clusters of phenomena the term is used for in Europe today.

♦ (Physical) Mobility across country borders, of students in the first place, and faculty in the second, is certainly still the most frequently-cited example of internationalisation. Mobility is thus the category which creates a certain degree of continuity between earlier and present-day concepts of internationalisation. This applies even though there are different forms of mobility, and different ones of them have been more prevalent than others in different historical phases. In student mobility, it is useful to differentiate, first, into degree and non-degree mobility (‘credit’ mobility, ‘short-term’ mobility, ‘exchange’ mobility) and, second, into mobility between countries with similarly developed higher education systems (‘horizontal’ mobility), and mobility from countries with a quantitatively or qualitatively less developed higher education system into developed systems (‘vertical’ mobility). An example of ‘horizontal’ mobility is the Erasmus Pro-

gramme. An example of ‘vertical’ mobility is the movement of students from the developing world to universities in OECD-type countries.

In both cases, the ‘international’ nature is made up by the fact that a student moves from country A to country B for purposes of study, and thus crosses a national boundary, and – more implicitly – that the ‘international (meaning: foreign) education’ he or she gets is different from the one to be had in the home country, in terms of language, teaching and learning styles, cultural setting, etc., and – in the case of ‘vertical’ mobility – also in terms of quality.

◊ The recognition across country borders of, first, degrees and other qualifications and, second, of study periods and sub-qualification entitlements (courses, modules, etc.) is generally perceived as an ‘international’ activity. It is evident that recognition derives its international status from its function as a facilitator of mobility between countries, and that it would not otherwise be regarded as belonging to ‘internationalisation’. Recognition has a long history in Europe, starting with a number of recognition conventions of the Council of Europe in the 1950s and UNESCO (global) since the 1970s, and leading to an erstwhile culmination point with the adoption of the landmark UNESCO/Council of Europe ‘Lisbon Convention’ of 1997. In an EU and, later, in a Bologna context, the European Credit Transfer System (first introduced on a small-scale trial basis in 1989) marked a major milestone, as did the Diploma Supplement (which, however, has its origins in a UNESCO context) and, very recently, the European Qualifications Framework (EQF). The Bologna Process has turned the theme and practice of recognition into a very prominent internationalisation issue. The understanding of internationalisation in recognition is the same as the one in mobility, due to its nature of a ‘mobility facilitator’: that of a physical move to another country.

◊ Curricular reform with the aim of injecting an international element into the content and delivery of programmes is a third internationalisation activity. This category comprises a wide variety of cases.

The most prominent (though possibly not the most frequent) form of curricular internationalisation is the delivery of a programme in a language other than the one of the country where this programme is offered. In the vast majority of all cases in Europe, this language is English. English-medium provision in Europe has seen a strong growth in the last five years, even though it still constitutes only a fraction of all provision in European higher education. What makes this form of education international is, first and foremost, the language of delivery, and – second, and only related – the (usually) international composition of the student body.

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3 Some mobility flows in Erasmus, for example from Turkey or some new EU member states into the ‘old EU’ (Western Europe) might also be classified as ‘vertical’.
Various forms of country-comparative and international studies (e.g., International Law, International Politics) and ‘regional’ or ‘area studies’ (European Studies, South-East Asian Studies, etc) also fall into the category of curricular internationalisation. The international dimension of this form of education is its ‘foreign’ or internationally comparative content. This is also the case with very established forms of internationalisation, earlier not so labeled, such as the study of the literatures or languages of ‘foreign’ countries, as well as more modern offerings, such as ‘intercultural’ studies. Some experts classify this type of offerings, together with English-medium programmes, as ‘internationalisation at home’.

A further group of international curricula are those which are jointly delivered by two or more higher education institutions in at least two countries. The most prominent form in this category today is the so-called joint degree, as, for example, in the Erasmus Mundus Programme. Other emanations are the older double degrees, and the fully integrated and recognised study-abroad periods. Even though the joint degrees now enjoy a much higher prestige than the two other forms, the difference is in certification rather than substance. From the point of view of the educational offer, the joint degree is only one more manifestation of an integrated curriculum delivered by institutions in more than one country. The earliest of these were created already in the late 1970s, in the course of the Erasmus predecessor scheme, the Joint Study Programme. In this form of curricular internationalisation, the nature of the international dimension is obviously the same as in international mobility.

♦ A more recent arrival among internationalisation consists of what is alternately referred to as ‘transnational education’, ‘collaborative’ or ‘cross-border provision’. These terms cover a variety of manifestations, from branch or off-shore campuses to delivery abroad of programmes with the help of a (licensed) foreign tertiary institution, and various forms of distance (usually online) education offerings, to name only some. The common feature of all these is a particular form of mobility, in which not the student moves across a country border, but the educational offering.

♦ Marketing and promotion of higher education offerings, institutions and whole countries abroad is another theme which has recently been added to the inventory of internationalisation. The concrete activities under this heading comprise ‘branding’, promotional websites, road shows and the participation in or the organisation of education promotion fairs. Recruitment is a closely related activity. Again, this international activity derives

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its raison d'être from mobility, or, to be precise, from inbound degree mobility of the vertical kind. It is most common in such host countries where a financial incentive exists for attracting foreign students, usually in the form of tuition fees.

♦ For some observers, the entire agenda of the European Higher Education Area seems to have become part of internationalisation. Thus, they would count the adoption of the (by now) three-cycle degree structure, the adoption of common guidelines in the area of quality assurance and accreditation (and the recent creation of the European Register), and similar mainly structural measures as an internationalisation move.

It is obvious that the (implicit) concept of internationalisation behind this latter categorisation is very different from, say, the one behind mobility. The justification to categorise these structural reforms as ‘international’ is derived from the fact that they were jointly developed and agreed upon at an international level. Some would also claim that the models chosen, for example the Bachelor-Master-PhD degree architecture, are ‘international’ on the grounds that they represent the most accepted degree architecture world-wide. This is obviously a very wide interpretation of the concept of internationalisation, and, in the opinion of the author, a dangerous one: for it potentially turns every issue in the by now largely globalised higher education discourse, and certainly in the widespread attempts at joint international system reform, into one eligible for the inventory of internationalisation. But a concept of internationalisation which comprises all higher education issues obviously loses all of its power of demarcation.

The above inventory is of course not complete. First of all, it concentrates on the education function of higher education, as this essay does throughout, and therefore excludes all aspects related to the internationalisation of research. But it also does not give a separate mention to such activities as international partnerships of tertiary institutions, or services for international students, to name but two activity forms.

3 Internationalisation and the Bologna Process

What is true of the concept of internationalisation – a considerable broadening – can also be said of the Bologna Process. Not a slim agenda from the start, it today comprises the majority of items in the higher education policy debate. The ten Bologna Action Lines (in the form published on the website of the current Bologna Secretariat) give an indication of the considerable range:

♦ Three-cycle degree structure (and the European Qualifications Framework, which might also be listed under ‘recognition’)
♦ Recognition
♦ Mobility
Of the ten action lines, four could be categorised as belonging to a more traditional understanding of internationalisation which excludes activities in the area of ‘joint system reform’. These are ‘mobility’, ‘recognition’, ‘joint degrees’ and the ‘global dimension’. The first one, mobility, implies a physical move to another country for purposes of study (or teaching). The second one, recognition, as a set of mobility-facilitating mechanisms and tools which reduce mobility barriers by the creation of equivalences, has the same underlying internationalisation concept. The joint degrees belong into the category of curricular internationalisation (the sub-category with a mobility element). The ‘global dimension’ is a relatively late action line, created by the adoption of ministers in London in 2007. The Strategy for the European Higher Education Area in a Global Context, which stands behind this line, comprises a mixed set of items, among them the provision of information on the Bologna Process outside the EHEA, activities of marketing and promotion of European higher education in other parts of the world, a policy dialogue with higher education outside of Europe, and recognition between the EHEA and the rest of the world.

Five of the remaining six action lines – quality assurance, the social dimension, employability, lifelong learning, and the three-cycle degree architecture – belong to the category of ‘joint system reform’, which only a very wide – not to say diluted – concept of internationalisation would still cover. The ‘stocktaking’ action line is of an altogether different nature: it concerns an aspect of self-administration: the regular evaluation of progress towards the achievement of the Bologna objectives.

None of the action lines address, in any explicit and major way, internationalisation in the form of transnational education. As already stated, marketing and promotion have found inclusion in the list, even though this activity was only introduced at a late stage, and only as one sub-item of the ‘foreign policy’ action line (global strategy) of the Bologna Process. Important areas of curricular internationalisation, such as programmes taught in foreign languages (English-medium provision) do not explicitly figure on the Bologna agenda.

It is also interesting to note that internationalisation in the Bologna Process has, until recently, mainly been focusing on mobility and cooperation inside the EHEA, and not very much on extra-EHEA relations. This is somewhat surprising in the light of the fact that the genesis of the original Bologna Declaration is closely linked to the realisation on the side of education ministers of the
reality of a globalisation of higher education around the world, and thus to developments outside the EHEA. The response to this realisation was of course the attempt to more closely cooperate inside Europe than had been the case in the past, and to do so by means of joint reforms. But the actual motive behind the drive for increased intra-EHEA cooperation was to be able to better stand up to extra-European competition. The imperative of creating an enhanced ‘attractiveness’ and ‘competitiveness’ of the EHEA, which was to result from the joint reforms, could therefore have been expected to result at least as much in an externally oriented internationalisation approach as in one with an intra-EHEA orientation. Yet, for a long time, the internationalisation agenda of the EHEA, as evidenced by the main documents on mobility and recognition, was almost exclusively an internal one. Through their link to the Erasmus Mundus Programme, with its (initially) robust competitive orientation, the joint degrees marked the beginning of an opening up to the non-EHEA world. But only after some strong advocacy of stakeholders and with the adoption of the Strategy for the European Higher Education Area in a Global Context did the global perspective finally (re-) enter the Bologna internationalisation agenda. And it is far from clear if this partial re-orientation will remain a temporary diversion, or turn into a permanent feature.

4 The state of development of internationalisation in the European Higher Education Area

The remainder of this essay will address the question if and how the Bologna reforms have furthered internationalisation in the EHEA. In particular, it will deal with

a. international mobility;
b. programmes taught by two or more tertiary institutions in two or more countries; and
c. promotion and marketing.

Why have these internationalisation themes been chosen rather than others? ‘Mobility’ is the object of a separate action line of the EHEA. International curricula, at any rate in the guise of joint degrees, also have been devoted an

5 It is the author’s firm belief that the Sorbonne and Bologna Declarations were, in the main, sparked off by the globalisation of higher education and directed first and foremost at the non-European world. In order to enhance intra-European cooperation, it would have been sufficient to continue on the Erasmus path. By the late 1990s, Erasmus had attained the seemingly unattainable in the area of intra-European mobility and cooperation. Instead, the ministers did the unthinkable: they threw over board their longtime mantra that Europe’s strength was the diversity of its higher education systems, and opted for ‘harmonised’ structures.

6 The original Bologna Declaration states “a need to ensure that the European higher education system acquires a world-wide degree of attraction...” and the Prague Communiqué (2001) stresses the need for “enhancing attractiveness of European higher education to students from Europe and other parts of the world”.

action line of their own. Promotion and marketing is now covered, together with other internationalisation elements, in the ‘global dimension’ action line. The fourth action line with an incontestably international orientation, recognition, is left out here because it has been the object of numerous studies already, and progress on recognition can thus easily be traced somewhere else.

The remaining internationalisation element above – foreign-language-taught programmes – does not figure (prominently) in official Bologna documents, but it stands in a close relationship to the global now (re-) emerging ‘attractiveness’ and ‘competitiveness’ agenda of the Bologna Process: foreign-language-taught provision attempts to boost mobility into Europe, by reducing the language barrier.

4.1 International mobility

4.1.1 Assumptions and expectations

Despite the considerable widening of the meaning of ‘internationalisation’, one of its core features has remained the mobility of students (and, to a lesser extent, of faculty and staff) across country borders. In fact, the Bologna Declaration, the subsequent communiqués of the Ministerial Meetings, and all other ‘official’ Bologna documents mention mobility much more often than any other form of internationalisation. What were the expectations for mobility created by the Bologna Process?

With regard to intra-European short-term (Erasmus-type) mobility, the original expectation seems to have been that the creation of a single space of education would give a further mobility boost. This assumption appears slightly naïve today. First of all, Bologna introduced a competitive element into intra-European higher education relations as well. But if institutions really went into open competition, a hierarchy would finally emerge, with the potential to undermine the ‘all-are-equal’ hypothesis on which recognition of credits earned abroad rested. Erasmus-type mobility, however, stood and fell with the principle of recognition. Second, and admittedly not closely related to Bologna, it was realistic to assume that the attractiveness of intra-European exchanges would wane over time. As a form of ‘horizontal’ mobility, its prime results are, as many evaluations have shown, less of an academic gain, but rather personal development in the form of intercultural and linguistic learning. In an age of massively increased (non-academic) mobility in Europe, these gains could be expected to lose in currency, since they could also be acquired by non-academic stays in other European countries. Third, one might expect that shorter degrees would make it more difficult to integrate a study-abroad period. This latter argument started to massively influence the debate about short-term mobility under the conditions of Bologna during the last years. In some countries, amongst them Germany, expectations regarding short-term intra-European mobility have turned by almost 180 degrees. Expectations of growth have turned into expectations of decrease.

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Beyond 2010
With regard to *intra-European degree mobility*, the positive expectations remained in place. The belief here is that the existence of one and the same degree structure would make mobility from one country to another easier. We would thus see more cases than in the past of a student who studied for a bachelor degree in, say, Portugal, went on to master studies in Denmark, and, possibly, to earn a PhD in a third country. It must be stressed, though, that the concern with European degree mobility has not been nearly as strong in the Bologna debate as that with short-term non-degree mobility inside Europe.8

A third assumption, mostly voiced more implicitly than directly, was that the Bologna reforms would attract larger numbers of *degree students from other continents* into the EHEA. As indicated already earlier, this expectation rested on the conviction that the structural changes, such as the new degree structure, but also quality assurance measures, would increase the value of European qualifications. At a first glance, this appears to be a reasonable expectation. However, it must be stressed that there is no safe knowledge yet how the Bologna reforms impact on student destination choice behaviour. An ACA study of 20069 found that potential students from outside of Europe base their choice on criteria such as the perceived ‘reputation’ of the tertiary institution, and that, anyway, they are largely unaware of the Bologna reforms. The same study found that students saw language barriers as a big European disadvantage and were not aware of the offer of English-medium programmes in continental Europe.

### 4.1.2 Evidence available

Is it possible to measure the effect of the Bologna reforms on mobility, and thus put the above assumptions to the test? The data to be presented further on in this essay give some indications, but, as will be seen, they cannot fully answer the question. This is so for mainly three reasons:

- The Bologna reforms, and, above all, the three-cycle degree structure, are not yet fully in place in all EHEA countries. And even in those countries where they were introduced earliest, there are hardly any student cohorts yet who have fully proceeded through both the first and the second cycle. It is thus, in almost all countries, too early to measure the Bologna impact on mobility.
- As indicated above, student decisions to study in a foreign country, and destination choice, are influenced by a host of factors. It is doubtful if structural reform ranks high in this regard. But even if it did, it would be almost impossible to isolate the influence of the Bologna reforms from other factors.

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8 This is not only true of the discussions in the framework of the EHEA. Since the introduction of Erasmus at the latest, public attention has almost exclusively focused on short-term non-degree mobility. This stands in striking contrast to the fact that, in any given European country, the number of foreign degree students from elsewhere in Europe has far exceeded that of non-degree students.

Student mobility data leave much to be desired. As will be seen further on, even attempts at improvement can sometimes result in the opposite.

**Intra-European non-degree mobility**

There is no single source from which a Europe-wide overview of non-degree mobility could be obtained. The three large international gatherers of student mobility data, UNESCO, OECD and EUROSTAT, explicitly ask their national data providers to exclude mobility of duration of under one year. The standard international comparative statistics thus tell us nothing about short-term mobility at all. Some experts claim that short-term intra-European mobility is, in quantitative terms, largely identical with Erasmus mobility. It is unclear which evidence (if any) this assessment is based on. Additionally, one would expect that a share of this mobility is also generated by nationally-financed mobility programmes, and – in some countries at any rate – through portable state student loan and grants systems. The number of self-paying students not supported by any programme is everybody’s best guess. Whatever will be presented further on in this section is therefore likely to be partial at best.

**Erasmus statistics** (see Table 1 below) show that overall numbers of grantees are still on the rise. In the academic year 2006/07, there was a total of around 159,000 Erasmus grantees. Numbers have increased steadily, in every single year since the creation of the scheme in 1987/88, although the most recent years have seen a strong flattening of the growth curve. Looking only at student numbers under the Socrates II Programme (2000/01 – 2006/07), i.e. in a Bologna-relevant period, numbers went up from about 111,000 to about 155,000 grantees, or by roughly 40 percent. The picture is more diverse with regard to single countries: almost all new member states (who are all relatively late arrivals in the programme) still show clear increases, which could be attributed to ‘catch-up potential’. But some “old” EU countries are loosing grantees: Denmark has, over the last two years, lost about 11 percent, and Sweden went down by roughly 6 percent. In those countries which implemented the Bologna degree structure relatively early and in which therefore an impact could be expected, the picture is uneven: in Norway, numbers in the last year fell, compared to a year before, by 11 percent. In the Netherlands and in Italy, they were roughly stable. It must, of course, be borne in mind that per-capita funding over the years rose in Erasmus, so that the incentive power of the programme also increased, and that numbers might be lower if that had not been so. By and large, however, Erasmus statistics provide no evidence of a decline in intra-European non-degree mobility. But they can also hardly be used to underpin the opposite assumption, that of a boost to student mobility.

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10 Even though a survey conducted in the context of ACA’s EURODATA project identified rather small numbers.

11 and excluding Turkey, which started to participate in Erasmus mobility only in 2004/05
Table 1
Erasmus outgoing mobility by country 1987/88-2006/07
(absolute numbers)

<table>
<thead>
<tr>
<th>Country of home institution</th>
<th>2000/01</th>
<th>2001/02</th>
<th>2002/03</th>
<th>2003/04</th>
<th>2004/05</th>
<th>2005/06</th>
<th>2006/07</th>
</tr>
</thead>
<tbody>
<tr>
<td>BE – Belgium</td>
<td>4427</td>
<td>4521</td>
<td>4620</td>
<td>4789</td>
<td>4833</td>
<td>4971</td>
<td>5119</td>
</tr>
<tr>
<td>BG – Balgarija</td>
<td>398</td>
<td>605</td>
<td>612</td>
<td>751</td>
<td>779</td>
<td>882</td>
<td>938</td>
</tr>
<tr>
<td>CZ – Česká republika</td>
<td>2001</td>
<td>2533</td>
<td>3002</td>
<td>3589</td>
<td>4178</td>
<td>4725</td>
<td>5079</td>
</tr>
<tr>
<td>DK – Danemark</td>
<td>1750</td>
<td>1752</td>
<td>1845</td>
<td>1686</td>
<td>1793</td>
<td>1682</td>
<td>1587</td>
</tr>
<tr>
<td>DE – Deutschland</td>
<td>15872</td>
<td>16626</td>
<td>18482</td>
<td>20688</td>
<td>22427</td>
<td>23848</td>
<td>23884</td>
</tr>
<tr>
<td>EE – Eesti</td>
<td>255</td>
<td>274</td>
<td>304</td>
<td>305</td>
<td>444</td>
<td>511</td>
<td>572</td>
</tr>
<tr>
<td>GR – Ellas</td>
<td>1868</td>
<td>1974</td>
<td>2115</td>
<td>2385</td>
<td>2491</td>
<td>2714</td>
<td>2465</td>
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<tr>
<td>ES – España</td>
<td>17158</td>
<td>17403</td>
<td>18258</td>
<td>20034</td>
<td>20819</td>
<td>22891</td>
<td>22322</td>
</tr>
<tr>
<td>FR – France</td>
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<td>18149</td>
<td>19365</td>
<td>20981</td>
<td>21561</td>
<td>22501</td>
<td>22981</td>
</tr>
<tr>
<td>IE – Eire / Ireland</td>
<td>1648</td>
<td>1707</td>
<td>1627</td>
<td>1705</td>
<td>1572</td>
<td>1567</td>
<td>1524</td>
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<tr>
<td>IT – Italia</td>
<td>13253</td>
<td>13950</td>
<td>15225</td>
<td>16829</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CY – Kypros</td>
<td>72</td>
<td>91</td>
<td>64</td>
<td>93</td>
<td>133</td>
<td>129</td>
<td></td>
</tr>
<tr>
<td>LV – Latvia</td>
<td>182</td>
<td>209</td>
<td>232</td>
<td>308</td>
<td>607</td>
<td>681</td>
<td>807</td>
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<tr>
<td>LT – Lietuva</td>
<td>624</td>
<td>823</td>
<td>1002</td>
<td>1194</td>
<td>1473</td>
<td>1910</td>
<td>2082</td>
</tr>
<tr>
<td>LU – Luxembourg</td>
<td>126</td>
<td>104</td>
<td>119</td>
<td>138</td>
<td>116</td>
<td>146</td>
<td>170</td>
</tr>
<tr>
<td>HU – Magyarország</td>
<td>2001</td>
<td>1736</td>
<td>1830</td>
<td>2058</td>
<td>2316</td>
<td>2658</td>
<td>3028</td>
</tr>
<tr>
<td>MT – Malta</td>
<td>92</td>
<td>129</td>
<td>72</td>
<td>119</td>
<td>130</td>
<td>149</td>
<td>125</td>
</tr>
<tr>
<td>NL – Nederland</td>
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<td>4244</td>
<td>4241</td>
<td>4388</td>
<td>4743</td>
<td>4491</td>
<td>4502</td>
</tr>
<tr>
<td>AT – Österreich</td>
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<td>3024</td>
<td>3325</td>
<td>3721</td>
<td>3809</td>
<td>3971</td>
<td>4032</td>
</tr>
<tr>
<td>PL – Polska</td>
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<td>4323</td>
<td>5419</td>
<td>6276</td>
<td>8390</td>
<td>9974</td>
<td>11219</td>
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<td>PT – Portugal</td>
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<td>3172</td>
<td>3782</td>
<td>3845</td>
<td>4312</td>
<td>4424</td>
</tr>
<tr>
<td>RO – Romania</td>
<td>1899</td>
<td>1964</td>
<td>2701</td>
<td>3005</td>
<td>2962</td>
<td>3261</td>
<td>3350</td>
</tr>
<tr>
<td>SI – Slovenia</td>
<td>227</td>
<td>364</td>
<td>422</td>
<td>546</td>
<td>742</td>
<td>879</td>
<td>972</td>
</tr>
<tr>
<td>SK – Slovenská republika</td>
<td>505</td>
<td>578</td>
<td>653</td>
<td>682</td>
<td>979</td>
<td>1165</td>
<td>1346</td>
</tr>
<tr>
<td>FI – Suomi / Finland</td>
<td>3286</td>
<td>3291</td>
<td>3402</td>
<td>3951</td>
<td>3932</td>
<td>3851</td>
<td>3773</td>
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<tr>
<td>SE – Sverige</td>
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<td>2633</td>
<td>2656</td>
<td>2667</td>
<td>2698</td>
<td>2530</td>
<td>2532</td>
</tr>
<tr>
<td>UK – United Kingdom</td>
<td>9020</td>
<td>8475</td>
<td>7973</td>
<td>7539</td>
<td>7214</td>
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<td>7235</td>
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<tr>
<td>IS – Island</td>
<td>134</td>
<td>147</td>
<td>163</td>
<td>221</td>
<td>199</td>
<td>194</td>
<td>189</td>
</tr>
<tr>
<td>LI – Liechtenstein</td>
<td>18</td>
<td>17</td>
<td>7</td>
<td>19</td>
<td>26</td>
<td>30</td>
<td>44</td>
</tr>
<tr>
<td>NO – Norge</td>
<td>1007</td>
<td>970</td>
<td>1010</td>
<td>1156</td>
<td>1279</td>
<td>1412</td>
<td>1257</td>
</tr>
<tr>
<td>TR – Türkiye</td>
<td>1142</td>
<td>2852</td>
<td>4438</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>111092</td>
<td>115432</td>
<td>123957</td>
<td>135586</td>
<td>144037</td>
<td>154421</td>
<td>159324</td>
</tr>
</tbody>
</table>

Source: data delivered by the European Commission, DG Education and Culture
A study entitled *Transnational Mobility in Bachelor and Master Programmes*\(^{12}\), carried out by INCHER and GES in Kassel/Germany in 2006, explored issues around incoming and outgoing non-degree mobility in 11 European countries.\(^{13}\) The study, which had to be produced in a very short time, is based on a questionnaire survey completed by around 200 universities and 150 bachelor and master programmes and thus has a slightly slim empirical basis. It attempted to capture the *de facto* development of mobility in the last five years prior to the study and it enquired into expectations as to the future development of mobility.

Concerning the *de facto* development, 70 percent of all respondents experienced an increase of outgoing\(^{14}\) non-degree mobility to European destinations, and most of the remaining 30 percent reported a stable picture. Only the Netherlands and the United Kingdom had experienced a decrease. It must be pointed out that these findings say nothing about the extent of the increase (or decrease). Respondents were not asked to provide numerical data, but only answer if mobility had increased, decreased or remained stable. However, the picture is different when one looks only at the subsample of respondents from institutions in transition from a ‘traditional’ to a Bologna degree structure. There the development of mobility had been predominantly negative. Three percent of bachelor programmes and 4 percent of master programmes experienced an increase in outgoing mobility. 61 and 56 percent respectively experienced unchanged levels. 35 and 40 percent experienced a decrease.

The above findings would seem to indicate that mobility under the Bologna degree architecture is actually falling. In contrast to this, the findings on the future expectations of outgoing mobility to European destinations in bachelor and master degrees point in the opposite direction. In bachelor programmes, the expectation of respondents is in 55 percent of cases one of increase, in 34 percent an unchanged level, and only in 10 percent a decrease. In master programmes, the corresponding percentages are 58, 33 and 8 percent.

The German Academic Exchange Service (DAAD) carried out a questionnaire survey among 1,601 master and bachelor programmes (respondents) in Germany in 2006.\(^{15}\) When comparing mobility between traditional degrees and bachelor programmes which had replaced them, 45 percent of respondents saw no change, 18 percent perceived an increase and 17 percent a

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\(^{12}\) Published in DAAD (ed.), *Transnational Mobility in Bachelor and Master Programmes*, Bonn: 2006.

\(^{13}\) Austria, France, Germany, Hungary, Italy, Poland, Norway, the Netherlands, Spain, Switzerland, United Kingdom.

\(^{14}\) Like the Erasmus data, these are data of outgoing mobility. In the case of intra-European non-degree mobility and with a view to possible Bologna effects, the use of outgoing student data is justified or even desirable. First, in intra-European mobility, every outgoing student is also an incoming one (elsewhere) in Europe. Second, if a shorter duration of programmes should be a threat to mobility, the problem lies at the source institution, and not at the receiving end.

decrease. In master programmes, 24 percent perceived unchanged mobility levels, 24 percent experienced an increase, and only 7 percent a decrease. Respondents’ future expectations were also predominantly those of an increase. As in the earlier-quoted study, what was measured is an impression of the quantitative development (‘felt mobility’) and not actual data.

The latter study is particularly interesting with regard to the provisions curriculum designers in bachelor and master degree programmes take to safeguard student mobility under the conditions of the Bologna degree structure. 21 percent of all responding master programmes and 15 percent of all bachelor programmes entail a mandatory period abroad. 65 percent of all programmes foresee a period abroad at least as an option (which is used by between a fifth and a quarter of all students). If these German findings on the curricular integration of study abroad periods are representative of Europe, worries about a future decrease of intra-European non-degree mobility are unfounded. But it is doubtful if they are representative of the entire EHEA.

Another German study, Internationale Mobilität im Studium, was conducted by the Hochschul-Information System GmbH (HIS) in early 2007. Like the previously quoted one, it does not only cover outgoing non-degree students to Europe, but also to other continents, though in both studies the vast majority of mobility is into Europe. The HIS study comes to different conclusions than the DAAD survey. It is the only one which does not measure ‘felt mobility’, but actually surveyed students, and is thus based on quantitative mobility data. Master programmes have a higher share of mobility (30%) than some traditional ‘long’ programmes (Diplom/University and Staatsexamen 23%, Diplom/Fachhochschule 21%), but a lower one than others (Magister 34%). Bachelor programmes, on the other hand, have low mobility values (15% at universities and 9% at Fachhochschulen). The study, however, has a slightly eccentric methodological design and is thus not easily comparable with the others. It surveyed students who had not yet finished their degree, and thus provides only an interim snapshot picture at that stage, and, in the case of master programmes, it also counts mobility in a previous bachelor programme (and even mobility taking place between the two programmes).

In conclusion, it can be said that the empirical evidence for a drop in intra-European temporary mobility is slim, if non-existent. It is, however, also impossible to conclude from these data that the Bologna degree architecture is likely to give intra-European non-degree mobility a major boost. The quoted studies were probably also undertaken too early after the introduction of the new structure to draw safe conclusions. However, the point in time when this will be possible is coming close. In order to come to safer findings about the impact of the EHEA on intra-European mobility, it would be worthwhile to carry out a solid, country-comparative study in 2009 or 2010.
Intra- and into-Europe degree mobility

Europe has a high share of the global number of international students. The EURODATA study, which the Academic Cooperation Association carried out in 2004 and 2005, based on data for the year 2003, found slightly over 1.1 million international students in the 32 countries it covered (the now 27 EU member states, the four EFTA countries, and Turkey). This number corresponds to about 2.1 million foreign students worldwide in the same year. Thus, more than half of all students worldwide studying outside their country of nationality, study in Europe. In other words, at a first glance Europe was – already in the early years of the Bologna Process – a strong player in international mobility.

Since 1985, when the number of foreign students in Europe amounted to roughly half a million, Europe has seen its foreign student population more than double. This impressive growth is somewhat put into perspective by the fact that total enrolment in Europe grew in the same period by about three quarters, so that the percentage of foreign students in Europe rose only slightly, from 4 to 5 percent.

Of the roundabout 1.1 million foreign students enrolled in the 32 EURODATA countries in 2003, about 470000, or 43 percent, came from the same 32 countries. About 8 percent came from other European countries, bringing the total share of Europeans to slightly more than half of the total. 46 percent, or some 510000 were non-Europeans, and 4 percent of unknown origin. Of the total, the largest non-European group is made up of Asians (21%), followed by Africans (17%). North and Latin Americans have a relatively small share, with 3 and 4 percent respectively. The most frequent single nationality of foreign students in the EURODATA region was Chinese (6%), followed by German, Greek and French (all about 4%).

Looking at overall European trends, two conclusions can be drawn. First, Europe is highly successful on the international 'student market'. Second, a large share of Europe’s students is made up of Europeans. This makes for a strong record in intra-European mobility, but it makes Europe’s record look less impressive in terms of into-Europe mobility. Irrespective of these two observations, the data overstate the real extent of mobility. UNESCO, OECD and EUROSTAT have, until recently, used the foreign nationality of students as a proxy of mobility. Comparisons with data based on the criterion of ‘country of prior residence’ and ‘country of prior education’ in those countries which collect both showed that, in a substantial share of cases, a foreign nationality does not indicate a physical move into the country for purposes of study. In the case of some countries, the foreign student total is about one third higher than the number of genuine mobile students. The

16 See Kelo, Teichler, Wächter, EURODATA, op.cit.
The author has no information on how large the discrepancy between data on nationality and genuine mobility is in other world regions outside of Europe. But the high labour migration in Europe and a number of other factors speak for it that the discrepancy in Europe is higher than elsewhere in the world, and that the UNESCO data therefore probably comparatively overstate the degree of mobility in Europe, and particularly the degree of intra-European mobility.

The above averages also say little about mobility with regard to single European countries. To speak of European strength in student mobility is therefore treacherous. The United Kingdom, France and Germany together account for almost two thirds of all incoming degree mobility in Europe. Countries with a similarly large overall student population (of around two million), such as Italy, Poland and Spain, have comparatively insignificant numbers, and therefore much lower foreign student shares, as Table 2 displays.
Table 2: Domestic and foreign students in selected European countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Tertiary students</th>
<th>Foreign students</th>
<th>Proportion of foreign student among all students in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>2287833</td>
<td>255233</td>
<td>11.2</td>
</tr>
<tr>
<td>Germany</td>
<td>2242379</td>
<td>240619</td>
<td>10.7</td>
</tr>
<tr>
<td>France</td>
<td>2119149</td>
<td>221567</td>
<td>10.5</td>
</tr>
<tr>
<td>Italy</td>
<td>1913352</td>
<td>36137</td>
<td>1.9</td>
</tr>
<tr>
<td>Spain</td>
<td>1840607</td>
<td>53639</td>
<td>2.9</td>
</tr>
<tr>
<td>Poland</td>
<td>1983360</td>
<td>7617</td>
<td>0.4</td>
</tr>
</tbody>
</table>

Source: EURODATA

Likewise, the regional origin of students in Europe differs dramatically from country to country. While the share of non-Europeans reaches over 80 percent in Cyprus and Portugal, it is in the one-digit area in Slovenia and Greece.

How has mobility developed in the very recent past? Worldwide, the number of students studying outside their country of nationality has gone up, tremendously, from 1.8 million in 2000, via 2.1 million in 2003 (EURODATA year) to 2.7 million in 2005. This marks an increase of 50 percent in a period of just six years. The recent development in Europe can – to a degree – be seen in Table 3. The data in this table have been extracted from the online database of the UNESCO Institute of Statistics, which makes them available for the years from 2002 to 2006, i.e. a period of five years (instead of six, as in the OECD comparison). The table shows a mixed picture, with some countries making gains of close to or even over 100 percent, while others experience a drop in numbers. A majority of the countries gains between 20 and 50 percent.

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### Table 3: Incoming degree mobility in Europe

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
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<td>24854</td>
<td>13220</td>
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<td>695</td>
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<tr>
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<td>3719</td>
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<td>4050</td>
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<td>51582</td>
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T=total, E=Europe

Source: UNESCO Institute of Statistics
However, there are reasons to mistrust at least some of the data.

- A number of countries, such as Belgium, Romania, Spain, Sweden and Switzerland, display a sudden drop of numbers from one year to the next amidst an otherwise upward-directed trend. As a result of this, their overall balance is negative. Spain, for example, drops between 2003 and 2004 from about 54,000 to 15,000 foreign students from all over the world (and from roughly 31,000 to 7,000 foreign students from Europe). This is almost certainly due to a change of definition of a mobile student, who was earlier understood as one with a foreign nationality and is then defined as having been mobile in a genuine sense. As desirable as it is to base mobility reports on genuine mobility rather than nationality, the fact is that incomparable data now appear in a time series, which is therefore useless.

- The increase in the case of at least one European country, Greece, where the number of foreign students from Europe skyrocketed by over 400 percent, is suspicious and probably also due to a change in statistical practice.

With a view to possible links to the implementation of the Bologna degree structure, it might be justified to look at the development of student mobility into Italy, the Netherlands and Norway, who were amongst the first ones to introduce the new degree architecture. The data for these three countries appear ‘unsuspicious’. All three countries experienced gains, and increases of mobility into Europe exceed those in intra-European mobility in each country. Gains are most marked in the case of Italy (which, however, has very modest absolute numbers in relation to its size): overall mobility into the country increased by 72.6 percent, while mobility from Europe grew by 58.4 percent. Growth in the Netherlands, on the other hand, was very modest, with overall inbound mobility going up by 43.2 percent and mobility from Europe by 20.9 percent. The figures for Norway range somewhere in-between Italy and the Netherlands. It would, however, be very daring to attribute these developments only or mainly to the Bologna reforms. Non-degree student mobility is heavily influenced by a host of other influence factors, such as the provision of scholarship programmes, visa policies (in the case of non-European students), and promotion and marketing measures.

4.2 Curricular internationalisation

Next to mobility, curricular internationalisation has for a long time been high on the European agenda. Some of the provision in this area, such as internationally comparative studies and the study of foreign languages and literatures, has always existed and therefore only very late been classified as ‘international’. This is also true of special programmes for students from the third world, in subject areas of particular relevance for developing countries.
In a wave starting in the 1970s, area studies, mostly with a European focus, were being introduced across Europe, often in combination with language studies. A number of these programmes owed their existence to an Erasmus predecessor scheme, the Joint Study Programme. The Joint study programmes also played the role of a midwife in the birth of programmes with an integrated (and often mandatory) study abroad phase at a partner institution in Europe. These were the nucleus of the structurally identical double degree programmes (which awarded graduates the degrees of the two tertiary institutions where they studied), which later sprang up in larger numbers, and today’s much-hailed joint degrees. Since about the turn of the century, programmes taught in English in non-English-speaking European countries started to be developed. This section will specifically address English-medium education as well as double and joint degrees.

4.2.1. English-medium provision

In 2001, and again in 2007, the Academic Cooperation Association produced a study devoted to the provision of English-taught programmes in European countries where English was not (one of) the domestic language(s). The 2007 study surveyed 2218 higher education institutions in 27 European countries. 851 tertiary institutions responded to the survey. Of these, 401, or 47 percent, reported that they offered one or more English-medium programmes, the rest did not. Between themselves, these institutions offer a total of close to 2400 programmes, i.e. on average almost three per institution. It is estimated that, on a European average, this number constitutes about 7 percent of all programmes offered (in the domestic language and in English).

As is usually the case, averages say little. The largest absolute number of programmes was found in the Netherlands (509), followed by Germany (214), Finland (208) and Sweden (128). Together, these four countries offer almost half of all provision in Europe. In relative terms – that is, controlling for the different sizes of national higher education systems – the Netherlands emerged at the top, followed by Finland, and, astonishingly, Cyprus. All Nordic countries came out as strong performers. Among Dutch responding institutions the share of English-taught programmes of all programmes was 34 percent. It was 21 percent in Denmark and 15 percent in Finland. Southern Europe (with the exception of Cyprus), on the other hand, reported extremely few English-taught programmes. The largest number of identified programmes is offered in the subject cluster of engineering and technology (27%), follow-

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18 In some cases with the only thinly-veiled motive to avoid closure of language departments due to falling enrolments in more traditional language studies.
20 All EU member states apart from the UK, Ireland, Malta and Luxembourg; all EFTA countries apart from Liechtenstein; and Turkey.
ed by business and management studies (24%) and the social sciences (21%). This constituted a reversal of the finding of the 2001 study, in which business and management studies had still led – by a wide margin – engineering and technology.

In the context of a possible ‘Bologna relevance’, two findings are particularly striking. First, English-taught programmes are, in their vast majority, offered in the form of genuine bachelor and master programmes. Second, the introduction of the lion’s share of these programmes took place since the adoption of the Bologna Declaration. Only 4 percent of all identified provision consists of ‘traditional’ single-cycle programmes (concentrated, moreover in two countries mainly: Turkey and Poland). 79 percent of the offer is at the master level, and only 16 at the bachelor level. Moreover, all bachelor programmes are of a duration of a minimum of three and a maximum of four years, and all master programmes last between one and two years. 79 percent of all English-medium degrees were introduced since the year 2000. Of the few long ‘pre-Bologna degrees’, over half (57%) were created in the years up to and including the ‘declaration year’. Growth has remained strong and more or less ‘linear’ overall, fuelling the expectation of steady future increases in provision. At any time, master programmes have far outnumbered bachelor degrees, and this tendency has grown stronger over time.

Table 4
Year of introduction of English-taught programmes – by level (percentages)

<table>
<thead>
<tr>
<th>Course type/level of study</th>
<th>Bachelor</th>
<th>Master</th>
<th>Bachelor + Master</th>
<th>Total</th>
</tr>
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<tr>
<td>Up to 1999</td>
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<td>57</td>
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<td>2000 – 2003</td>
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<td>26</td>
<td>17</td>
<td>24</td>
</tr>
<tr>
<td>2006 – 2007</td>
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<td>30</td>
<td>9</td>
<td>27</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Count (n)</td>
<td>(126)</td>
<td>(652)</td>
<td>(35)</td>
<td>(813)</td>
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</table>


Further Bologna characteristics are typical of English medium programmes. For example, 85 percent of all degrees award the Diploma Supplement and the use of ECTS is standard practice. However, English-taught degrees rarely entail a mandatory study abroad period, though this is understandable since most students enrolled in these offerings are already ‘abroad’.
English-medium instruction is predominantly, but not exclusively created for international students. In the earlier study (conducted 2001 and published 2002), on a Europe-wide average, 60 percent of the student population was foreign. The 2007 survey showed a trend towards a higher share of foreign students, who now make up 65 percent of enrolment. Of the foreign student population, slightly over one third are Europeans (27% EU/EFTA and 9% ‘other’ Europe), 34 percent Asians (of whom over one third Chinese), and the rest from other world regions. To the extent that enrolment patterns reflect the desired regional composition of those offering the programmes, English-medium degrees are mainly instruments for attracting international, non-European students. What speaks for this is also the dominance of Master programmes, which internationally mobile non-European students predominantly seek.

In conclusion, one is tempted to state a far closer relationship between the creation of a strong offer of English-medium provision and the EHEA than between the development of mobility flows and the Bologna Process. It is safe to say that the designers of the English-taught programmes have created their programmes in a ‘Bologna-compatible’ way. It is also striking that the emergence and growth period of this phenomenon coincides time-wise with the creation of the EHEA. At the same time, English-medium degrees also respond to the emergence of a global higher education market, and coincide with strong marketing efforts that the tertiary institutions and national bodies of the leading countries in English-medium provision (Netherlands, Finland, Sweden, and Denmark) have put in place. In the Netherlands at least, an entrepreneurial motive – in the form of no longer symbolical tuition fees – also comes into play.

### 4.2.2 Double and joint degrees

The history of curricular cooperation across country borders in Europe is much older than generally assumed today. In 1976, the then European Community launched its first ‘Education Action Programme’ and, as part of it, the Joint Study Programme scheme. This initiative was essentially a pilot of the later Erasmus Programme. Like Erasmus, it promoted the exchange of students in partnerships of institutions from two or more countries and it required partners to recognise learning undertaken abroad. The most advanced of these programmes structurally embedded the study abroad period through curricular agreements. They were, in the parlance of these days, ‘integrated study programmes’. Such programmes became more common after the creation of the Erasmus Programme, which offered a separate funding line for their introduction and operation. Under Erasmus, a larger number of them also awarded double (and sometimes multiple) degrees of the two or more universities by whom the programme was delivered. The double degrees were not structurally different from the other forms of integrated study programmes: the difference was in certification, not in substance. The motive to
award a second degree was to facilitate student access to the academic and labour market of a second country. To jointly award one single degree was at that time (perceived as) legally impossible. This option only came into play at the beginning of the new millennium, when the Prague Ministerial Meeting (2001) explicitly endorsed this formula, and later in 2004, when the then new Erasmus Mundus Programme introduced the ‘joint masters’ as its curricular backbone. The Bologna Process thus inherited rather than introduced curricular cooperation and integration across national borders in Europe. Its own contribution is the progress in certification (if one sees it that way) in the form of the joint degree, and, of course, the fact that these programmes now award the new Bologna-type degrees.

The 2007 Stocktaking Report found that all Bologna signatory countries have legislation in place which either explicitly foresees the possibility of joint degrees (32 countries), or does at least not prohibit them. Of the 12 indicators used in the 2007 stocktaking, this is the one with the best score. From this, one would be tempted to conclude that joint degrees are becoming very common in the EHEA. But empirical evidence on the provision of joint degrees (and also double degrees and other ‘integrated’ programmes) is in short supply. The data situation is best with regard to programmes created in the framework of the Erasmus Mundus Programme: there are, to date, 103 Joint European Masters. By the middle of 2007, the programme had awarded some 4100 scholarships to non-European students. With the continuation of the programme, the numbers of joint degree programmes and grantees are bound to grow.

The Trends V Report, in the framework of which a large (but unquantified) number of universities in the EHEA were surveyed in 2005 and 2006, found that 60 percent of all responding institutions offer at least one joint degree. According to the same study, the majority of joint degrees are offered at the master level, while 15 percent of responding universities offered joint degrees in all three Bologna cycles. But like the Bologna with Student Eyes publication – the assessment of the Bologna Process by the European Students Union – the report concludes that student numbers in joint programmes are small and that it is “unlikely that joint programmes will be able to deliver the significant increase in international mobility that was perhaps expected by Bologna reforms”. It also raises doubts as to the sustainability of many joint degrees, due to their need for considerable financial and staff resources.

A study commissioned by the German Rectors’ Conference (HRK) and the German Academic Exchange Service (DAAD) of 2006 supports the impres-
sion that the supply of double and joint degrees in Europe is not abundant.\textsuperscript{25}
The study, which entailed a survey of institutions and programme directors in 26 Bologna signatory states, identified 303 integrated programmes in 24 countries, among them (suspiciously) 40 percent from Germany. Of these programmes, 17 percent awarded joint degrees, 71 percent double or multiple degrees, and 13 percent one single degree (which, however, entailed an integrated and mandatory study-abroad period). As did \textit{Bologna with Student Eyes} and \textit{Trends V}, the study found that the number of students enrolled was small: 24 on a European average per programme. It also confirms that integrated programmes are predominantly offered at the master level (66%).

Table 5 is revealing.

\begin{table}[h]
\centering
\begin{tabular}{lccc}
\hline
\textbf{Year of introduction joint, double and multiple degrees} & \textbf{Course type/level of study} & \textbf{Total} \\
 & EU-15/EFTA Bachelor + & New EU Member States & Non EU/EFTA \\
\hline
Up to 1999 & 25 & 15 & 22 & 24 \\
2000 – 2002 & 21 & 9 & 17 & 19 \\
2003 – 2004 & 26 & 41 & 39 & 29 \\
2006 – 2007 & 28 & 35 & 22 & 29 \\
Total & 100 & 100 & 100 & 100 \\
Count (n) & (235) & (34) & (18) & (287) \\
\hline
\end{tabular}
\caption{Year of introduction joint, double and multiple degrees}
\end{table}

The majority of integrated programmes identified by this study have been introduced in the years after the Prague Ministerial Meeting first put joint degrees onto the Bologna agenda.\textsuperscript{26} This is so across Europe, but in particular in the “new member states”, which had not enjoyed for the same duration the EU (Erasmus) support that helped create the earlier one of these programmes in the “old member states”.

Despite the lack of satisfactory data, the following conclusions about integrated programmes can probably be drawn.

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{25} GES, \textit{Results of the Survey on Study Programmes Awarding Double, Multiple or Joint Degrees}, Kassel: 2006.
\item \textsuperscript{26} It can of course not be totally excluded that respondents stated the year in which a given programme was introduced as a Bachelor of Master degree, but that it had existed prior to that as a ‘traditional’ long programme. In this case, we would be confronted with a re-introduction rather than a new creation.
\end{itemize}
\end{footnotesize}
First, integrated programmes are not the invention of the Bologna Process. They were ‘inherited’ from an earlier phase of European educational cooperation, at any rate in the ‘old EU member states’ in the West of Europe. The contribution of the Bologna Process is a) the growth of their numbers over time, b) the ‘joint’ certification model, and, of course, c) the (re-)design of the programmes according to the new degree structure.

Second, and despite the above surveys, there is no reliable information on the quantities of this sort of provision in Europe. A comprehensive EHEA-wide survey would be needed to provide reliable and differentiated data.

Third, and notwithstanding the uncertainties about the quantitative extent of provision, the numbers of students enrolled in these programmes appear to be low. ESU and EUA are therefore right to conclude that, at present levels, these programmes are very unlikely to give a strong boost to mobility – whether into the EHEA or inside of it.

Fourth, given the low student numbers, it is almost futile to speculate if the motive to introduce these programmes is in the first place linked to the Bologna Process, and an intra-EHEA agenda, or if they owe their existence more to the ‘globalisation’ of higher education and an attempt to be able to successfully compete on the world-wide student market.

5 Reaching out: the external dimension

Internationalisation in European higher education has a long history. In a first and quite long period after WWII, activity levels were low and internationalisation was mainly characterised by inbound ‘vertical' mobility from developing countries. With the onset of closer European cooperation in the context of Erasmus and related schemes the focus was on intra-European cooperation, although some countries – mainly former colonial powers – never lost their ‘outward look’. Roughly since the beginning of the new century, the globalisation and global competitiveness agendas have partially refocused attention to the wider world. In a sense, the Bologna Process would not have come into existence without this changed environment. But, ironically, in its early years, the Bologna Process paid little attention to the world beyond the EHEA. This changed only, and only partially, with the adoption of the strategy paper *The European Higher Education in a Global Context* of 2007. The emergence of European higher education promotion is particularly interesting in this context.

5.1 Promotion and marketing

Promotion, marketing and recruitment would not have been viewed as a serious internationalisation activity only 15 years ago. Worse, it was regarded as commercial, and thus deeply un-academic. The chief actors in the Bologna Process appeared to endorse exactly this when they stated, as late as
2003 (Berlin Communiqué) that ‘academic values’ should prevail. That was to be understood as: we are not into selling. Marketing and promotion is, at least in its finality, just about that. What changed the attitude to marketing was, ultimately, the arrival of the reality (or the rhetoric?) of global higher education competition in Europe. The focus of marketing is not on the EHEA, but on the countries outside of it.

The key actors in the international promotion of higher education are (or should be) the higher education institutions themselves. According to widely shared marketing wisdom, nothing can substitute their own efforts to convince potential students (and faculty) around the world of the attractiveness of their programme offerings (and research prowess, where applicable). There is, however, no systematic European overview of institutional promotion efforts known to the author. Anecdotal evidence – mostly gathered by participants of education fairs – would suggest that British tertiary institutions are very and Dutch universities quite active. Following, there would be a middle group of German, Austrian, and Nordic higher education institutions and some especially private institutions from Central Europe and Cyprus. Activity of most institutions from other countries in the EHEA would be negligible. But no one knows this safely. In the absence of any systematic knowledge about institutional engagement, this section will be largely devoted to national-level and European marketing campaigns and the respective actors.

National-level initiatives

International higher education promotion is a fairly new phenomenon in Europe, with a history of some ten years in the more ‘advanced’ countries, and much less elsewhere. Certainly, governments and specialised internationalisation agencies working on their behalf have for a long time engaged in providing information on study in their countries. But these information-provision activities should not be confused with promotion and marketing as such. National-level promotion and marketing in the sense of a proactive, coordinated and larger-scale effort aimed at attracting international students (mainly from non-European countries) started in Europe in the second half of the 1990s, when the UK set up its Prime Minister’s Initiative, when Germany launched its Hi! Potentials campaign, when France created its international promotion agency EduFrance (now: CampusFrance), and when NUFFIC started to market the Netherlands as a study destination, to name only some of the most important initiatives at the time. The first thing to state is therefore that higher education marketing had arrived in a number of European countries before the Bologna Declaration.

Most national marketing efforts in Europe have been government-induced or, at any rate, government-supported. In most cases, governments felt that it had become necessary to encourage their higher education institutions to proactively seek to enrol a larger number of international students, and to
therefore support the institutions’ efforts by a national umbrella campaign which would enhance the international visibility and attractiveness of the country’s higher education as a whole. In the overwhelming majority of cases, national governments out-sourced the task to specialised organisations. In countries where there was already an established ‘internationalisation agency’ for the administration of scholarship programmes and like measures, this organisation was usually entrusted with the development and the implementation of the promotional campaign. Examples are Germany’s DAAD, the UK’s British Council, the Netherlands’ NUFFIC, or Finland’s CIMO, Sweden’s Swedish Institute and Denmark’s CIRIUS. In countries where such structures were lacking or deemed inappropriate by the government, new entities were set up, for example in France, where three government departments created EduFrance in the late 1990s. There have also been – rare – cases where organisations were set up without any government initiative. This has recently been the case in Poland, where the Perspektywy Foundation was set up by a publishing house in cooperation with the national rectors’ conference.

National promotion activity across Europe differs enormously in scale. While a few countries apply the whole arsenal of promotional possibilities, others use only selected means (and yet others are of course wholly ‘abstentious’). The following is an overview of the various instruments and means employed.

The core element of any more developed promotion campaign is a higher education brand. This brand creates a unique ‘identity’ of the particular country’s higher education. It consists of a set of key messages and a logo.

The second element of most campaigns is a central website. The website (‘Study-in-…’) is the key instrument for guiding potential international students to the information they seek in order to make their destination decision and later enrol. Typically it contains a section about the country itself (and its unbeatable charm) and its higher education system, as well as practical information about immigration, visas, work, accommodation and the like. One of the functions of the website is to serve as a portal to the websites of individual institutions and their education offer. A well-developed website also contains an overview of scholarship programmes and ‘international’ (English-medium) programmes. Advanced websites exist in a range of languages more frequently spoken at a global level and in country-specific variations.

The third element of a developed campaign consists of events of various kinds, such as higher education fairs, which create a forum for the direct encounter with potential students (and their parents). Some fairs are organi-

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27 There have also been attempts by some sub-national regions in Europe, such as Baden-Württemberg or Catalonia, to create their own brand. Likewise, there have been attempts at joint marketing by groups of European countries (the Nordic countries, for example), and also of transnational European university networks, but hardly any of these latter measures have developed a clear brand.
xed by (the promotion agency of) one single country (e.g. a Polish higher education fair in India). Others are organised by country-neutral (and often commercial) organisations and open to all paying participants. In the minimalist case, only the promotion agency of a country is present, and represents its higher education institutions. More frequently, it organises next to its own presence that of the individual institutions, who are present with their own booths. Other types of events comprise smaller seminar-type get-togethers, often of a subject-specific sort, or meetings between representatives of higher education institutions from the host and the promoting country.

A fourth element is communication (media) campaigns. Typically, these target a particular country and transport their messages via advertisements on television and in widely-read newspapers and magazines, amongst others. It is common to combine a media campaign with a physical presence (through fairs or other events) in the country.

Fifth, some organisations organise their own permanent presence in key countries, in the form of information offices. These offices are service points for potential students (and support structures for events, media campaigns and the like), whom they inform and counsel. Only larger organisations (British Council, DAAD, NUFFIC to an extent) make the – considerable – investment into such a permanent physical presence. In other cases, this task is delegated to the embassy or a cultural institute of the country in question.

Sixth, there are further promotion-related activities, in which only countries with a very advanced promotion campaign are active. One activity is to work with (selected) private agents. Others are competence building offers intended to equip the institutions of one’s country to better position themselves internationally. A few countries also invest in background research, for example marketing studies to explore the potential of their country’s higher education institutions in a given country or region.

Very few countries in Europe apply the whole set of the above instruments. In fact, national higher education promotion is very unevenly developed across Europe. In terms of activity intensity, Europe can be tentatively divided into three country categories.

The first type is categorised by a high degree of involvement, in terms of resources available and activities engaged in. This group is led by the UK, which most likely outperforms any other country by a considerable margin. Other countries in this group are Germany, France and the Netherlands, who have also invested considerably. Given their (smaller) size, Finland and Sweden also belong to this group. After Denmark’s recent decision to invest considerably in international promotion, this country will probably soon join the group, too.

A second category consists of countries which are active in only a few of the above activity categories or where an infrastructure (organisation) for inter-
national promotion has only very recently been created. In some countries
these are fledgling organisations whose sustainability must still be demon-
strated. In others, established ‘internationalisation agencies’ have been en-
trusted with the task, but at a modest level of engagement. This category is
led by countries such as Austria (Austrian Exchange Service), Switzerland
(CRUS), Poland (Perspektyw Foundation), Ireland (International Education
Board Ireland) and possibly Spain (EduEspana). Hungary (Campus Hun-
gary) and Italy (the very newly created EduItalia) have shown some signs of
becoming active in the field, too. In a third category of European countries, the author has not been able to
identify any form of national higher education promotion. This group forms
the majority of all countries in the EHEA. Of course, the National Agencies or
National Structures of almost all the countries eligible to participate in the
Lifelong Learning Programme and the Erasmus Mundus Programme of the
European Union engage in one form or another in promotion-related mea-

ures. However, this activity is usually small-scale and most of it consists of
the provision of information rather than marketing as such.

European (EU) initiatives

European-level promotional efforts have been only very recently started. The
chief actors are the European Commission’s Directorate General for Educa-
tion and Culture with its Global Promotion Project (GPP), which was launch-
ed at the beginning of 2007, and the EuropeAid Cooperation Office, which has
been funding, since 2004, the European Higher Education Fairs (EHEFs).
Beyond these projects, some of the European Union’s Delegations (embas-
sies) conduct local activities, often of an ad hoc sort.

The GPP contains, in nucleus, all elements of a fully-fledged marketing cam-
paign. It has created a ‘brand’ (a set of key messages about European higher
education and a logo) and a web portal (‘Study-in-Europe’). It will organise
two European higher education fairs; it is to test a network of ‘European
higher education promoters’; it trains European higher education multipliers
in promotional methods based on a ‘tool-kit’ it has developed; and it is de-
veloping a media campaign. In its next phase after 2009 (if any), the GPP
might establish information offices in key countries.

The European Higher Education Fairs are funded from the Asia-Link Pro-
gramme and are organised by a consortium of four major national actors in
international higher education promotion: CampusFrance, the British Coun-
cil, the NUFFIC and the DAAD. Being financed from the budget of the Asia-
Link Programme, the fairs target exclusively Asian countries eligible to partici-

pate in this scheme. After a pilot fair held in Bangkok in late 2004, the

28 Campus Hungary seems, however, to be in a difficult situation right now, and many universities in Italy
apparently challenge the legitimacy of EduItalia.
series of EHEFs proper started in late 2006 and will run until the autumn of 2008. By then, eight fairs will have been organised in seven Asian countries. The fairs target (potential) students, as well as their parents. Each fair is accompanied by an “Asia-Link Symposium”, a one-day conference in which higher education representatives and policy-makers from the host country and from Europe discuss ways of enhancing higher education cooperation. Even though organised by the four above-mentioned organisations, the EHEFs are open to higher education institutions (as well as national organisations and other education providers) in all European countries which may participate in Asia-Link.

Promotion and marketing clearly belong to the ‘external’ non-European internationalisation agenda: very few European ‘marketeers’ are active in Europe (Russia and Eastern Europe apart). Promotion and marketing is driven by the motive to attract non-European students, and often, by a felt or genuine ‘economic imperative’. The Bologna Declaration was certainly not ‘the prime mover’ behind these activities (even though the spirit out of which it was born is clearly favourable to it). More visible links exist to the Lisbon Strategy and the discourses about the knowledge society and ‘brain gains’. But the course of the Bologna Process itself could be shifting in this direction.

6 Conclusions

Reviewing this essay, what are the main relationships between the Bologna Process and internationalisation in the European EHEA? They are complex and multi-dimensional.

First, the Bologna Declaration was not the ‘big bang’, before which there was nothing but a void. In a number of areas, and notably those in the area of internationalisation, Bologna was built on the foundations of earlier policy initiatives of European or even global actors (European Union, Council of Europe, and UNESCO). The themes of mobility and recognition (ECTS, Diploma Supplement and the intentionally vague, and therefore very adaptable, ‘European dimension’) are obvious examples. The Bologna Process integrated this ‘heritage’ into its own wider policy framework, and it partially adapted it to its needs.

Second, it is difficult, to say the least, to measure the impact of the Bologna Process on internationalisation in Europe. The key elements of the EHEA, such as the degree structure, have not – in most countries, at any rate – been in place long enough for the first cohort of students to have graduated from it, and it is therefore early days to measure ‘impact’. And even at a later stage it will be difficult to evaluate the ‘Bologna’ impact’ in separation from all the other influences at work. Should sceptics expecting a drop in intra-European ‘horizontal’ short-term mobility turn out to be right, one measure of counter-steering would be the integration of mobility into curricula, i.e. to make mobility periods mandatory.
Third, the priorities of internationalisation, and the stages of development of it, are very different in the countries of the EHEA. It is therefore difficult to make generalisations about internationalisation in the EHEA. There is, with regard to internationalisation (and much else), more than one Europe.

Fourth, and speaking of these ‘other influences’, it is clear that internationalisation in Europe is being shaped as much by global trends as by home-made policies. The emergence of a global market of higher education (or, at least, the perception of such an emergence) is clearly at the root of some emanations of European internationalisation, such as English-medium provision, international marketing, or ‘transnational education’.

Fifth, the Bologna Process itself is in constant development. At its roots lay a combination of the above-mentioned ‘heritage’ and the realisation that globalisation had arrived, and that a joint European response to the challenge was necessary. This second shaping force was almost lost out of sight during the first Bologna years. And even today the Bologna agenda contains items which, in a radical interpretation, could be viewed as ‘anti-globalist’ (parts of the ‘social dimension’, for example). But the indications are that we are in a phase where the globalisation agenda is making its mark on the Bologna Process. This becomes also clear when we look at European internationalisation concerns. We are worried that intra-European mobility might decrease, and we continue in the spirit of cooperation (‘on trust’) with Erasmus and like endeavours. At the same time, we are after ‘brain gains’ on extra-European ‘hunting grounds’ (and not only there) and display a robust competitive behaviour.

Sixth, and for all of the above reasons, the end is very open.
Alternative learning paths and cross-border education in Europe\textsuperscript{29}

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1 The changing international higher education scene

European higher education has always been international: students have moved for purposes of study since the establishment of the first universities. However, the number of international students has increased and their origins have changed through time. Recent statistics show that almost half of all foreign students in European higher education come from other European countries, and that geographical proximity has a strong impact on mobility flows. This said, the number of students from other continents, especially from Asia, is steadily increasing. Chinese students now make up more than 6 percent of all students in European higher education, making China the largest single country of origin of foreign students in Europe.\textsuperscript{30}

The increase in the number of non-European students studying in Europe is partly due to the successful promotion of European universities in other parts of the world: while in many countries admission of students from the developing world into European universities is sometimes viewed as an aspect of development cooperation, universities all around Europe have started to show interest in recruiting well qualified students – even the “best brains” – globally. Consequently, the increased visibility of European higher education – as a whole – in other parts of the world is slowly making its way to the forefront of the agenda: indeed, the Bologna Process, which has from its beginnings aimed at the enhanced attractiveness of European higher education, has put the ‘external dimension’ of the process back into its core with the adoption of the ‘European higher education in a global setting’ – strategy at the London ministerial meeting in May 2007. In addition, as one of the priorities of the Lisbon Agenda is that of attracting and maintaining highly skilled labour force in Europe, all actions that can contribute to attaining this aim by 2010 will need to be taken into consideration. A common European higher education marketing campaign is in the making, through the European Com-

\textsuperscript{29} This paper is based largely on a comprehensive study by the Academic Cooperation Association on transnational education engagement of European institutions. The study was carried out between February 2007 and July 2008 in the framework of the European Commission Global Promotion Project.

\textsuperscript{30} Cf. Kelo, Teichler, Wächter (eds.), EURODATA – Student mobility in European higher education, Bonn: Lemmens Verlags- & Mediengesellschaft, 2006. These data refer to 32 European countries: the 25 EU member states and four EFTA countries (Iceland, Liechtenstein, Norway, Switzerland) and the then EU candidate countries Bulgaria, Romania, and Turkey.
mission’s ‘Global Promotion Project’, which is to create a ‘European brand’ for higher education, with associated slogans and main messages, as well as a ‘Study-in-Europe’ website and a series of European higher education fairs. Furthermore, several institutions in Europe, especially in countries where the main language of instruction is not a ‘world language’, have increased the offer of degree programmes taught in English: a development which will surely support the efforts in attracting international students, both at national and European level.

However, promoting interest in European higher education in other parts of the world is of course only a part of the picture: to be able to reach a significant student cohort in the very rapidly changing global higher education scene, where the traditional ‘sending countries’ of international students are now developing their own higher education systems and start not only to retain some of their own best students, but to attract good students from elsewhere, is a real challenge: innovative approaches are needed to keep a foot between the door, so to say. Local provision of higher education is increasing and improving, for example in China, Malaysia, and India, with Singapore already functioning as a high-caliber education hub and destination of mobile students, programmes and institutions. In response to the global developments, several European institutions have started not only to attract more students into their countries, but also to explore different ways of international education, among which the export of higher education programmes, or even entire institutions. This extremely varied area of international education is usually referred to as ‘cross-border provision’ or ‘transnational education’. Indeed, European higher education can no longer be seen as something happening only (or in the future perhaps even mainly) on our continent. The capacity of European institutions to respond to the needs and possibilities of international students from outside of Europe will have a significant impact on both the attractiveness of European higher education areas as a whole, but also, importantly, on the number of brains that Europe can gain in the next decades.

Together with the importance of raising the visibility and profile of European higher education in other parts of the world, and to attract the ‘crème de la crème’ of world’s brains, access to higher education has become an important priority both in the context of the Bologna Process, as well as in the framework of the Education and Training 2010 programme (Lisbon Strategy). The latest ‘Bologna Communication’ made public after the ministerial meeting in London in 2007 states clearly the commitment to ‘provide adequate student services, create more flexible learning pathways into and within higher education, and to widen participation at all levels’.31 The Education

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31 Key Issues for the European Higher Education Area – Social Dimension and Mobility, Report from the Bologna Process Working Group on Social Dimension and Data on Mobility of Staff and Students in Participating Countries, May 2007.
and Training 2010 working group elaborated in 2003 strategies for “promoting flexible learning paths for all”; “delivering education and training so that adults can effectively participate and combine their participation in learning with other responsibilities and activities”; and “ensuring that learning is accessible for all, in order to better respond to the challenges of the knowledge economy”.32 A 2006 communication by the European Commission further underlines the need for the creation of “flexible, modernised curricula at all levels which correspond to the needs of the labour market”.33

The focus on ensuring a high participation in lifelong learning, and a higher degree of adults with tertiary education has naturally led to the exploration of various alternative learning paths, flexible modes of higher education (e.g. through distance and/or on-line learning), and facilitation of access into higher education of non-conventional learners. While the focus has been obviously on improving access and lifelong learning participation of European citizens, the arguments are valid also in the context of international students, whether interest in them stems from financial considerations, development cooperation aims, or desire to further internationalise European higher education. Significantly, several example cases testify that the objectives of ‘brain gain’ and access need not be in contrast with each other: rather, activities in one area can significantly support the objectives of the other.

2 The extent of European cross-border activity – an overview

Transnational education covers a wide range of different delivery modes, ranging from export of programmes (e.g. distance learning, or franchising arrangements), to individual mobility (e.g. “flying professors”), and further, to institutional mobility (mainly in the form of branch campuses or ‘foreign-backed universities’).34 The phenomenon is relatively new, and evolving at an incredible speed, with operations starting and – in some cases – closing, or changing mode of delivery, status, or ownership. Projects still in the planning stage may face sudden changes due to host country regulations or changes in market demand, and time delays due to administrative or other reasons are not uncommon. Therefore, having a comprehensive picture of a country’s or institution’s involvement in cross-border provision of higher education is easily out of date by the time it is published. Furthermore, because of lack of transnational education data at the national level in individual countries, a full picture of European transnational education is almost impossible to achieve. Indeed, virtually no European country has a central register of transnational

34 This is a typically German mode of delivery and consists of establishing a new university under the legislative framework of the host country, based on the model of German universities or universities of applied sciences.
education programmes and there is overall little or no data available on the number of institutions or students involved in such education provision. However, a look at some of the main European providers of transnational education will serve to give an indication of the type, and extent of activity that we are talking about.\textsuperscript{35}

Within Europe, the \textbf{United Kingdom} has the longest tradition in education export, and its institutions are by and large the ones most active in transnational education projects. Indeed, it is estimated that 65 percent of the 145 registered UK higher education institutions offer transnational education programmes.\textsuperscript{36} The forms of delivery vary and cover all imaginable modes, from full multidisciplinary branch campuses to franchising, twinning and validation, and further to creation of double degrees, on-line learning and export of traditional distance learning programmes. Joint awards, dual degrees and combined delivery are becoming the main modes of education export. While franchising of programmes was in the past years one of the most common forms of education export, there is a diminishing interest in this mode of delivery: while cost efficient and relatively easy to set up, franchising operations often pose higher reputation risks, provide a lower degree of institutional visibility locally, and reduce the awarding institution’s power on quality control.\textsuperscript{37} Only a limited number of institutions are involved in the creation of branch campuses abroad: while such operations offer great opportunities, the risks and investment needs are also far greater than in smaller operations, and too high for the majority of institutions.

The main markets for UK transnational education are Asian countries, namely China, India, Malaysia, Hong Kong, and Singapore. Almost 60 percent of British cross-border activity concentrates on these countries. Most students (59\%) are studying undergraduate programmes, though there are important differences between destination countries. The headline figure of international students enrolled on UK degrees delivered abroad in 2005/06 is 246000.\textsuperscript{38} This is by far the highest number in any European country, and four times the IDP Australia’s estimate of students in Australian off-shore programmes. According to the \textit{Vision 2020} forecasting report, the number of international students in cross-border programmes will supersede the number of foreign students studying in the UK by 2010, i.e. in just two years from now.\textsuperscript{39}

\textsuperscript{35} The five counties described hereunder were chosen in the preparative phase of a large scale study on transnational education in Europe, carried out by ACA between March 2007 and July 2008, as the most active transnational education providers in Europe. Especially in the case of Spain, this status may need to be re-evaluated in view of much more rapidly increasing provision by other European providers.

\textsuperscript{36} Drew, S., McCaig, C., \textit{Models of UK TNR Provision: Overview, Draft 4} (Centre for Research and Evaluation, Sheffield Hallam University, 2008).


\textsuperscript{38} A survey of British Council offices in key markets in 2005; HESA national data collection; data from the Open University and London External.

In France, in a recent survey (2006) of 102 higher education institutions, 24 of the 28 respondents said that they were involved in some way in the export of education. Overall, it is believed that even though the response rate to the survey was low, responses were in fact received by most institutions engaged in transnational education. The 24 institutions cover together more than 200 programmes, of which a majority (126) are at the master’s level. The main target regions of French education export are North Africa, (58% of operations), Europe, and Asia, and the most important destination countries in terms of number of agreements are China, Lebanon, Morocco and Vietnam. However, almost three quarters of all double degrees are with institutions from European countries. There is no accurate information on the number of students concerned by French exported education programmes.

Differently from all other core countries, where institutions do not receive systematic financial support for the specific purpose of establishing exported education projects, in Germany, transnational education activities concentrate largely on projects that have received or are receiving start-up funding through the German Academic Exchange Service (DAAD). In 2007 the DAAD funding scheme included 34 projects and four previously funded projects are known to continue their activities independently. Most of these projects started in 2000. The funding initiative covers altogether 85 study programmes, of which just over half (44) are at the master’s level, though most students are enrolled in bachelor’s level programmes. While many delivery modes are covered by the projects, German universities tend not to establish branch campuses abroad but rather opt for a particular mode, i.e. the establishment of German-backed and modelled independent universities abroad. In total, almost 8000 students were enrolled in German study programmes outside of Europe in 2006/07, and for 2008/09 academic year their number was expected to double.

A 2007 survey on cross-border provision in the Netherlands included eleven higher education institutions among the most internationally active ones. Over a hundred educational directors were contacted at these institutions and of the 50 who responded 14 reported recent engagement in cross-border activity. The total number of programmes identified through the survey was 20, and out of all institutions, the Christelijke Hogeschool Nederland (CHN) was identified as the most active, with its several branch campuses abroad. Overall the most active Dutch institutions are universities of professional or technical education, though traditional research intensive universities such as University of Amsterdam (double degrees) and University of Twente (franchising and twinning) also have some operations outside of
Europe. Alongside a number of MBA programmes on offer, the subject range is wide and covers for example hospitality management, engineering, and public health, with a concentration on the master’s level. Joint degrees, branch campuses and twinning or franchising arrangements are the most common modes adopted by Dutch institutions. With a recent focus on delivery in Asia, other core destinations are Africa and Caribbean. The overall number of students involved in the about 20 programmes is estimated to be around 2000 students.

Transnational education is still a marginal phenomenon in Spain. Out of 70 universities, only eight were identified as active in some form of cross-border education delivery. Furthermore, the focus of operations is first and foremost on distance or virtual education, even though several institutions are engaged in the development of double or joint degree programmes. For cultural and linguistic reasons, the majority of operations are directed at Latin American countries, and some of them spin off the need to provide Spanish education to emigrated Spaniards. The offer concentrates on master’s level programmes, and students are in most cases mature students (over 30 years of age) already in employment. There is no overall figure, or estimate, of the total number of students involved.

As regards the transnational education engagement in other European countries, the information base is weak, and data practically speaking unavailable. While some comprehensive studies have tried to capture the extent of transnational education provision in Europe, the constant developments in this new form of international education makes any published information outdated regrettably fast. However, it is clear that while programme and even institution mobility is on the rise in several European countries, in most of them the operations are still in child’s shoes. The main modes utilised by European institutions for cross-border education provision are the establishment of double degrees (for the moment most often with other European countries), and conventional distance education, though this latter tends to be designed for ‘internal use’ rather than for export, or for national students abroad rather than for students of other nationalities. Establishment of fully-fledged branch campuses is not a widely spread mode of delivery, and exists only among the main European provider countries (see above). While activity in the area of cross-border delivery of programmes is clearly becoming more mainstream at the global scale, many European countries do not have any real transnational education activity. Indeed, for the majority, student mobility is effectively the only substantial form of international education.

Provision by Europe’s main competitors

Comparison with the United States and Australia – the two main ‘competitors’ of Europe on the global higher education scene – shows that apart from the United Kingdom, the transnational education ‘market’ is led by non-European actors. In 2006, there were more than 200 offshore programmes offered by around 50 institutions in the United States. Universities that offer cross-border programmes are mostly large and well-known universities and the most important destination countries include China, South Korea, Vietnam, the Middle East, and Turkey. The number of programmes is significantly lower than programmes offered by UK institutions (which have more than 1,000 programmes in the three main destination countries alone), but significantly higher than the provision by most European countries. By contrast, the number of programmes offered by Australian institutions ‘off-shore’ is 1,600, and thus significantly higher than the number of programmes in most other countries. The enrolments of foreign students in Australian off-shore programmes have been on the rise in the last decade. According to IDP, in 2006, some 60,000 students were enrolled in Australian off-shore programmes. Differently from most European institutions, which tend to concentrate – or start with – collaborative provision of programmes or have a strong focus on distance and on-line programmes, the establishment of branch campuses has been particularly popular both in the US and in Australia, the two countries accounting for 50 percent and 12 percent of all registered branch campuses respectively. This said, both Australian and US universities are actively operating all modes of transnational education delivery.

3 Who are the transnational education students?

In the framework of the study on European transnational education to the European Commission, ACA carried out in early 2008 a survey targeting transnational education students in a number of programmes offered by institutions in five European countries (the UK, France, Germany, the Netherlands, and Spain). A total of 924 responses were received. The survey addressed the following generic questions:

1) What is the general profile of a typical transnational education student in terms of age, funding, family status and employment situation?
2) What are the driving forces behind students’ choice for a cross-border programme against other options?
3) What is the future market potential for European providers based on student preferences and choices?

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Profile

More often than among ordinary international students, a considerable 35 percent of the students in European cross-border programmes are married, or are living with a partner, and a fifth of the students confirm to have children. This shows that a high proportion of transnational education students have family ties that may make taking up higher education in Europe more difficult, if not outright impossible. As could be expected, the student’s age has a direct link to the mode of education delivery and the level of study: more mature students tend to opt for distance or on-line learning more often than for other modes of delivery, and – understandably – many of the older students are engaged in postgraduate programmes. While 93 percent of the 18-21 year-olds are enrolled in full-time undergraduate degrees on campus, a nearly as high proportion (87%) of those aged between 30 and 40 are taking online/distance postgraduate degrees. The shift between on-campus and distance learning seems to occur at the age of 25, when students are likely to commit to new family and employment ties. Students with children are almost exclusively enrolled in online courses: only 11 percent are taking their programmes in another form (full- or part-time programmes on campus). 44 percent of the respondents to the survey state to be fully employed. Disregarding those that have ominous or tailor-made jobs (i.e. on campus full-time students with a full-time job), most working students are – unsurprisingly – in online or distance programmes, and less than half (47%) of transnational education students are de facto full-time students. These students are almost exclusively enrolled in undergraduate programmes delivered on campus.

These data confirm that lifelong learning is likely to depend heavily on the availability of good quality flexible learning modes: traditional benefits of distance and on-line learning remain of central importance also when these programmes are exported into other countries, as they enable students to choose more freely the place, time, and even rhythm of study. For example, several on-line programmes are based on an asynchronic model, which enables students to ‘chat’ or take part in on-line discussions, but not in real time (thus taking into account also limitations posed by different time zones). Some programmes are built on short modules between which students may choose to take longer or shorter breaks depending on work and other circumstances. Transnational education, especially in the distance or e-learning delivery mode, enables therefore several international students to take part in European higher education programmes without having to compromise totally their jobs or families.

Benefits of transnational education: the student perspective

Transnational education is expected to be beneficial to students in several ways. As the student needs not leave his or her own country, or perhaps only moves to a neighbouring one, the student is exposed to a lesser cultural
shock (the other side of the coin is of course lesser exposure to the culture of the awarding country), needs to have less resources at his or her disposal (removal and transfer costs can be reduced or skipped altogether, and living costs are likely to be lower in the home country than in Europe), may maintain his or her own social networks, keeps closer to the local employment market (and may even maintain his or her job). Moreover – though this might not be the objective of the provider institutions – training of students in their own countries may contribute to decreasing the much-debated phenomenon of ‘brain drain’. Transnational education may also constitute the only way to study certain subjects or receive high quality education, and an internationally recognised degree for students located in certain (developing) countries. Furthermore, transnational education is often seen – both from the individual as well as institutional perspective – as a good preparation for further study abroad.

As expressed above, distance and on-line students may additionally benefit of greater flexibility in terms of location or time and rhythm of study, and will thus be better able to combine work and study. While this is not a specific feature of distance or on-line programmes taken abroad, the wider offer of programmes in these modes by European (and US or Australian) providers offers students in Asia and other parts of the world e-learning opportunities that may not be offered by local providers.

The students’ choice of transnational education needs to be seen in the light of alternative choices and the perception they have of the quality of the foreign programmes on offer in their home (or nearby) country. In this context, it is interesting to understand why students choose a foreign qualification in their own country over a) a local degree, or b) study abroad. The answers to the first question vary greatly, but three main tendencies emerge. 18 percent of respondents state that one of their top motivations in opting for a foreign programme is the higher quality of education than what is offered by local institutions in their own country. The same importance is given to the prospect of receiving an internationally recognised degree (18%), and to the expected improvement of employment and career prospects (17%). Almost 10 percent of all respondents state that the flexibility of the learning path offered by their chosen transnational education programme (often distance or on-line) was central to their decision. Such alternatives are often not offered by local institutions, or not at similar levels.

The decision to opt for a foreign degree instead of pursuing conventional studies abroad, i.e. in the country of the providing institution, is most often dependent on financial constraints: indeed, almost a third of the respondents have opted for transnational education instead of study abroad because it was the economically more advantageous option – or indeed the only financially feasible option to gain a foreign degree. Family and employment constraints (15% and 14%) also play a crucial role in wanting to ‘stay put’.
ever, many consider study abroad as the best way to improve career prospects, and it can be assumed that it would have been the preferred choice of a large proportion of students (and especially of those students currently in on-campus/face-to-face programmes), and that the choice was conditioned by external and practical circumstances.

4 Why do European institutions engage in transnational education provision?

The range of factors motivating export of education is wide, and variations can be observed both between and within different levels: individual/programme, institutional, and national. These operating levels are often tightly interlinked, and especially when funding for export of programmes is available, strategic priorities at one level (national or institutional) may have a strong impact on strategies and action at another level (institutional or individual). National level motivations tend to be wider-reaching and maintain a connection to the country’s foreign or development policy objectives. Furthermore, the spread of the national language and (study) culture or increasing the reputation of the national higher education system may be considered as among the principal objectives for transnational education at the national level.

Institutions, as well as individuals, draw on a wider range of motivations, and in most cases a complex mixture of motivating factors has determined what mode of delivery to use, what programmes to export, in which countries to export, and what kind of partnerships to seek. Different approaches may be adopted on purpose to meet a number of concurrent objectives. The recurrence of a great mix of motivations and the apparent flexibility of institutions to adapt operations to the changing needs leads to variations not only between countries, and institutions, but indeed between different operations of one institution. It should also be noted that motivations are likely to evolve in time, and shifts in priority areas can be observed in several cases. In addition, the partnership arrangements, modes of delivery, target countries, and subject areas, all relate to the objectives, specialities, and strategic priorities of the institutions, and indeed should be in harmony with their missions. While there is rarely an overarching institutional transnational education strategy, the different activities at the institutional level will ideally be supportive of each other.

In addition to supporting the internationalisation objectives at the institutional or national level, transnational education programmes enable the institutions to reach out to new student cohorts, namely those that might not have otherwise participated in European higher education, and also offer, at the same time, increased choices and opportunities for foreign education to students in countries around the world. While financial objectives are often considered central for transnational education (and indeed they do play a role in most operations), institutions are clearly not only profit driven, but also consider
transnational education as a positive response to globalisation, as a way to reach out to students in developing countries by making affordable higher education available locally, and by addressing issues of social responsibility. Several of the motivations are closely connected and supportive of each other. For example, recruitment objectives may be linked to either academic objectives (attracting good students), or to financial aims (gaining more fee income), and increasing international attractiveness has its importance for similar reasons (research cooperation, increased student recruitment, or financial gains).

It is not possible to enlist and classify all motivating factors that direct transnational education operations. However, the following main categories of motivations can be identified:

- internationalisation and global attractiveness
- academic and research cooperation
- development cooperation and capacity building
- financial objectives and student recruitment

**Internationalisation and global attractiveness**

Internationalisation is an often quoted motivation for engaging in transnational education. This is logical, as export of education is indeed a form of international education, and is often both supported by and supportive to an institution’s internationalisation. However, internationalisation, while at the foundation of all international cooperation in education, is always qualified and explained better by other related motivations. Indeed, there is not one single meaning of ‘internationalisation’. While for some it means recruiting more international students, to others it may mean, for example, creating more and better international research links. Often, internationalisation is linked to financial concerns, and a wish to increase student numbers, while in other cases the focal point is to strengthen an institutional brand, to be able to attract some of the best students and researchers in the world.

While most of the motivations discussed below have a link – stronger or weaker – to internationalisation (or indeed stem from the desire to ‘internationalise’), there are also specific aspects that are related more directly to the international attractiveness of an institution, a strong academic presence abroad, and a greater visibility of the institutional brand across the globe. For example, engaging in delivery of programmes abroad is likely to help raise the ‘international profile’ and visibility of the institution. This is especially relevant to those who find themselves in a less competitive position, either because they are less well known, newer, or remotely located. Establishing programmes abroad is also taken to signal a “strong international outlook”, openness to cooperation with institutions from other countries, and an entrepreneurial attitude, which are all considered as positive attributes of modern European universities.
Research cooperation and other academic benefits

Academic motivations – either in the sense of attracting good (postgraduate) students into the home campus, creating research links abroad, or opportunities for staff development – feature as important motivations in transnational education provision. Logically, research intensive institutions are likely to give more importance to the creation of international research links than teaching oriented institutions, which have a tendency to give more attention to the student perspective, and focus objectives on enabling more students to benefit from higher education, widening participation, and exposing students to an international experience. On the other hand, programmes which are considered as important recruitment tools for talented postgraduate students into the home campus in Europe concentrate on delivery of bachelor’s level programmes, rather than research cooperation. Some institutions see transnational education activities as a new opportunity for staff development, or a way of competence building by offering an interesting job and alternative career perspectives of further professional and personal development to their staff.

Development aid and capacity building

For some European countries, or individual institutions within them, engagement in transnational education has been moved mainly, or at least initially, by development cooperation concerns. The objective in these operations has been to build higher education capacity in the host country, by offering high quality, Western education locally. Such programmes enable students who could not otherwise benefit from the providers’ higher education offer to access European degree programmes in their home country (or one geographically closer). The presence of European institutions in developing or transition countries stems often from an initiative of the destination country’s government or similar body. Indeed, in several cases the development of exported programmes – or the creation of independent ‘foreign-backed’ institutions – sets off as a response to a need for high standard Western degree education in the destination country, and may take the form of a call for tender, or an intergovernmental Memorandum of Understanding. In many of such cases the role of the provider institution would be best defined as that of a consultant, and the objective as that of supporting the creation of higher education capacity in the destination country, and not of attracting international students and research capacity into the provider country.

Financial motivations and student recruitment

Expectation of a (significant) direct financial gain is rarely the principal driving force in getting engaged in transnational education programmes. Establishing operations abroad is usually very labour and resource intensive, and may require high initial investment, especially if the operations are to be of
the same quality as programmes delivered ‘at home’. Logically, the larger the operations, the more significant the initial investment is likely to be, with investment needs being especially high for full branch campuses. The several administrative and legal obstacles, as well as cultural differences between the academic environments increase time delays and staff engagement, and thus make a quick financial return an unrealistic expectation. While hopes for significant financial gain are usually not decisive when engaging in cross-border delivery of programmes, the long-term financial sustainability is an important concern in the development of transnational education programmes: while the set-up phase foresees in most cases direct or indirect investment, also from the awarding institution (e.g. in terms of staff time), the objective is to make the operations financially independent and self-sustained in the mid-term. Very few projects, either in the area of development cooperation or otherwise of high political relevance, are financed by public funds in the long term.

Whether for the gain of additional income or to attract some of the world’s best ‘brains’, many countries and institutions recognise the positive impact of transnational education on recruitment of students to its home campus. This can be due to several factors, the most important of which are the following:

- Raising of the profile of the institution/country’s higher education in the destination country (branding and positive advertisement), as discussed above
- Creation of specific schemes for the transfer of students, either during the degree programme (e.g. 2+2 programmes), or by facilitating entry into master’s level programmes at the provider institution or country
- Penetrating and exploring new markets and student cohorts.

Transnational education programmes are also a way to diversify the modes of delivery to international students and thus decrease dependency on incoming student flows. Beyond recruitment into the home campus, export of educational programmes offers institutions an opportunity to reach out to those students who would not have gone to the provider institution’s home campus in Europe. This includes students for whom study abroad may be an attractive option, but difficult in practical terms because of work or family obligations or for financial reasons.

The impact of extensive transnational education on incoming student numbers has not been explored widely. Several institutions hypothesise on the positive and negative impacts, and the potential internal competition of home campus recruitment and transnational education programmes for the same students. While the main hypothesis rising from the experience gathered by institutions is that in many cases the student groups are clearly separated, some others have started to express concerns that actually extending opera-
tions ‘off-shore’ may decrease the number of incoming students into the home campus in Europe. Others, on the other hand, have detected a positive impact of cross-border operations on recruitment into the home campus (thanks to increased brand visibility, facilitated transfer to postgraduate programmes in the awarding country, or because of special articulation arrangements). There is however no substantial data supporting either assumption. With several transnational education programmes still concerning a limited number of students (especially on Continental Europe), and with most of the programmes across Europe less than 10 years old, it will take some years before an assessment of the impact of transnational education on inwards mobility can be carried out.

Other motivations

In addition to the previous, there is a wide range of other strategic or circumstantial factors that direct decisions about engagement in transnational education, at institutional, programme, and even individual level.

At the individual level, academics may take the involvement in transnational education as a positive personal challenge and a ‘unique selling point’ in their personal portfolio. It can support the career advancement of academics, if their initiative in export of programmes or collaborative provision is seen as supporting the institutional efforts in internationalisation, building research links, or recruiting new students. Individual initiatives may be especially appreciated in cases where a programme becomes a source of additional income for the department or the institution. Many programmes consulted in the framework of this study stem from individual initiative, where personal interest in a certain discipline, for example, or previously established (research) connections provide the basis for collaborative degree programmes, or the development of an on-line version of a local degree, to mention but two possible outcomes.

Some institutions engage in transnational education activities at least in part for the benefit of students on their home campus. Sometimes off-shore operations are set up to provide the students with a more international surrounding at home (by facilitating recruitment of students from other countries, as well as potentially creating interesting research links abroad), but also to provide better opportunities for study abroad for the home (European) students. Also many of the longer-standing transnational education operations or branch campuses of US institutions were initially set up to provide American students with an opportunity to spend a term abroad.

Motivations are not fixed, and evolve in time, as do the operations: an operation that has started as a study abroad opportunity for own students may quickly develop into an opportunity to create stronger research links, or to gain extra income by offering programmes to local students. At institutions where several modes of delivery of transnational education are used, or
where operations are run in different countries, motivations may vary between the ventures. The mode of delivery has an impact on motivations, and the other way round: export of full programmes, as they are delivered at the home campus, is easier than the often lengthy development of joint or double degrees with foreign institutions, though this latter may lead to a great cultural and academic enrichment, and have a positive impact on curricula development. Similarly, focus on financial gains could probably not trigger the creation of full branch campuses, but might support the less resource intensive creation of distance or on-line programmes.

While engagement in transnational education may bring several ‘egoistic’ benefits to the institutions and countries involved (indeed, without these, very few are likely to be interested in investing in such ventures), they offer also possibilities to improve the access of higher numbers and different types of international students to European higher education. Indeed, as stated earlier, provision of higher education programmes by European institutions in the student’s home country, or close to it, will enable a number of students who would not be able to travel to Europe for study, for example, due to financial reasons, to benefit from European higher education.

Facilitating factors at the national and European levels

In addition to direct and targeted support for transnational education programmes, many actions taken at the national level in support of internationalisation of higher education in general will quite naturally be supportive of transnational education activities at the same time. Indeed, much of the national level ‘support’ for transnational education is of this indirect kind. National level marketing campaigns or promotion activities are likely to have a positive impact not only on student recruitment into the home country, but also for recruitment into exported programmes: the better known a higher education system becomes, and the better its image, the more likely students are to be interested in degrees awarded by its institutions, whether ‘at home’ or in other countries. The deregulation of tuition fees, as in the Netherlands, may have enabled institutions to engage in activities where fees have been an indispensable source of income.

Higher education reforms at the European level, and perhaps most importantly those related to the Bologna Process, have facilitated the entry of several European countries into the global market of cross-border education. The bachelor-master structure is enabling institutions to market and export programmes in a format that is widely recognised globally, and considered more easily comparable to degrees by US and Australian providers. In addition, the general need to reform and modernise the curricula in the context of the Bologna process coincides in many universities with the interest of internationalising them and ‘going global’. Driven in part by the Bologna Process objectives, many countries have also started to develop a legal framework
for the award of double or joint degrees. While the lack of such framework may act as a deterrent of transnational education activity (see below), the possibility to award national degrees abroad, or to award degrees jointly with institutions abroad is clearly supportive of transnational education, and especially of collaborative provision of degrees.

There is an increased awareness, both at the national level and at the European level, of the importance of creating a European higher education brand, and of actively promoting European higher education in other parts of the world. Such marketing activities, though not principally designed for the promotion of distance, on-line or other exported programmes, support them, too, by attracting more attention to European higher education at large. The European Commission Global Promotion Project in the framework of the Erasmus Mundus programme is a first step in creating a European brand in higher education, and starting to promote it actively in other world regions.

Together with the formal reform agenda, the increased provision of English language taught programmes in those European countries where English is not the primary higher education language has also a facilitating impact on transnational education provision. Indeed, more than 400 European institutions provide, combined, more than 2400 programmes taught entirely in English.\(^{47}\) Clearly, it is easier to export programmes already provided in English ‘at home’, than creating them anew for the specific purpose of export.

The extent of importance given to international education and institutional competitiveness in each country has an impact on the extent of support and services for development of cross-border provision. It is clear that countries which are more advanced in implementing the Bologna Process degree structure, in marketing their higher education, or in establishing English taught programmes provide their institutions with a more supportive environment for a range of international activities, and may be even considered as basic conditions for the provision of different forms of cross-border higher education.

Disincentives and hindrances

While several activities may support cross-border programmes, legal and regulatory frameworks both in the home country and abroad may be significant hindrances to their delivery. To mention but one example, the Dutch legislation does not currently recognise awarding of Dutch degrees abroad. In addition, similar restrictions apply to the award of joint degrees, which are for the moment not officially recognised by the Dutch authorities, and not covered by the Higher Education and Research Act.\(^{48}\) There is wide consen-

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sus that the rules governing higher education accreditation and recognition of degrees should be adapted to the needs of transnational education providers.49

Concerns for quality of exported education programmes may lead to a cautious approach to supporting and encouraging transnational education activities. Cross-border programmes led by French higher education institutions have multiplied to such an extent in recent years that government authorities (the Ministry for Higher Education and the Ministry for Foreign Affairs), after initially viewing them with a benevolent eye, have become increasingly concerned with the expansion of a variety of schemes, which are difficult to grasp and categorise, and to control and regulate. While no concrete action has been taken for the moment to tighten quality control of exported programmes, this might become necessary in the future. While quality assurance mechanism may be seen as an additional burden on institutions, the long term impact on transnational education and on the credibility of the national higher education systems is clearly to be expected to be a positive one.

The lack of investments in transnational education – and indeed the underfunding of higher education in general – appears to be a persistent deterrent for institutions in many countries. In these cases, export of education has probably not yet become core of the internationalisation agenda, and attention – together with funds – is directed at other activities (e.g. exchanges and recruitment of international staff and students). Furthermore, in some countries the demands put on institutions because of hefty reform agendas (in most cases Bologna Process driven) take up all available resources, leaving little time, energy, or money for the development of cross-border programmes.

5 A strategic approach to transnational education?

It is clear that transnational education is little by little becoming part of the international activity of universities. Internationalisation does no longer limit itself to international student recruitment or mobility and exchanges, but encompasses more and more also institutional presence abroad, either through export of individual programmes, collaborative provision of degrees, or indeed, establishment of fully-fledged branch campuses. In countries where cross-border provision is better established, institutions are clearly moving away from international strategies defined through student recruitment to something far broader, encompassing teaching and research partnerships. Furthermore, providing programmes abroad is often considered as more interesting and challenging for the institution than simply sending and attracting students.

In terms of transnational education strategy, there is a clear trend, as can be expected, from a less to a more structured approach. In the initial phase, many initiatives stem from individual relationships of academic staff with colleagues abroad, and are developed ad hoc. However, in a second step, the initiatives – especially if successful – feed into the institutional understanding of and interest in transnational education. Indeed, strategy often follows action, rather than the other way round. While many institutions recognise the importance of being flexible enough to accommodate and encourage individual or departmental level initiative in transnational education, a common institutional strategy on transnational education is considered a desirable step in order to institutionalise international contacts, to guarantee programmes survive changes in personnel, and to ensure that all activities feed into the overall objectives and mission of the institution.

However, a step from an institutional internationalisation strategy encompassing transnational education – already to be considered an achievement – to a national level strategy is a big one. Indeed, no comprehensive transnational education strategy has been detected at the European level, with the exception of Germany. In Germany, the national ‘TNE strategy’ and related funding of education export is a central element of the German ‘globalisation mainstreaming’ strategy in higher education. It is embedded in a broad campaign for the international marketing of German higher education and science abroad. Indeed, strengthening the global presence of German higher education is seen as a political rather than an institutional objective. German ‘off-shore activities’ are considered important for strengthening the international significance of German degrees abroad, possibly generating additional income for the universities, and familiarising students from other countries with the German education system.

However, while respect for institutional autonomy calls for leaving choices regarding transnational education to the individual institutions (if not schools or departments within them), a coherent approach at a national level might help to avoid duplication of provision and counterproductive internal competition, and could enable sharing of good practice to build on experience at the national level. This said, as transnational education is in many countries the only area of real ‘competitiveness’ or the only way to gain additional income (through fees), it is not easy to see a national approach develop in many European countries. This does not mean, however, that cooperation at different national levels or even at the European level in the area of transnational education would not be possible, or desirable. While elaborating and adhering to a common European ‘transnational education strategy’ may be something for the next generations to consider, a common approach to quality assurance, for example in the form of code of conduct, or guidelines of good practice, might be helpful in ensuring a coherently reliably quality of programmes offered by European institutions.
both at home and abroad.\textsuperscript{50} Indeed, as Europe is launching a joint higher education promotion campaign, the good image of exported European degree programmes across institutions and countries will be of interest to the whole.

6 The future of European transnational education

It is hard to know what directions European transnational education provision will take in the coming years. Indeed, even evaluating the success of the current operations is difficult, as most transnational education programmes have not yet reached their 5\textsuperscript{th} (or 1\textsuperscript{st}!) anniversary. As has been confirmed by several institutions engaged in large-scale transnational education programmes, it takes at least 4-6 years to be able to evaluate the impacts of the programmes on the expected objectives, and to assess their financial sustainability in the longer term. The picture is further complicated by the fact that partnerships created for the delivery of cross-border programmes evolve fast and change nature sometimes already after the first couple of years of cooperation.

What can be detected, however, are some overarching trends. It is safe to say that while increased and improved local provision and a growing global interest in Asian countries make the competition fiercer, there is a clear direction of European institutions towards more provision in the East. The historical and linguistic links that have been thus far so important in directing transnational education activity are already giving way to more strategic and – perhaps – economically driven choices. The critical student numbers, the lack of adequate (high standard) local provision, and the persistent interest in foreign/Western higher education in many regions of the world are crucial for the success of European transnational education ventures. Interestingly, while institutions see transnational education as a way to create additional income (alongside with other motivating factors), there seems to be also a persisting interest in arrangements in which academic cooperation with a foreign higher education institution is of central importance to the operations. Indeed, development of double and joint degrees is one of the preferred and most frequently used modes of delivery in several European countries, and growing in popularity. Also in the United Kingdom, where transnational education has been very much viewed in terms of export of (British) programmes, the Government has shown interest in supporting, both financially

\textsuperscript{50} UNESCO and OECD published in 2005 the \textit{Guidelines for Quality Provision in Cross-border Higher Education} as a response to the growing commercialization of higher education. This is a voluntary and non-binding set of principles, which aims at assisting countries in assessing the quality and relevance of higher education provided across borders and to protect students and other stakeholders in higher education from low-quality higher education provision. The guidelines address all actors involved from governments, to higher education institutions, to quality assurance agencies, and student organisations. The guidelines are available for download at http://www.unesco.org/education/guidelines_E.indd.pdf (last accessed on 9 June 2008).
and otherwise, cross-border delivery that aims at more balanced and cooperative provision (especially with India and Russia). This vision does not need to imply that financial interest in transnational education has decreased, quite the contrary. However, the way in which programmes are developed shows a preference for a cooperative rather than – or at least alongside with – a market oriented attitude, and testify to a desire to build lasting partnerships abroad.

A 2004 British Council report\textsuperscript{51} predicts that the number of students on British programmes off-shore will be slightly larger than on-shore by 2010, and 57 percent higher than the latter in 2020. While other European countries are clearly far behind in the development of transnational education, and the current transnational education student numbers are far lower than those in the UK (246 000 students in 2005/2006, making up almost 40 percent of the total international student body compared to 8 000 students in German exported education in 2007/2008, corresponding to around 4 percent of the total international student body), seen the rapid speed at which transnational education is developing, it is not to be excluded that the figures at European level will also see a significant growth in the next decade. The impact of reforms at national and European levels will determine, in part, to what extent European institutions will be willing and able to engage in transnational education activities, and to do so successfully.

One significant variable in the transnational education future scenario is the development of higher education systems in the now mainly ‘receiving’ countries, such as China, Malaysia, or India. As the higher education systems will be better able to respond to the needs of their citizens, will there be still demand for foreign education programmes? The student flows, as well as flows of programmes and even institutions is likely to change and become more multi-directional. Indeed, while some years ago transnational education provision was mainly North-South (or West-East), some examples of South-South provision can be already detected, and can be safely expected to increase in the years to come.

For the moment, transnational education has not yet made it to the core in the internationalisation debates in Europe: little attention is given to its potential and impacts in either the Bologna Process or the Education and Training 2010 agenda of the European Commission. European higher education and its internationalisation is however unlikely to be complete – or competitive – without an enhancement in the extent of transnational education activities, their quality control, and the development of a strategic approach to the export of higher education. Indeed, transnational education should be seen – little by little – as an integral part of European higher education offer, and a central tool for several common objectives: internationalisation, research cooperation, brain gain, and access.

\textsuperscript{51} Böhm et al., Op.cit.
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Where shall the money come from?
Publicly versus privately financed higher education

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1 A drift towards increasing private funding of higher education?

1.1 The traditional scene in Europe

About three decades ago, study provisions in higher education were predominantly funded by public resources all over Europe. Private charity, funding of study programmes by industry, privately funded higher education institutions, tuition fees, and other private sources for funding the study programmes at higher education institutions played altogether only a relatively moderate role. This does not mean, however, that private sources were altogether trivial for higher education in Europe. Three private modes of funding of higher education were most visible:

♦ In some European countries, in legal terms private higher education institutions were funded by public sources almost to the same extent as public institutions. For example, German Länder finance religious colleges for theology and social work which are private institutions by status. The Dutch government funds multi-disciplinary private higher education institutions to a more or less similar extent as public institutions: this is historically viewed as guaranteeing religious freedom of education. The Swedish government pays for a fixed number of private study places at the private Stockholm Business School as much as for study places in that field of study at public institutions.

♦ Private means for research at universities are sizeable and influential in some countries, for example in the areas of engineering, chemistry and pharmacy. Their share of all research expenditures in higher education was, in some European countries, even higher than in the US, the country most often referred to as a country seemingly characterised by benefi-cial impact of high private resources in higher education.

♦ Last but not least the students and their relatives covered most of the students’ living costs in a substantial number of European countries. Yet, this did not challenge the widespread public notion that higher education in Europe was very much a public affair as far as funding was concerned.
1.2 Increased calls for private funding

Since the 1980s and increasingly in recent years, calls for increased private funding of higher education got momentum. Among the diverse arguments in favour of increasing private financing, four directions stood out.

♦ The shortage of public funds arguments. Increasingly, doubts were raised that the higher education system, expanding as a consequence of rising enrolment rates and growing economic and social relevance of research, could be funded appropriately by public sources. Moreover, public funding for higher education came under pressure by alternative expectations of funding (e.g. health, social welfare, ageing society, environmental concerns) as well as by dysfunctional consequences of exorbitant public shares of the overall economy (the often discussed “crisis of the welfare state”).

♦ The demand arguments. Tuition-free higher education is criticized by many economists as encouraging enrolment rates in higher education beyond the demand of the labour market. As students do not bear all the costs of study, but receive private benefits after graduation rewarding more or less both the public and private investments in higher education, a larger number of persons would be encouraged to study than actually needed on the labour market. This “vertical mismatch” (or “over-education”) could be avoided according to these economists, if the students had to bear the real costs of their studies.

♦ The social order arguments. The concept that tuition-free study provisions and scholarships for large proportions were desirable met increasingly with criticism as far the consequences for the social order are concerned. Some critical arguments challenged the notion that free tuition and a large number of scholarships were the most efficient means of encouraging disadvantaged groups to study and to counterbalance social inequality in general. Free tuition was criticised as public subsidy for the well-established middle-class, while a combination of tuition fees for the majority combined with waiver of tuition and scholarships for the low-income sector or income contingent loans were praised as a more equitable approaches. Altogether, however, we note a change of social order policy in general according to which concerns about social, educational and biographic equality became less influential as compared to conservative and neo-liberal socio-political notions.

♦ The regulatory arguments. Though higher education has stronger self-regulatory privileges than other strongly state-supported sectors in society – a relatively high degree of autonomy on the part of the higher education institutions and a relatively high degree of academic freedom on the part of the academic staff (notably the professors, i.e. those at the apex of the academic career ladder) – the substantial proportion of public
funding provided to higher education entrusted the governments with enormous powers of regulation, supervision or possibly “control” of higher education. As the public expenses of higher education had increased in many European countries from the 1950s to the 1960s, strategic actions of the governments had become more influential and pressures for accountability had grown as well: many experts believe that actual influence of governmental power on higher education has become stronger during that period. This did not only fuel the perennial debates about the relationships between governmental steering and supervision on the one hand and university autonomy and academic freedom on the other hand. Moreover, since the 1980s claims that a strengthening of market and incentive elements in higher education was likely to contribute to increasing diversity, quality, relevance and efficiency in higher education became more influential.

According to some observers, there is a forceful trend towards increased private funding of higher education. And some of these observers claim that this trend clearly is associated to a collapse of the welfare state and its substitution by a neo-liberal world order.

1.3 The scene of the funding debate

In characterising the debate about public and private funding of higher education in Europe, we certainly note, first, a moderate range of options involved. We do not expect in Europe in the near future that three quarters of the students will be enrolled in private higher education institutions, as we observe, for example, in Japan and Korea. And we do not expect in the near future that students will pay tuition fees at public institutions of higher education which cover more than half, let alone the full costs of their studies. Yet, the recent increases of tuition fees in England and some other areas of the United Kingdom and the growth of the private sector in some Central and Eastern European countries and in some Southern European countries raises the question whether private funding of higher education will play a major role in the future in Europe.

Second, the debate about public and private funding of higher education in Europe is very controversial with strong emotions involved. Fundamental issues are viewed to be at stake, e.g. higher education as a public or a private good, the freedom for the pursuit of knowledge for its own sake versus the subordination of higher education to the needs of the economy as well as equity and equality, meritocracy or reinforcement of social privileges.

Third, the advocates and opponents of increased private coverage of the costs of higher education claim a far-reaching impact of modes of funding on the functioning of higher education in general. The advocates of substantial tuition fees tend to claim, for example, that students would make more rational choices, and that “over-education” can be avoided, that prolongation of
Beyond 2010

study is reduced, that teachers teach better and students study harder – in sum, that “wastage” would be reduced and quality would be improved. In contrast, the opponents of substantial tuition fees argue, for example, that student enrolment rates fall below the needs of the economy and society that socially disadvantaged students would be excluded and that higher education would be too strongly driven by utilitarian forces.

Fourth, most systematic studies on the modes of funding and the impact of the funding system are undertaken by economists. As a consequence, higher education seems – according to these studies – de facto or potentially, to be driven more strongly by economic rationales than experts from other disciplines obverse. The beliefs in the wisdom of markets, in incentive steering, and in the wisdom of power games with scarce resources play such a strong paradigmatic role in the majority of studies that the results and conclusions drawn inevitably favour an increasing role of private funding.

1.4 The aim of this paper

This paper aims to contribute towards a more rational and balanced debate in Europe on public versus private funding of higher education. It will provide examples that many arguments in this area are suitable only to assure support on the part of the disciples of the same school of thought, but are not convincing to overcome the fundamentally controversial views involved. It will challenge the oligopoly of economic thrusts in the debate and the neo-liberal Zeitgeist, according to which critique of increased public funding is merely a past romantic dream. And it will show that our available knowledge on the impact of different modes of funding questions both the claims of far-reaching benefits of tuition fees in public higher education put forward by their advocates and the claims of far-reaching detriments put forward by their opponents.

In addition, this paper calls for a more in-depth discussion of the consequences of various modes of costs and funding of higher education for the internationally mobile students. Up to the present, the major controversies about public and private sources of funding the teaching function of higher education and the students had national systems in mind and considered international student mobility as an issue of secondary relevance. In the mean time, student mobility is so high on the policy agenda that time seems to be ripe to shape national systems of cost and funding of study more consistently, according both national and international implications.

This study does not aim to discuss all issues of public and private funding of higher education. Rather, it focuses on funding and cost of study. And in this framework, it puts emphasis on the role of tuition fees vs. tuition-free study at public higher education institutions in Europe. The choice of this focus does not call into question that many other issues of public vs. private
funding are at stake as well.\textsuperscript{52} Certainly, larger sums of private sources are involved in the funding of research, and this certainly has a strong impact on higher education.\textsuperscript{53} Further, the call of the European Union in the Lisbon Declaration of 2000 to increase public and private research funding in Europe to 3 percent by 2010 implies also the hope that private funding of research, which is undertaken within higher education institutions, will increase. Finally, universities in Europe increase their activities of fund-raising, among others, driven by the hope that charity might play a similar role in Europe as has played for a long time in the US.\textsuperscript{54} But the fundamental controversies linked to issues of tuition fees are sufficiently relevant to deserve all the attention in this study.

2 The economic advocacy of “cost-sharing”

The prevailing arguments by many economic experts on higher education are presented in the most targeted way by the U.S. economist Bruce Johnstone.\textsuperscript{55} He advocates what he calls “cost-sharing”\textsuperscript{56} or others have called “mixed funding”.\textsuperscript{57} According to his concept, the costs of higher education are borne by a combination of four parties: the government (the “taxpayer”), parents, students and “philanthropists”. Even if the government covers all the costs for the study provisions of higher education institutions and no tuitions fees or other fees are charged, study might imply substantial costs for students and their parents or a relative: often they pay the living expenses during the study period and forego the income they would earn if they did not


spend some additional years on education. The notion of “cost-sharing” and “mixed funding”, however, is not as a rule associated with the issue of whether students and their parents cover all or part of the living costs and forego income, but rather with their financial contributions to the study provisions, i.e. through tuition fees and possibly other non-instructional fees.

The first major argument in favour of charging tuition fees (and possibly other fees) is the notion that governments are not able to cover the increasing costs for higher education. On the one hand, the costs for higher education tend to increase as a consequence of growth of enrolment rates in higher education, longer study periods, labour-intensive study provisions, and other cost-increasing factors in higher education (e.g. research activities relevant also for the quality of educational tasks in higher education). On the other hand, pressures grow on governments to increase expenditures in alternative areas, e.g. health care, support for pension systems, welfare, environmental conditions, and so on. As a consequence, governments are likely to keep expenditures for higher education within limits, by setting entry barriers to public higher education or by reducing the unit expenditures per student thus causing a loss of quality of the study provisions and conditions.

The second major argument in favour of “cost-sharing” is the assumption that charging fees contributes to “greater efficiency”. Johnstone claims in this context that the argument is strongly supported by economic reasoning and evidence, “even if politically and ideologically contested”.58 Three major directions of “greater efficiency” are most frequently named in the economic literature:

✦ Reduction of “over-consumption” of higher education: the “over-supply” of graduates might be reduced, students with insufficient capacities might decide not to study if tuition fees are charged, and students might opt more frequently for short programmes.

✦ Increase of rational study behaviour: Students, as a consequence of paying fees, are expected to increase their academic effort, work harder, and to be more perceptive of what he or she has to do to be successful in the course of study. Thus, students might avoid drop-out, achieve a certain level of competences within the required study period, or reach a higher level of competences.

✦ Increase of rationality on the part of the higher education institutions: the institutions are viewed as having, as the consequence of generating income through tuition fees, an incentive to pay more attention to the needs of the students, and to raise the quality of study provisions and conditions, in order to attract the students. If fees vary between institutions of higher education, some institutions might be interested in lowering the fees in order to attract more students.

It should be noted that advocates of cost-sharing vary substantially in their views about a desirable future of higher education. Some consider cost-sharing as crucial in order to enable expansion of higher education and its quality enhancement. Others put “efficiency” into the foreground, which might imply contraction of higher education and a steady-state or even decline of quality, though with lesser costs. In any event, advocates of cost-sharing believe that persons who have to pay fees are more likely to act rational and that increased market-steering is likely to lead to more desirable economic and social overall results. Finally, advocates of cost-sharing call it a false allegation of cost-sharing “that tuition fees are inequitable as they discourage the children of the poor (and the rural and those of ethnic or linguistic minority status or girls) from attending higher education”. Rather, “cost sharing” could be embedded in systems of tuition fee waivers, needs-based grants or needs-based income-contingent loans, which eventually contribute to equity in a better way than tuition fee-free study.

3 Public expenditures for higher education: varied realities

Claims made by advocates of cost-sharing that governments generally are exposed to strong pressures to reduce expenditures for higher education are not strongly supported by empirical evidence. Comparisons between economically advanced countries show not only an enormous diversity of the conditions of costs and funding of higher education but also indicate that there are many factors involved which neither support the argument of the benefits of being charged for higher education nor allow us to call all contrasting findings as “politically and ideologically” determined.

First, the public expenditures for higher education continue to vary strikingly among economically advanced countries. The percentage of the gross domestic product spent on public higher education ranged among ten OECD member states, according to a secondary analysis of OECD data for the year 2000, between 0.5 percent in Japan and 0.7 percent in the United Kingdom on the one hand, and 1.5 percent in Sweden and 1.2 percent in Switzerland on the other hand (see Table 1). OECD data on trends of expenditures for tertiary education institutions between 1994 and 2004 suggest that there is not any convergent trend towards similar proportions of higher education expenditures.

Second, we have also reasons to doubt that there is any secular trend towards reduction of public expenditures per student in economically advanced countries under the conditions of growing enrolment rates and alternative priorities for public expenditures. Among the ten countries referred to in Table 1, the

59 Ibid., p. 6.
overall expenditure per student ranges from about USD 8000 to about USD 20000. In excluding private expenditures we still note a range of public expenditures per student (including those studying at private institutions) from about USD 7000 to about USD 17000. The OECD shows that the expenditures per student, in constant prices, in most economically advanced countries in 2005 ranged from unchanged to 30 percent increase as compared to 1995, even though the number of students grew substantially in most of these countries.62

Certainly, one has to bear in mind that the expenditures stated include private sources in many countries addressed, and that in many cases they include also research expenditures. For 2004, the OECD reported annual expenditures on tertiary education per student excluding R&D activities in selected OECD member states ranging from almost USD 20000 in the United States, about USD 12500 in Switzerland and more than USD 10000 in Denmark, Norway and Austria, to less than USD 5000 in Italy, Greece, Turkey and Poland.63 The income through tuitions fees covers in most Western European countries, as shown below, less than 10 percent of the costs of study places.

### Table 1
Expansion of and Expenditure on Tertiary Education in Selected OECD Member States 2000/01

<table>
<thead>
<tr>
<th>HE 2001</th>
<th>All tertiary</th>
<th>as % of GDP per capita</th>
<th>USD per graduate</th>
<th>Public</th>
<th>Private</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>65</td>
<td>12854</td>
<td>50</td>
<td>32521</td>
<td>0.8</td>
<td>0.7</td>
</tr>
<tr>
<td>France</td>
<td>37</td>
<td>8373</td>
<td>33</td>
<td>38200</td>
<td>1.0</td>
<td>0.1</td>
</tr>
<tr>
<td>Germany</td>
<td>32</td>
<td>10898</td>
<td>42</td>
<td>52962</td>
<td>1.0</td>
<td>0.1</td>
</tr>
<tr>
<td>Italy</td>
<td>44</td>
<td>8065</td>
<td>32</td>
<td>44278</td>
<td>0.7</td>
<td>0.1</td>
</tr>
<tr>
<td>Japan</td>
<td>41</td>
<td>10914</td>
<td>42</td>
<td>na</td>
<td>0.5</td>
<td>0.6</td>
</tr>
<tr>
<td>Netherlands</td>
<td>54</td>
<td>11934</td>
<td>44</td>
<td>46543</td>
<td>1.0</td>
<td>0.2</td>
</tr>
<tr>
<td>Sweden</td>
<td>64</td>
<td>15097</td>
<td>58</td>
<td>69561</td>
<td>1.5</td>
<td>0.2</td>
</tr>
<tr>
<td>Switzerland</td>
<td>33</td>
<td>18450</td>
<td>62</td>
<td>86867</td>
<td>1.2</td>
<td>na</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>45</td>
<td>9657</td>
<td>32</td>
<td>34202</td>
<td>0.7</td>
<td>0.3</td>
</tr>
<tr>
<td>United States</td>
<td>42</td>
<td>20358</td>
<td>59</td>
<td>na</td>
<td>0.9</td>
<td>1.8</td>
</tr>
<tr>
<td>OECD Average</td>
<td>47</td>
<td>9571</td>
<td>42</td>
<td>40731</td>
<td>1.0</td>
<td>0.3</td>
</tr>
</tbody>
</table>

na = not applicable

Source: Adapted from Williams 2004, p.42 (based on OECD data).

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62 Ibid. See also Longden and Harris, *Op. cit.*
Third, there is no any clear link between enrolment rates, expenditures per student and cost-sharing. As Table 1 shows,

- the three countries with the highest entry rates (Australia, Sweden and the Netherlands) all report expenditures per student well beyond the OECD average, with two of the three countries charging tuition fees;
- among the three countries with the lowest entry rates (Germany, Switzerland and France), one country reports expenditures per students below the OECD average, with again two of the three countries charging tuition fees.

Finally, there is no evidence that countries with relatively high public expenditures for higher education and relatively high public expenditures per student pursue questionable and ideological goals while those countries aiming to keep public expenditures for higher education as well as public expenditures per students on a relatively low level are economically rational actors. Since the 1990s, again as in the 1960s and in the early 1970s, the view that a further expansion of higher education or tertiary education is desirable for economic growth and societal well-being seems to prevail in economically advanced countries. This is expressed, for example, in the OECD study “Redefining Tertiary Education”, and also the European Commission has recently called for a growth of student enrolment in the framework of the Lisbon Strategy, although the Lisbon Strategy primarily calls for increased research expenditures. These calls for further enrolment growth take for granted that private sources play a considerable role in funding the educational function of higher education in some countries, but they do not argue that further expansion ought to be funded to a considerable extent by private means in most economically advanced countries.

4 Private higher education: a small sector in Western Europe

Traditionally, most students in European countries were enrolled in public institutions of higher education. And many “private” institutions were predominantly funded by the government, for example church-related colleges of theology and social work in Germany. The public funding of public institutions of higher education, as well as public funding of schools, was initially a targeted policy for guaranteeing religious freedom. Or, as already pointed out in the introduction, the public payment of study places at the Stockholm Business School was a result of a deliberate diversification policy. Advocates of a privatisation of major sectors of higher education tend to point at the United States of America as a desirable model. Indeed, in the US, a substantial proportion of top quality universities are private and highly reputed as regards both teaching and research. Altogether, in the US about 30 percent of students are enrolled in private higher education.64

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64 32% in 2004, see OECD, Op. Cit., p. 245; see Table 2.
But comparative studies on private higher education\textsuperscript{65} show that the US is an exception on the world map of private higher education. High income differentials and traditions of philanthropic sponsoring have contributed to the fact that many private higher education institutions in the US could collect massive endowments. The combination of high tuition fees and a wealth of sources other than tuition fees allow the top US private universities to offer their students better study provisions and conditions than most public institutions. As a consequence, the individual investment necessary for tuition fees and living costs tend to be rewarded by substantially higher life-time income on average. In contrast, most other countries in the world with mass private higher education show similar features, as – among the economically advanced countries – Japan and Korea. In 2004, 78 percent of the students in Korea and 75 percent in Japan were enrolled in private higher education institutions (see Table 2). Only a small number of private universities in these countries can compete successfully with top public universities, whereas the majority of private institutions are viewed as academically clearly inferior to the public sector. Therefore, as a rule (i.e. leaving aside a minority of well-endowed institutions, religious institutions, and institutions with exceptionally challenging pedagogical concepts), in most countries of the world, private higher education institutions:

\begin{itemize}
  \item comprise the qualitative inferior segments of higher education, as already pointed out,
  \item seldom foster a link between research and teaching,
  \item are strong in areas in which graduates can expect high variation of income (e.g. business studies, computer sciences and in some countries in medical fields),
  \item emphasize utilitarian education, and
  \item promise to help students get a better job than they would deserve in a meritocratic system.
\end{itemize}

In most countries with a large sector of private higher education, students at private higher education institutions face higher costs than those at public higher education institutions but subsequently do not have higher benefits than those in the public sector. They cannot expect to “invest” in this sector of higher education in order to receive higher reward, but rather pay a “stupidity fine”.

Since about the 1990s, we note an increase of private higher education notably in Central and Eastern European countries.\textsuperscript{66} According to an overview of statistical data of the year 2003\textsuperscript{67}

274 out of altogether 400 institutions of higher education in Poland were private,
24 out of 37 in Estonia,
392 out of 1046 in the Russian Federation, and
31 out of 68 in Hungary.

In Western European countries, we observed an increase as well, but the number of predominantly privately funded institutions remained small, and most of them were small institutions in terms of student numbers. Only in Portugal, a sizeable private sector emerged with 52 out of altogether 171 institutions of higher education in 2003. Also most higher education institutions in Central and Eastern European countries are relatively small. In Poland, for example, more than half of the institutions are private, but in 2004/05, as Table 2 shows, only 13 percent of the students were enrolled in private higher education institutions. In another study, the highest proportions of students enrolled in private higher education in Europe were reported for Romania and Portugal.

### Table 2
**Student enrolment and annual tuition fees in selected OECD member states by type of institution in the academic year 2004/05 (USD)**

<table>
<thead>
<tr>
<th></th>
<th>Percentage of students enrolled</th>
<th>Average annual tuition fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>98</td>
<td>–</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>93</td>
<td>–</td>
</tr>
<tr>
<td>France</td>
<td>87</td>
<td>1</td>
</tr>
<tr>
<td>Italy</td>
<td>94</td>
<td>–</td>
</tr>
<tr>
<td>Japan</td>
<td>25</td>
<td>–</td>
</tr>
<tr>
<td>Korea</td>
<td>22</td>
<td>–</td>
</tr>
<tr>
<td>Poland</td>
<td>87</td>
<td>–</td>
</tr>
<tr>
<td>Turkey</td>
<td>92</td>
<td>–</td>
</tr>
<tr>
<td>UK</td>
<td>–</td>
<td>100</td>
</tr>
<tr>
<td>US</td>
<td>68</td>
<td>–</td>
</tr>
</tbody>
</table>

Source: Adapted from OECD *Education at a Glance* 2007, pp. 244-245

In Western Europe, a considerable number of public higher education institutions became independent institutions but continue to be funded predominantly by public sources. Subsequently, the OECD makes distinctions in their reports between

♦ “public institutions” (i.e. legally public and predominantly funded by public sources),
♦ “government dependent private institutions” (legally private and predominantly funded by public sources), and
♦ “independent private institutions” (legally private and predominantly funded by private sources).

In most Western European countries, the strengths and weaknesses of private higher education are discussed in terms of curricular diversity, social selection, and links between study and work, whereas the overall consequences of public expenditures for higher education are not high on the agenda. Obviously, a substantial increase of this sector with enormous implications for cost and funding of the overall system of higher education is not envisaged.

5 The choice between no and moderate tuition fees

Substantial tuition fees at public institutions of higher education among economically advanced countries are customary only outside Europe. According to an OECD overview for the academic year 2004/05 (see Table 2). Students at US public higher education institutions paid about USD 5000 and at private higher education institutions about USD 18 600. The respective figures for Japan were about USD 3900 and about USD 6100, and for Korea about USD 3900, as compared to USD 7400 at private institutions. A study on costs and funding of higher education in the academic year 2003/04 in 16 Western European countries showed that either no or relatively low tuition fees were charged at public higher education institutions in Western Europe69 (see Chart 1). Actually, no tuition fees were charged at public higher education institutions in six countries, less than EUR 1000 annually in seven countries, and more than EUR 1 000 only in three countries. EUR 1 630 (in the UK) was the highest average tuition fee.

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A similar study was undertaken in 1997. At that time, eight countries included did not charge tuition fees. Aaltogether, the comparison between the two studies suggests that a moderate increase of tuition fee charges has occurred in the mean time. This comparative study on Western Europe, as the above named secondary analysis of OECD data, does not provide any indication that countries with high entry rates of students are more likely to charge tuition fees or notably high tuition fees. Other factors seem to be more important than the “pressures of the numbers” of students.

In the 16 countries included in the 2003/04 study, the total study costs (tuition fees and living costs) for students in 2003/04 were estimated to range, as Table 2 shows, between EUR 459 in Portugal and EUR 908 in the Netherlands. The proportion of tuition fees among the total study costs was about 20 percent in the United Kingdom, about 13 in the Netherlands, about 12 in Austria, and about 10 percent in Italy, Spain, Switzerland and Ireland.

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70 Ibid.
Beyond 2010

Chart 2
Monthly Tuition Fees and Average Living Expenditures of Students in selected European Countries in the Academic Year 2003/04

Source: Schwarz and Rehburg

In the United Kingdom, steps were taken in 2003 to move towards a substantial proportion of cost coverage of study places with the help of tuition fees. The argument of cost coverage plays a substantial role also in the Netherlands, though most strongly regarding master programmes and notably professionally oriented advanced programmes. These two countries are the only ones included in the 2003/04 survey, where tuition fees cover more than 10 percent of costs of study places. In other Western European countries, where tuition fees are charged at public higher education institutions, tuition fees certainly contribute to the overall coverage of costs. In some cases, it seems to contribute to increased overall means per student, while in others it provides room for lower governmental support. But altogether, the income generation by fees is not sufficiently high to consider it as a major factor of cost and funding of higher education. But the public debates about the benefits and detriments of “cost-sharing” are quite similar in European countries, irrespective of whether no tuition fees are charged – but recommended to be

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introduced, moderate tuition fees are charged, or substantial annual tuition fees of more than EUR 1000 are charged.

6 Public financial support for students’ living expenses

What tuition fees mean as reducing the burden of the government and increasing the burden of the students and what impact they might have on institutional and students’ behaviour, certainly cannot be sufficiently understood without a glance on the systems of public student aid. In the above named survey for the academic year 2003/04, related information was available for 15 countries: a grant system existed in seven countries, a combined grant and loan system also in seven countries, and a loan system in one country. The maximal monthly student aid (grants and/or loan) ranged, as Chart 3 shows, from less than EUR 400 in four countries (only EUR 240 in Ireland), to about EUR 600 in five countries, to between about EUR 700 and 900 in five countries, and was EUR 1500 in Switzerland.

Chart 3
Maximal monthly student aid per recipient in selected European countries in the academic year 2003/04 (EUR)

<table>
<thead>
<tr>
<th>Country</th>
<th>Grant</th>
<th>Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>IE</td>
<td>240</td>
<td></td>
</tr>
<tr>
<td>FR</td>
<td>305</td>
<td></td>
</tr>
<tr>
<td>BE(NL)</td>
<td>344</td>
<td></td>
</tr>
<tr>
<td>ES</td>
<td>348</td>
<td></td>
</tr>
<tr>
<td>DE</td>
<td>292</td>
<td>292</td>
</tr>
<tr>
<td>UK</td>
<td>595</td>
<td></td>
</tr>
<tr>
<td>IT</td>
<td>342</td>
<td>258</td>
</tr>
<tr>
<td>AT</td>
<td>606</td>
<td></td>
</tr>
<tr>
<td>PT</td>
<td>617</td>
<td></td>
</tr>
<tr>
<td>FI</td>
<td>431</td>
<td>220</td>
</tr>
<tr>
<td>NL</td>
<td>463</td>
<td>253</td>
</tr>
<tr>
<td>SE</td>
<td>607</td>
<td>133</td>
</tr>
<tr>
<td>DK</td>
<td>606</td>
<td>310</td>
</tr>
<tr>
<td>NO</td>
<td>372</td>
<td>557</td>
</tr>
<tr>
<td>CH</td>
<td></td>
<td>1500</td>
</tr>
</tbody>
</table>

Source: Schwarz and Rehburg

The study undertaken in 1997 provides information about the cost coverage of living expenditures through grants and loans. According to the study, the average student aid granted covered more than 60 percent of living costs of the beneficiaries in four countries. In three countries, about half of the living costs were covered while less than one third was covered in six countries.\textsuperscript{74} There is a substantial variation between the countries in terms of the proportion of students awarded student aid. In combining average awards and the proportion of the beneficiaries among all the students, the total coverage of living expenditures of all students by student aid was calculated (see Table 3):

\begin{itemize}
  \item More than half of the total study costs were covered by the student aid system in Sweden (58\%), about half in Denmark (49\%), and also sizeable proportions in the Netherlands (39\%) and Finland (37\%),
  \item about one third was covered in the United Kingdom and about one fifth in Ireland,
  \item 12\% in Austria and 6\% Germany, and finally
  \item less than five percent in Portugal, Spain, Italy and Greece.
\end{itemize}

\begin{table}[h]
\centering
\caption{Student enrolment, student aid and its coverage of living expenditures in selected European countries in 1997}
\begin{tabular}{|l|c|c|c|c|c|c|c|}
\hline
Country & I & II & III & IV & V & VI & VII \\
& Public Expenses for student aid (million EUR) & Number of students (thousands) & Percentage of student aid recipients & Average monthly student aid per student (EUR) & Average monthly student living expenditure per student (EUR) & Average monthly living expenditure by student aid & Percent coverage of all living expenditures by student aid \\
\hline
SE & 1023 & 246 & 79 & 439 & 347 & 600 & 58 \\
DK & 716 & 170 & 87 & 403 & 351 & 713 & 49 \\
NL & 1222 & 359 & 82 & 346 & 284 & 646 & 44 \\
FI & 536 & 205 & 59 & 369 & 218 & 532 & 41 \\
UK & 2812 & 1813 & 70 & 185 & 129 & 419 & 31 \\
IE & 111 & 122 & 56 & 135 & 76 & 400 & 19 \\
AT & 131 & 234 & 12 & 389 & 47 & 400 & 12 \\
DE & 910 & 1800 & 19 & 222 & 42 & 656 & 6 \\
ES & 325 & 1527 & 18 & 99 & 18 & 433 & 4 \\
PT & 48 & 301 & 15 & 89 & 13 & 331 & 4 \\
IT & 129 & 1792 & 5 & 120 & 6 & 429 & 1 \\
GR & 7 & 290 & 8 & 25 & 2 & 425 & <1 \\
\hline
\end{tabular}
\end{table}

\begin{flushright}
Source: Based on Schwarz and Rehburg\textsuperscript{75}
\end{flushright}

\textsuperscript{74} Daniel, Schwarz and Teichler 1999b, p. 16.
Altogether, Western European governments spent more money on average for student aid than the average amount of tuition fees paid to public higher education institutions. Averages, however, are hardly meaningful, if such a large variation exists between countries. The OECD has created a typology of countries in terms of the combination of tuition fees and public grants and loans:76

- low tuition fees and high proportion of students benefitting from public loans/grants (Denmark, Finland, Iceland, Norway, Sweden, Czech Republic and Turkey),
- high tuition fees and high proportion of students benefitting from public loans/grants (Australia, New Zealand, United Kingdom, United States, Canada, the Netherlands),
- high tuition fees and low proportion of students benefitting from public loans/grants (Japan, Korea),
- low tuition fees and low proportion of students benefitting from public loans/grants (Austria, Belgium, France, Ireland, Italy, Poland and Spain).

The Western European countries addressed in the studies discussed above are represented in three of the four types put forward by the OECD. Only high tuition fees alongside with scarce public loans and grants is a constellation not found in Western Europe.

7 Revisiting the presumed effects of cost-sharing

Asking the students and their parents to cover a greater share of all the costs incurred by study is a wise option according to the advocates of “cost-sharing” as regards three respects:

- Under conditions of financial pressures, caused by increasing enrolment and strong alternative political priorities, cost-sharing ensures funds for expansion and quality enhancement.
- Cost-sharing, if wisely combined with other measures, such as increased needs-based student aid, income contingent loans, and socio-biographically selective tuition fee waivers, might even be a socially fairer system of funding than tuition-free study provisions.
- Cost-sharing leads to a more efficient system, for example by reducing “over-education”, by stimulating students to study harder, and by providing incentives to higher education institutions either to take care for the needs of the students in a better way or to save costs in order to lower the tuition fees to be paid by their students.

The first argument obviously is on shaky ground, as discussed above. If there were convergent pressures to keep the expenses for the educational function of higher education in bounds, we would have to assume that coun-

tries with a high proportion of the GDP spent publicly for the educational function of higher education would be most strongly inclined to opt for the reduction of these expenditures, possibly through lowering the unit-cost of study places, through introducing or increasing tuition fees, and through reducing support for the coverage of living expenditures. This obviously in not the case and, as it deviates from the assumption of the advocates of “cost-sharing,” obviously cannot be explained as “political and ideological” attitudes disregarding economic rationales.

As regards the second argument, the advocates of cost-sharing convincingly can argue that “cost-sharing” as such does not necessarily, as many critics of cost-sharing claim, deter from study and increase inequality of opportunity. If the argument of the critics of cost-sharing were true, countries with cost-sharing should have lower entry-rates than countries without tuition fees at public institutions of higher education, and the former should have a more socially select student body than the latter. Neither of the assumptions is supported by empirical evidence. For example, Japan and Korea, the two OECD countries with relatively high tuition fees and relatively low student aid, are among the three OECD members states with more than half of the 25-34 year-olds having attained tertiary education. On the other hand, there are good reasons to assume that the introduction of cost-sharing or the increase in tuition fees are likely to lead to a decline in student enrolment and to a socio-biographically more select entry to higher education, if they are not accompanied by additional measures encouraging study and counteracting the fears of the socio-biographically disadvantaged that they might not be able to afford higher education. Obviously, there are examples of countries introducing and enlarging tuition fees without such additional measures.

It is more difficult to examine empirically the third issue, i.e. the consequences of cost-sharing for the system efficiency. Yet, I dare to claim that a comparative perspective is bound to question the assumptions put forward by the advocates of cost-sharing.

a) We note changing moods in economically advanced countries as regards the relationships between the number of graduates and the employment opportunities. As already pointed out, the dominant view was that an increase of graduates was needed. From the mid-1970s to the early 1990s, concerns about an over-supply of graduates were in the forefront, and since the mid-1990s, again an increase of graduates is advocated more strongly. Compared to that, information about the cost of study and expected remuneration of graduates certainly played a minor role.

77 See Ibid, p. 38.
Moreover, we note differences between countries in terms of income advantages of graduates from higher education as compared to upper secondary leavers (see Table 4), which cannot be explained on the basis of the demand-supply relationship or on the basis of rates of returns for educational investment. Rather, economically advanced countries differ substantially as far as income differentials are concerned: income differences are more striking, for example, in the United States than in Northern European countries and Japan, and this has a visible impact on the income advantage of graduates from higher education institutions.

Table 4
Trends in the income advantages of adults with tertiary education (upper secondary and post-secondary non-tertiary education = 100)

<table>
<thead>
<tr>
<th>Country</th>
<th>1997</th>
<th>2000</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Czech Republic</td>
<td>179</td>
<td>m</td>
<td>182</td>
</tr>
<tr>
<td>Denmark</td>
<td>123</td>
<td>m</td>
<td>126</td>
</tr>
<tr>
<td>Finland</td>
<td>148</td>
<td>m</td>
<td>149</td>
</tr>
<tr>
<td>Germany</td>
<td>133</td>
<td>143</td>
<td>153</td>
</tr>
<tr>
<td>Hungary</td>
<td>179</td>
<td>194</td>
<td>217</td>
</tr>
<tr>
<td>Norway</td>
<td>138</td>
<td>m</td>
<td>136</td>
</tr>
<tr>
<td>Portugal</td>
<td>176</td>
<td>m</td>
<td>179</td>
</tr>
<tr>
<td>Spain</td>
<td>149</td>
<td>m</td>
<td>132</td>
</tr>
<tr>
<td>Sweden</td>
<td>129</td>
<td>m</td>
<td>127</td>
</tr>
<tr>
<td>Switzerland</td>
<td>152</td>
<td>157</td>
<td>164</td>
</tr>
<tr>
<td>UK</td>
<td>153</td>
<td>159</td>
<td>158</td>
</tr>
<tr>
<td>US</td>
<td>168</td>
<td>172</td>
<td>172</td>
</tr>
</tbody>
</table>

Source: Adapted from OECD 2007, p. 159.

b) We do not have any evidence that students in countries where many of them are strongly supported by public means work less hard for study than students in countries where they or their parents have to cover the living costs and have to pay tuition fees. For example, experts believe that students in Northern European countries are no less devoted than those in the UK or in the United States. On the other hand, there is the hearsay that many Japanese students, after the fierce competition for entry into the most highly reputed universities, only spend moderate energy during the first years of enrolment in higher education, though they pay considerable tuition fees. In fact, student surveys suggest that Japanese students spend 5-10 hours less on study per week than students in European countries. Also experts did not see any increase of time and energy invested into study when tuition fees at Japanese national universities were drastically increased some years ago.
There are also reasons to doubt that cost-sharing as such leads to shorter study periods. Certainly, there is a complaint in various European countries with no or moderate tuition fees that students study on average about 30 percent to 50 percent longer than the required period of study. However, we also detect an average period of study of more than six years for a bachelor's degree in the United States, i.e. a prolongation of more than 50 percent beyond the required period. Obviously, tuition fee-paying students studying part-time have a vested interest to be enrolled part-time in order to pay lower tuition fees. As a consequence, prolongation of study in the US is widely accepted as a consequence of individual options for part-time study. At universities not charging tuition fees, as a rule, no formal distinction is made between full-time and part-time students, and as a consequence, prolongation of study is more frequently interpreted in the public arena as undesirable prolongation.

c) Finally, we do not have any evidence that students' needs are better taken care of in countries where tuition fees are charged than in countries where no tuition fees are charged. In the UK, where universities are known for creating a student-friendly environment, some experts claim that this caring climate has suffered in recent years, and heavier burdens for students have not reversed this trend. In Japan, in reverse, national universities have not been viewed as having become more caring for students when tuition fees were increased substantially. The different education climates, for example reported for European universities by Erasmus students, see seem to be more strongly influenced by other factors than the conditions of costs and funding.

8 The need for more complex explanations

Obviously, we have to take into consideration a wider range of factors in order to explain why governments in economically advanced countries opt for so diverse policies as far as the costs and the financing of study in higher education are concerned. Also, different factors seem to come into play in the various countries as far as the impact of costs and funding on the functioning of the higher education system is concerned. In a previous study, I argued that 12 themes are most frequently addressed in the public debates about study costs and funding:

- The value of cultural, societal and economic traditions of a country. For example, the readiness of below-average income families to cover substantial study expenses of their children is higher in Japan and Korea

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than in most European countries. Or the idea that students work alongside their studies in order to cover a part of the costs of study is more pronounced in the US and in Germany than in many other European countries.

♦ Specific views about **the role of the government to serve the supply of graduates**. In various countries, governments are willing to do more for covering the costs of study places and for supporting the living costs in select fields of study, such as teacher training or natural science and engineering, rather than humanities and social sciences.

♦ The support schemes for study of the individual countries imply **definitions of the social role of students**. This will be discussed below.

♦ Countries vary in the **extent to which the public support for covering the living expenditures are needs-based and how the needs are defined**. In some countries, the parental income is crucial factor, whereas in others students can declare themselves as economically independent from parents, and are possibly supported according to their needs. In some countries, parents of students can deduct the study costs of their children from their taxes – a system more beneficial for richer parents.

♦ Views vary by country whether **study is treated as a local or a global good**. This will be discussed below.

♦ In some cases, **tuition fees cover more than study costs**. In most countries, tuition fees cover only a proportion of the real cost of a study place. There are cases, though, were high tuition fees have to cover more than the study place. At some US universities, tuition fees for undergraduate study are employed to subsidise graduate education. In some relatively poor private universities in other countries, tuition fees dominate the overall income generation to such an extent that even moderate research and service activities of the institution are paid with the help of tuition fees.

♦ **Cost and funding models as possible motivating forces for study** are viewed differently across countries. As already discussed, the view that higher contributions by students and their parents lead to more study efforts on the part of the students is widespread in the US. In the United Kingdom, the Dearing Report in the late 1990s, in contrast, expressed the view that further commercialisation of higher education might undermine efforts to care for the students’ needs. The following anecdote was reported from another country: when the professor asked a student to stop reading a newspaper during the lecture, the student responded: “Who pays the university, you or me?”.

♦ Again and again, we hear the debate about **study as a public good or a private good**. This principle debate seems to be overrated because in almost all cases there are some public and some private costs incurred. It is not an issue of “either – or”, but one of an acceptable or necessary level of private contribution.

♦ As already discussed, **“shortage of public funds”** was often claimed to be the reason for introducing or increasing tuition fees or for reducing stu-
dent aid. As shown above, the notions regarding the appropriate government burden for covering for the provision of study places differ dramatically between countries.

♦ The income generated through tuition fees and reduction of student aid might be used for sustaining higher education, or to cover other public expenditures. In most of the countries, institutions of higher education could keep the cost of study places constant or could increase the cost when tuition fees were introduced. In other cases, unit cost per study place was even reduced, even when tuition fees were introduced. In those cases the income generated by tuition fees was obviously used for other areas of public activities.

♦ Some experts claim that public expenditure for study places might be expected, in some countries, to serve other functions than satisfying the human resource demand of economy and the “social demand”, i.e. desire of the individuals to study. For example, some experts argue that higher education serves a “custodial function” at times of economic unrest: people extending their study beyond demand are kept off the labour market at a lower price and in a socially more acceptable manner than seeking for employment and ending up unemployed.

♦ Finally, as already discussed, links between individual investments in higher education and subsequent returns is a major issue. In some countries students paying more for higher education can expect higher returns as a rule (e.g. in the US), while in others this is not the case (e.g. Japan). In various European countries tuition fees were introduced with the support of the argument that this would be economically rational, without any discussion at all whether increased investments without any increase of the returns might undermine economic motives for study.

Obviously, some of these 12 arguments play a central or at least a supplementary role in the economic debates about cost-sharing. Others, though, are overlooked or neglected in those debates. This article cannot fill all the gaps of the previous debates through discussing all the issues insufficiently taken into consideration thus far. Two themes, however, will be discussed in order to stimulate further debate towards a broader view of the factors involved in cost of higher education: the social role of the students implied in cost and study models, and the search for appropriate funding modes in a mobile world.

It should be noted that the list of 12 issues discussed above is certainly incomplete in one respect. It does not include the “equity” and “fairness” debate. This theme obviously deserves more attention in the future deliberations about the societal consequences of costs and funding of higher education. Often, this theme is discussed only from the point of view of what is done to enhance the chances of the socio-biographically disadvantaged. It would be possibly more appropriate to consider the wider social order implications of costs and funding of study. In each economically advanced society
we observe settings in mechanisms of (a) reinforcing the opportunities of the socio-biographically privileged, (b) providing preferential conditions for the socio-biographically disadvantaged, and (c) reinforcing meritocracy, whereby the national notions might vary as regards the most desirable “logic” of meritocracy.

9 Costs and funding as reinforcing the social role of students

Many arguments about the economic rationales of costs and funding of higher education are based on the assumption that economic rationales are universally valid in economically rational societies. As a consequence, models of costs and funding of higher education deviating from the mainstream of economic interpretation are often called pejoratively as “political” and “ideological”. During the 1970s and 1980s, when economists paid increased attention to the “economic miracle” of Japan, i.e. the economic success of a country based on cultural traditions distinct from “Western countries”, the view spread that cultural conditions, varying from country to country, might be powerful frameworks for any kind of human action and that – basically universalist – economic rationales have to be understood as operating within these cultural settings.

There is obviously a need to discuss the also rationales of costs and funding of study in Europe in the framework of different cultural and socio-political frameworks. In the above-named 1997 study on tuition fees, student aid and study costs in 15 European countries, the authors came to the conclusion that the major rationales of the financial modes of charging tuition fees and of supporting students financially are “to shape the social role of students”.81

♦ The student as a learner and young citizen is envisaged if substantial grants are provided, regardless of parental financial resources and if no tuition fees are charged.
♦ The student as a child in a family within a welfare social system is taken as the prototype if hardly any public support is provided for covering direct student expenditures – irrespective whether substantial, moderate, or no tuition fees are charged.
♦ The student as a child in a family system with a strong welfare component is reinforced if parents are in principle in charge of covering the students’ living expenditures, but financial aid is provided to a large number of students with low economic means (the parents or the students themselves) – again – irrespective of whether substantial, moderate, or no tuition fees are charged.
♦ The student as an investor in her/his future is clearly borne in mind when student aid is provided predominantly as a loan and/or if students have to pay substantial tuition fees.

The authors argued that the student aid system is a more straightforward and powerful factor in shaping the role of students that tuition fees. On the one hand, the inauguration of moderate tuition fees in various European countries and the move in England toward substantial tuition fees was explained frequently as a step towards understanding the student as an investor in her or his future, but the high tuition fees in Japan are primarily understood as underscoring the student as a dependent on the family system. Several of the European countries seem to come close to these ideal-type rationales of costs and funding for reinforcing the social role of the students:

- the Danish system obviously has the young learner and citizen in mind;
- the UK system – before expecting the students to cover the tuition fees out of their own or their parents’ purse – could be viewed as having in mind a student as a child within a family within a welfare system;
- the Austrian and German systems seem to have an in-between solution in mind: the student as a child in a family society somewhat counterbalanced by the welfare system;
- the Greek system clearly treats the student as a child in a family system.

The authors argued that none of the 15 European countries analysed has a dominant approach of considering the student as a young investor. However, the situation in England, the Netherlands, and Sweden could be understood as mixed models with young investor components. Obviously, if European countries preferred combining the notion of student as a young investor with some welfare buffer, it would be consistent to abolish student aid based on the current students’ or their parents’ social needs by an income-contingent loan system: as a consequence, those students whose subsequent professional earnings turn out to be too low to safeguard returns of their investments into study, are defined as in need of public financial support. Therefore, it does not come as a surprise to note that the Australian system of income-contingent loans82 turned out to be the most popular model in discussion in Europe about possibly major changes of the system of costs and funding of study.

10 Student costs and funding in a mobile world

Higher education is more international than most other institutional settings in terms of being interested in knowledge world-wide, in appreciating international cooperation and mobility, and in holding cosmopolitan values and attitudes in high esteem. On the other hand, higher education is closely embedded nationally or regionally, as far as patterns of the systems, organi-
Where shall the money come from? Publicly versus privately financed higher education

sational and administrative issues, formal elements, study programmes and certification, or financial matters are concerned. Consequently, the conditions for costs and funding follow traditionally a national logic: the rules were made for home country students studying in the home country. As a rule, regular student aid was not provided for students studying abroad: rather, special fellowship systems were established for this purpose.

Treatment of foreign students was a marginal issue to be somewhat adapted to the predominantly national logic. Most European countries opted for letting foreign students pay the same level of fees (even to the point of not charging any fees at all), as they expected from the home students. On the other hand, the foreign students were excluded from the national student aid systems. Some European countries established specific grant systems for foreign students, but they did not have any right to be awarded similar low-income student support in the framework of national needs-based student grant and loan systems as the local/national students.

Temporary mobility could be most easily incorporated in the historically grown pattern of mobility under diverse conditions of costs and funding in the home and host country, if students could “carry” student aid while studying temporarily abroad, and if students did not pay tuition fees abroad, but rather are accepted on an “exchange basis”. This, in fact, turned out to be the most frequent financial logic for student exchange. This had the consequences that fee-charging institutions of higher education require their own students to continue to be enrolled at home and pay tuition fees at home while temporarily studying abroad. In contrast, institutions not charging fees have no financial interest in keeping their home students registered at home while studying abroad if their government provides funds for enrolled foreign students in the same way as funds are provided for home students.

Special arrangements emerged for mobility within the European Union. First, higher education is expected to treat all students from other EU countries according to the same rules as their home country students. Second, the Erasmus programme for the support of temporary models requires the host institutions not to charge any tuition fees from the incoming Erasmus students. Student mobility became such a popular issue in higher education policy in Europe that various countries went a step further in equalising the costs and funding conditions for study abroad to those at home. They made student aid to their citizens “transportable” across borders. This system of costs and funding in Europe can be vulnerable. Two problems turned out to be most visible:

♦ Many British universities complained about having to take in large numbers of Erasmus students (many students from other European countries want to study in the UK, among others because most of them learn English as a foreign language, whereas British students are not strongly
encouraged to study abroad), and indeed many curtail the intake of Erasmus students.  

The European Court of Justice forced Austria, in 2005, to change their regulations for admission to higher education, because the existing regulations were viewed as creating barriers to admission of foreign students, which did not exist for Austrian students. As a consequence, the system of the small country was completely over-burdened by medical students from their large neighbour Germany: namely students who were not admitted to medical education in Germany. Subsequently, Austria was forced to consider its complete system of admission to universities in order not to be forced to have enormous costs for accommodating foreign students.

Altogether, however, the majority of European countries support international mobility by adapting the costs and funding situation of mobile students by and large to those of the non-mobile students. As a consequence, increasing international student mobility is not discussed in most European countries from financial point of view. This said, one European country, namely the United Kingdom, moved into a completely different direction. Substantially higher tuition fees were introduced for “overseas students” (this maritime jargon is customary in the United Kingdom in contrast to similar island countries, such as Japan). The British case is more important for the international debates on costs and funding of higher education than just an exception of a single country. Among others, Australia adopted a similar system, and foreign students at public universities in the US pay substantially higher tuition fees than students of the state where the university is located (however, in these cases, students from other states of the US have to pay the same tuition fees as foreign students). These three countries altogether accommodate more than 40 percent of the foreign students all over the world. Moreover, this model elicited controversial reactions: it is viewed, on the one hand, as the most nationalistic response to internationalisation and globalisation. On the other hand, the British approach to “overseas students” is viewed as a smart commercial move towards an international division of labour, according to which economically advanced countries give up most industrial activities, which move to low-wage countries, while selling “knowledge” at high prices. This is further supplemented by increasing “transnational education” in terms of commercial cross-border offering of study programmes. Moreover, many representatives from higher education institu-

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tions in other European countries envy their British counterparts for having this attractive source of revenue.

Obviously, high tuition fees for foreign students cause two major problems:

♦ Children from wealthy families in developing countries are the prime target group of institutions of higher education aiming to generate revenues in the domain of student mobility. Inequality is reinforced to an extent which could be viewed as intolerable within national contexts.

♦ There is substantial “brain drain” in terms of poor countries spending public means for the early stages of education for students studying abroad and thereafter work abroad, and spending public means for study at home of persons moving abroad after graduation. The poor countries invest in their education, whereas the (developed) country where they work cash in most of the social returns for these investments.

Within many institutions of higher education we can observe an “international mainstreaming”: measures taken for the institution as a whole are increasingly shaped in a way that they support internationalisation, and measures taken to support internationalisation are increasingly shaped in a way that they serve the institution as a whole. It is certainly worthwhile to consider means to shape the financial conditions for study abroad worldwide to approach to the conditions for study within individual countries. It is not an easy task to establish such a system because we note substantial variations between countries in terms of whether tuition fees are high, low or there are no tuition fees at all, and how extensive student aid is made available and with what modalities. But visions are needed in order to move towards a global society. One could imagine, for example, that all countries in the world agree to charge an ‘educational tax’ from all well-earning internationally mobile graduates. The tax revenues would be distributed to other countries (mainly the student’s country of origin) according to the proportion they have funded the education of the tax payer, or have provided grants and loans for their study. In addition, the individual graduate would get a tax reduction according to the proportion he or she and his or her family have contributed to the educational costs themselves.

11 Concluding observations

Issues of costs and funding of higher education have been discussed in the past predominantly in an economist-egalitarian controversy. The economist arguments expressed concern for the seemingly inevitable public constraints to fund expansion of higher education and the improvement in the quality of study provision. Increased private higher education was a major issue in Central and Eastern Europe, as well as in other continents, while “cost-sharing” in terms of the introduction or increase of tuition fees was advocated as the step in the right direction for the Western Europe. The opponents of such measures mostly claimed, in contrast, that the introduction or increase of
tuition fees would reduce the number of students enrolling, at times when an increased demand for graduates was called for by the majority of employers, politicians and experts, and would increase inequalities of access according to socio-biographic characteristics. In reverse, advocates for increasing revenues through tuition fees argued that cost-sharing could be accompanied by modalities of waivers, grants, and loans, which were more equitable than fee tuition.

A closer look reveals, however, that a larger set of issues are at stake than the prevailing debates suggest, and that more attention has to be paid to the wide range of factors which play a role in costs and funding of study. There are issues of power, of system steering, of the desired social order, the aims and values underlying higher education, the balance between equity, meritocracy and the protection of privileges, the role of the students reinforced by mechanisms of costs and funding of higher education, and new acceptable modalities of costs and funding in a mobile world. In Western Europe, it is not realistic to assume that public expenses for higher education can be substituted to a large extent by increased private expenditures. On the other hand, even small changes can have a strong impact on the above named dimensions. This state of affairs calls for decisions that are not only reflecting the traditionally addressed issues of the financial logic and consequences for equity, but having a broader range of issues in mind. Furthermore, there are more serious problems at the table in costs and funding of internationally mobile students than in the costs and funding of study within individual European countries. As conditions of costs and funding vary so much by country, bold steps are needed on the international scene. A proposal presented in this paper might be viewed as not feasible, but such a conclusion should not discourage from the search for solutions.
Bibliography


Where shall the money come from? Publicly versus privately financed higher education


1 Introduction

While both nations and individual higher education institutions invest considerably in the internationalisation of higher education, little information is available on the funding involved (either investment or potential returns). This paper attempts to provide an introduction and also present some case studies to stimulate research into this important area. Funds to support the internationalisation of higher education very generally derive from three main sources:

♦ Governments and other national organisations (the European Commission is included in this context);
♦ Higher education institutions;
♦ Students participating in the programmes;
♦ Private sector – both national and multinational.

There is also some involvement from international bodies or multinational agencies (e.g. UN, World Bank) and independent foundations.

A key question concerns what might be our shared understanding of ‘internationalisation’ in the education context. Drawing all the possible activities together coherently into a straightforward definition presents some problem as the mix for inclusion can vary significantly between countries and institutions. Jane Knight provided an overarching definition when she suggested that internationalisation in higher education should relate to all aspects of education and the role that it plays in society. She accordingly proposed:86

‘Internationalisation at the national, sector, and institutional levels is defined as the process of integrating an international, intercultural, or global dimension into the purpose, functions or delivery of postsecondary education.’

However the financial implications are rarely addressed: most studies focus on specific activities (e.g. international student recruitment) rather than the overall picture of activity and investment. The result being that there are no clear models for comparison, no single coherent approach proposed for any country; poor information from governments and poor information from education institutions. This must be a concern, given that many higher education

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institutions and national bodies do invest very significant sums and have for-
mally defined internationalisation strategies. The implication of having a stra-
tegy in place is that management intervention might be necessary to achieve
it, which – in turn – requires an investment policy.

John Fielden has pointed out that for a higher education institution there is a
great difference between what is frequently referred to as an ‘international
strategy’ as compared to an ‘internationalisation strategy’.\textsuperscript{87} The former – he
suggests – is generally employed in relation to recruiting international stu-
dents, including for programmes delivered transnationally, while the focus of
‘internationalisation’ is more holistic and embraces all activities. \textbf{Table 1} be-
low suggests a mix of internationalisation activities and is an extension of
that suggested in the CIHE publication referenced.

\begin{table}
\centering
\caption{Summary of key internationalisation activities for higher education institutions}
\begin{tabular}{|p{7cm}|p{7cm}|}
\hline
\textbf{Internationalisation at home} & \textbf{Internationalisation abroad} \\
\hline
\checkmark Attracting international students – both for full programmes and short exchanges; & \checkmark Encouraging domestic students to study internationally; \\
\checkmark Internationalising curricular and teaching materials; & \checkmark Supporting work experience placements internationally; \\
\checkmark Providing foreign language programmes; & \checkmark Growing international research links; \\
\checkmark Providing specific country and regional programmes; & \checkmark Encouraging staff to work internationally: both for teaching and research \\
\checkmark Recruitment and exchanges of international academic and research staff; & \checkmark Consultancy for international projects; \\
\checkmark Growing joint teaching programmes – including for split\textsuperscript{88}/joint degrees or other accreditation arrangements; & \checkmark TNE – delivery of courses and programmes internationally: \\
\checkmark Growing international cooperation in research; & \hspace{2cm} \checkmark Partnership arrangements; \\
\checkmark Encouraging international activities on campus; & \hspace{2cm} \checkmark Accreditation of partnership programmes; \\
\checkmark Hosting international events and conferences; & \hspace{2cm} \checkmark Joint/split degree offerings \\
\checkmark Promoting international work opportunities for students – including not-for-profit; & \checkmark Establishment of offshore campuses; \\
\checkmark Internationalisation of institutional governance and management & \checkmark Specialist research centres abroad; \\
\hline
\end{tabular}
\end{table}


\textsuperscript{88} Split degree is a degree where a foreign research student is registered for their doctorate in one country
(e.g. the UK) but spends significant time for research back in their home country/institution. There might be
joint supervision and the UK supervisor might visit the student at his ‘home’ institution. The research
student might return to the university where they are registered to write up and submit their thesis.
Elkins et al.\textsuperscript{89} have proposed a useful practical model for assessing the success or otherwise of institutional internationalisation. To reach their 11 dimension model they reviewed the various activities that might comprise internationalisation and trialled the approach with a number of universities. The model was found to provide a useful means to plan investments into an institution as it was able to indicate more clearly where the institution might be falling short in terms of achieving its internationalisation goals. They demonstrated how this knowledge might then assist managers to develop a more systematic approach to investment.

2 National policies and activities

At the national level a government might have a mix of motivations for involvement in international education. Some consider this a straightforward extension of their public diplomacy policies including enhancing the country’s political, research, economic and trade, social and educational agendas. Alumni, on returning home, are viewed as potential ‘ambassadors’ hopefully supporting diplomatic and trade ties with the country in which they studied. Attracting international students is therefore extremely important for most countries particularly as additionally direct economic benefit might also derive: international students pay fees and spend money in the country whilst studying. Also, and of increasing importance, some countries seek to attract international students as an effective means towards meeting skills gaps in their economies. The need to compete in a globalised world has also resulted in more countries seeking to ensure that their own domestic students have an international dimension included in their study programmes. This can have many dimensions but includes in particular some form of international study experience. National initiatives are important to change attitudes and seed corn investment is necessary and generally made available.

Cutting edge research is highly internationalised in universities, particularly in science and technology related disciplines. A strong national research base is important for innovation and can also stimulate inward investment. Many governments understand this and invest very significantly to grow their international research capabilities including through cooperation. Countries also make funds available through their development assistance budgets to support specific and applied programmes of development cooperation in research, education and training, particularly in topics that might have direct impact on poverty alleviation such as health, agriculture, water engineering, energy, social development, and management.

**Direct economic value to nations**

A number of countries have attempted to quantify the direct value of international education in general and international students in particular, to their national economies. A useful starting point is to consider trade data. The total value of the trade in education services throughout the OECD was estimated to be over USD 30 billion (approximately EUR 21 billion) – or 3 percent of trade in all services.\(^90\) With hindsight, this would seem to be a significant under-estimate. Official balance of payments accounting does not capture the full mix and thus value of education services, which results in the need for a more tailored analysis. Probably the most comprehensive analysis of education exports was undertaken for the UK by Geraint Johnes.\(^91\) This analysis also contributed to a better understanding of the value, nature of activities and composition of what might be classified as UK ‘education exports’. Johnes estimated that the total value of international education to the overall UK economy in 2002/3 was approximately EUR 15 billion. An update of Johnes’s original study by Pamela Lenton\(^92\) for 2004/05 suggested that the value to the UK economy of international activities in higher education alone is about EUR 7.3 billion per annum.\(^93\)

For the USA, the Institute for International Education (IIE), New York, calculated that the 582,900 international students in higher education institutions across the USA in 2006-07 contributed about USD 20.7 billion to the US economy, although the net amount, after subtracting US institutional investments, was about USD 14.5 billion. Morris\(^94\) reports that the total value of all education exports to the Australian economy was AUD 13.9 billion (EUR 8 billion) in 2005; of this about AUD 2.2 billion (EUR 1.3 billion) was student fee revenue for the higher education sector. This placed international education as the fourth largest export item for Australia.

An additional dimension to the economic value of international students is their indirect contribution to national economies: many remain in their country of study to work, particularly in skill shortage areas. Research students also add to the research output of their institution, which in turn has potential economic returns. These contributions are however difficult to quantify, given the lack of supporting data.

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\(^91\) Global Value of UK Education and Training Exports; Geraint Johnes; 2004 (for the British Council).


\(^93\) The full details are provided in Table A1 in Annex A.

3 Consideration of national strategies

Countries have distinctly different mixes of priorities when it comes to supporting international activities within the higher education sector. This section considers some of these variations through comparing a variety of countries. Funding from their higher education institutions is covered in a later section.

Australia

For 20 years Australia has emphasised strongly international student recruitment, including for their offshore-delivered programmes. At the national level, international strategy and investment is delivered through Australian Education International (AEI), which is the international arm of the Department for Education, Employment and Workplace Relations. AEI’s strategic priorities include promoting broader bilateral and multilateral engagement, contributing to alleviating Australia’s skills shortages, and protecting educational standards.

In particular AEI supports the growth of the national education export industry through a mix of activities including market research and intelligence, providing a comprehensive ‘Study in Australia’ – web portal, funding an international network of education counsellors in Australian Trade offices, and managing scholarships for international students (the Endeavour Program). The funding of these activities derives from a mix of government direct investment plus revenues from institutions based on the numbers of international students that they have enrolled as part of their CRICOS requirement. A proportion of this is then employed to fund Australian Education International. Additional support for promoting Australian education internationally comes through state governments as well as the activities of IDP Education Australia, which although a private company is partially owned by Australian universities.

The total investment from Australian national and state government sources is not available. However, in 2004, a specific allocation of about AUD130 million (EUR 75 million) from federal funds was announced to provide additional impetus for Australian international education activities. The level of dependence on internationally derived revenue is giving rise to some concerns in Australian higher education institutions, as has been indicated by Marginson. Although some indicate that student recruitment has been a positive and entrepreneurial response by universities to reductions in government funding, the lack of core funding can have an impact in other vital areas, par-

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95 www.aei.dest.gov.au/
particularly for research. To counter this criticism and reinvigorate the Australian higher education sector the new Rudd government has announced a considerable increase in investment.

**USA**

It is difficult to locate any national policy statements relating to higher education internationalisation in the USA. Indeed, it was this lack that resulted in NAFSA drafting a strategy document and calling for the US President to

‘……. announce an international education policy in a major address, decision memorandum, or message to Congress, and propose adequate funding’.

Reading through a selection of US university policies and also national pronouncements (particularly since 9/11) the perception created is that two areas of internationalisation in particular are prioritised in the US:

♦ Support for study abroad by US students, and
♦ Recruitment of high quality international research students.

The need to increase study abroad opportunities has been reinforced in US foreign policy pronouncements and there are now a wide variety of US State Department sponsored programmes facilitating access to study abroad opportunities as well as the Fulbright Program, the Gilman Scholarships and a new National Security Language Initiative. More recently a new ‘Center for Capacity Building in Study Abroad’ has been established to help achieve the large expansion envisaged by the Senator Paul Simon Study Abroad Foundation Act, the objective being to expand and identify new opportunities in study abroad, including destinations beyond the traditional ones. However a recent report from IIE New York found that while the Simon Act aims to send one million US students overseas each year, few new destinations have capacity to absorb such increases. The national student loans programmes can also be used to support study abroad and in 2007 the numbers of USA study abroad student numbers were up 8.5 percent over the previous year and stood at around 223,500.

IIE, New York, estimated in their 2006-07 Open Doors publication, that the US invested about USD 6.3 billion per annum in international students studying in US higher education, the majority of this deriving from the institutions. The total spending by international students in US institutions and the level of US investment is summarised in **Table 2**.

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Table 2
Net value of international students in US higher education to US economy

<table>
<thead>
<tr>
<th>Total of international students</th>
<th>Tuition fees (millions)</th>
<th>Living expenses and dependent’s (millions)</th>
<th>US support (millions)</th>
<th>TOTAL contribution (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>582984</td>
<td>USD 9928.6</td>
<td>USD 10850.2</td>
<td>USD 6279.7</td>
<td>USD 14499.1</td>
</tr>
</tbody>
</table>

Source: Open Doors (IIE, New York) 2006-07

In terms of support for international student recruitment the US State Department sponsors 450 Education USA advisory centres to promote US higher education. These are supported from a variety of funding sources – government, independent foundations and also from the Centres’ own revenues. While the US seeks to attract all international students, it is graduate students that it prioritises:

‘The United States must maintain or enhance its current quality and effectiveness in science and engineering. A principal objective should be to attract the best graduate students and postdoctoral scholars regardless of national origin’.99

Their importance has been officially recognised as essential to support US research, development and innovation.100 Recently James Adams and co-authors101 found that the research productivity of faculty members at US universities is positively related to the stock of the university’s doctoral students. Research on the impact of international postgraduate students is limited although Chellaraj et al.102 sought to measure their contribution to research innovation. The authors observed that, whilst the US ranks near the bottom in mathematics and science achievement among school level students within industrialised countries, it remains at the cutting edge of technological innovation. They suggested that this is due to the US attracting large numbers of skilled migrants, particularly well-trained international postgraduate students from such countries as India, China and Korea. They studied patent applications and concluded that:

100 Committee on Science, Engineering, and Public Policy, ‘Policy Implications of International Graduate Students and Postdoctoral Scholars in the US (2005)’.
‘….. both international graduate students and skilled immigrants have a significant and positive impact on future patent applications as well as future patents awarded to university and non-university institutions. Our central estimates suggest that a ten-percent increase in the number of foreign graduate students would raise patent applications by 3.3 percent, university patent grants by 6.0 percent and non-university patent grants by 4.0 percent. However, enrolments of US graduate students have no detectable effect.’

Further, they suggested that skilled migration (in the form of postgraduate students) contributed to future US productivity gains as it tended to complement local skills, rather than substitute for them. In 2003 it was reported that 53 percent of international students who had received their doctorates in 1993 were still working in the US. For the 1998 cohort of international doctorate awardees some 61 percent were still in US in 2003.

The overall trend for international students earning doctorates in US has been one of significantly increasing numbers. The growth in numbers of doctorates awarded to foreign students has accounted for most of the growth in the total number of doctorate recipients over the last decade. International students earned 67 percent of doctorates in engineering (according to SED\textsuperscript{103}) and 53 percent in physical sciences.

\textit{Germany}

Over the last ten years or so Germany has embarked upon an impressive programme of internationalisation of its higher education and research systems. The German Academic Exchange Service DAAD has taken a strong lead in this and has clearly articulated the longer term benefits – politically and economically – of growing international student numbers in Germany. Growth in recruitment has been strong and there are now over 180 000 studying in Germany. These students only pay a small course fee of approximately EUR 500 per semester. A very approximate calculation suggests that German state subsidies for international students studying in Germany could total over EUR 1.5 billion per annum.\textsuperscript{104}

Considerable public funding has been made available to DAAD to promote national policies, to grow foreign cultural and education relations, to implement development policy, and to support national higher education policies. As part of these, the internationalisation of research, teaching and studies is a priority. There is a wide range of scholarship programmes offered for students at all levels to study in Germany as well as to support German stu-

\begin{footnotesize}
\footnote{\textsuperscript{103} US Survey of Earned Doctorates.}
\footnote{\textsuperscript{104} This assumes a student will cost EUR10 000 per annum on average, less fees paid. It is very approximate and neglects the difference between average and marginal costs. It does not include any spending of international students in Germany derived from remittances from their home countries.}
\end{footnotesize}
students seeking to study internationally. Doctoral students are prioritised and a variety of national foundations provide funds to attract international researchers and research students. This strategy has been reinforced by investment, by changes to the structure of doctoral studies and through making programmes more attractive to high quality international applicants. There are approximately 25,000 international research students in Germany and the majority of these are supported from German sources.

Internationalisation of German education has included making access to the system more international student friendly. This has involved German universities and government streamlining processes, including for applications, student visas and work permits, and also for provision of better information on courses. The high-profile national promotion and marketing campaigns ‘Campus Germany’ and ‘Hi Potentials!’ emphasise these as well as the other benefits of international education in Germany.

German investment to promote internationalisation has also included developing more language programmes and also master’s degrees delivered through the English medium, both to attract more German students as well as international. There has also been investment to grow German interests in overseas campuses and teaching links (e.g. in Egypt, Jordan and China) although funding for these also derives from investment and income from within the countries involved. German funds appear to be invested to initiate such projects rather than for maintaining them in the long term.

**United Kingdom**

The UK government launched a national strategy for the internationalisation of education in 2004\(^{105}\) and a number of key priorities were identified:

- Promotion of international ‘twinning’ of schools and a comprehensive national language strategy for all school pupils;
- Encouraging greater opportunities for UK students to study and work abroad;
- Working with EU partners to make the EU the world’s most competitive and dynamic knowledge-based economy;
- Sharing expertise and resources to contribute to the improvement of education and children’s services in the developing world;
- Maximising the contribution of the UK’s education, training and university research sectors to trade and inward investment;
- Promoting the role of universities as international hubs for learning and research.

This comprehensive approach was supported by investment, including through three separate initiatives: the Prime Minister’s initiative on International Education (PMI2), UK-India Education and Research Initiative (UKIERI), and British Degrees in Russia (BRIDGE).

**The Prime Minister’s Initiative** was originally developed as a UK national strategy to increase engagement in international education – particularly international student recruitment – and to provide a more coherent approach to national education branding and marketing. The new phase of the project (PMI2 which commenced in 2006), while maintaining some of the original policy priorities including to grow international student recruitment, was extended in particular to prioritise partnerships – for research, for teaching, for the increased mobility of UK students, and for promoting international dialogue in key policy areas. The total allocation for PMI2 over the period 2007-2011 was about EUR 40 million. Whilst the majority investment derives from government, UK higher education institutions also contribute.

**UK-India Education and Research Initiative** (UKIERI) commenced in 2006 with an investment of about EUR 40 million over 5 years to grow links between the UK and India. The direct funds from the UK government amount to about EUR 24 million with about EUR 3 million contributed from a number of UK corporate sponsors. The Indian government has also provided funding to support cooperative research and staff exchanges and also for the organisation of policy seminars. Indian and UK institutions involved all contribute significantly through meeting the costs of staff, equipment, and consumables used in the projects. By late 2008 there will be 77 research cooperation projects and 40 teaching collaborations (mainly to deliver joint or UK validated degrees in India) active. Other components of the project have provided for exchanges of research fellows, for the development of school links, and also to support vocational training programmes.

**British Degrees in Russia** (BRIDGE): UK and Russian universities have collaborated to establish joint or validated degree programmes delivered for students in Russia. The initial investment from the UK was about EUR 4 million with indirect contributions from the institutions involved. There are now 40 UK collaborative programmes being delivered with Russian institutions and these are sustained in a variety of ways, including through the fee payments from students enrolled. The teaching partnerships have grown significantly and have stimulated new activities including research cooperation and student exchanges between the institutions involved.

**Marketing and promotion:** A key organisation providing support for UK international education efforts is the British Council. It has offices in about 100 countries and receives its majority funding from the UK government in

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106 ‘Prime Minister Launches Strategy to make the UK Leader in International Education’, 18 April 2006, DfES, UK.
particular to support UK public diplomacy i.e. to grow cultural, educational, and social relations with other countries. British Council provides both direct and indirect support to UK education institutions for their international activities, including for the marketing of UK education. This involves providing information and related services direct to potential students, for English language teaching, examinations provision and distance learning support. It has a vital support role for other programmes including the running of policy seminars and conferences, supporting professional and research exchanges, and managing the EU mobility programmes. The British Council provides support services for the Prime Minister's Initiative 2, UKIERI and BRIDGE. The British Council’s total global turnover is about EUR 600 million with about half deriving in some way from the UK government, and education related activities are the largest single component within this.

**The Education UK Partnership** (EUKP) is an organisation that brings together most UK education institutions into a fee-paying association for growing international education initiatives, particularly for student recruitment. EUKP operates in some 20 countries and activities are delivered on a fee paid basis by the British Council in each country. EUKP also commissions market research, provides market intelligence services, organises exhibitions and events and manages information services through its network of offices and websites. Typically UK institutions pay on average about EUR 20,000 per annum each for core membership of EUKP (the actual sum is directly related to the number of international students on their campuses). The total annual turnover of EUKP is about EUR 20 million.

The UK government provides a variety of national scholarships for international students to study in the UK. These include the Chevening programme, Overseas Research Student Awards (ORSAS), Dorothy Hodgkin Fellowships, Commonwealth Scholarships and Fellowships, and Department for International Development awards.

The UK derives very significant revenue from involvement in internationalisation (see below), however it also provides some fees’ subsidy for international students, particularly those from EU member states. In 2006/07 there were over 125,000 students from EU member states studying in the UK. Given that this number was greatly in excess of the numbers of UK students seeking to study in Europe, this indicates fee subsidy from the UK government. However EU students in UK do also contribute indirectly to the UK economy through their expenditure on living and also other items whilst studying. Additionally, many EU students remain in the UK to work on completing their studies and thereby provide tax revenues from salaries.

**China**

The Chinese government has significant plans to internationalise their higher education system. At present this includes a number of elements:
Encouraging Chinese students to seek overseas study. There are currently over 400,000 studying outside China and the large majority of these are privately funded. More recently greater emphasis has been placed on growing numbers studying at the doctoral level and some government funds have been provided to support this.

Encouraging foreign students to study in China. There are over 120,000 international students in China of who over 3000 receive Chinese scholarship support. It should be pointed out that this number of foreign students is very much greater than that reported through UNESCO, perhaps because the Chinese authorities include study abroad, exchange and other students on short visits in their data.

Growing research and teaching partnerships with foreign universities (e.g. Nottingham campus at Ningbo). Growing research cooperation; promoting student exchanges and attracting inward study abroad students; and promoting international dialogue in key policy areas such as quality assurance and funding of higher education.

European Union

The introduction of the ERASMUS programme in 1987 transformed the mobility of students within Europe: by 2005 over 1.2 million students had participated in the programme – reflecting the desire amongst EU students and higher education institutions to cooperate, to learn, and to exchange ideas through student mobility. ERASMUS now facilitates about 140,000 students each year to study in other European countries. Students receive a grant to contribute towards the costs of study from the annual budget of EUR 190 million but other costs are borne by them and/or their home government or institution directly.

While the Erasmus programme is extremely important in its own right, it has also stimulated the growth of other EU student mobility, including for privately funded study. New programmes have grown with special modules for exchange students and many offered in a language different from that normally used in the host institution. Mobility has also been encouraged by EU requirements that all nationals from EU countries must normally be treated identically to home students, i.e. students who move from one country to another are in principle eligible for the host country’s student financial provisions. There are a few variations to this but in essence the approach greatly facilitates intra-Europe mobility.

EU funds are also available to directly support other aspects of internationalisation including for the reform and internationalisation of curricula and growing international networks and partnerships. In addition to Erasmus, the

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107 China Scholarships Council: www.en.csc.edu.cn/
European Commission funds and manages several other programmes such as Tempus, EU-US, EU-Canada and ALFA. The sums invested were not directly available.

The Erasmus Mundus programme has objectives to promote greater internationalisation of European higher education as well as to meet wider EU policy objectives, e.g. supporting implementation of both the Lisbon Strategy and the Bologna Process.\textsuperscript{108} Enrolments commenced in 2004 and the programme provides for high quality ‘European’ masters programmes, delivered through partnerships between European universities, and with scholarships for non-EU nationals participating in the programmes. Erasmus Mundus grants also support scholarships for EU nationals to study outside the EU. The total budget for Erasmus Mundus over the period 2004/08 was EUR 230 million. The incoming scholars receive scholarships of about EUR 21 000 per annum. There are now over 100 Erasmus Mundus funded master’s programmes running in European higher education institutions.

4 National brands and promotion

The last decade has seen a major growth in the awareness of the importance of national branding, particularly for supporting international education strategies. While this might be viewed as a natural component of public diplomacy policy it has also been driven by a desire to attract quality international students. To support this, many countries have developed innovative approaches to marketing and promotion with significant government investment. Brands such as the ‘Hi-Potentials’ of Germany, ‘CampusFrance’, ‘Look Up’ for Norway and Education UK are all very prominent and supported by the funding of major campaigns, particularly through e-marketing. Websites (both national and institutional) are crucial in this fast growing market. It is inevitable that, given the importance of international education and the increasing levels of competition, such investment is likely to increase and many more countries will become involved.

Scholarships are also employed strategically to support national promotional campaigns and some of these were mentioned above. Good examples of how specific scholarship programmes might promote a country to great effect internationally for relatively modest investment include Fulbright from the USA, Australian Scholarships, the Chevening programme from the UK, as well as the EU’s Erasmus program. The excellent and welcoming perceptions each can create no doubt result in many more international students going to the provider country than might be funded through the scholarships.

\textsuperscript{108} For more detail see the website: http://ec.europa.eu/education/programmes/mundus/faq/faq1_en.html#2
5 Internationalisation strategies of higher education institutions

Institutional revenues

At the individual institutional level there is very little information on revenues generated from international activities. The only readily available figures for higher education institutions come from the UK and Australia. Although for the latter these data relate specifically to fee income deriving from international students, the UK data are more comprehensive and include research, government and other revenues. Table 3 indicates the proportion of university budgets contributed from international student fee revenues. This suggests that on average UK institutions are less dependent on this funding source than their Australian counterparts.

Table 3
Data on international student revenue and total revenue for select UK and Australian institutions

<table>
<thead>
<tr>
<th>Institution</th>
<th>International students (2005)</th>
<th>International student revenue (Euro '000)</th>
<th>University total revenues (Euro '000)</th>
<th>Overseas as % of total revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian HE institutions*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monash</td>
<td>17200</td>
<td>105000</td>
<td>552600</td>
<td>19.0%</td>
</tr>
<tr>
<td>Melbourne</td>
<td>8900</td>
<td>101000</td>
<td>653300</td>
<td>15.5%</td>
</tr>
<tr>
<td>Sydney</td>
<td>9000</td>
<td>82400</td>
<td>624300</td>
<td>13.2%</td>
</tr>
<tr>
<td>Central Queensland</td>
<td>13800</td>
<td>79600</td>
<td>174100</td>
<td>45.7%</td>
</tr>
<tr>
<td>RMIT</td>
<td>15000</td>
<td>78200</td>
<td>307800</td>
<td>25.4%</td>
</tr>
<tr>
<td>NSW</td>
<td>9500</td>
<td>75100</td>
<td>466590</td>
<td>16.1%</td>
</tr>
<tr>
<td>Curtin UT</td>
<td>16100</td>
<td>65200</td>
<td>266000</td>
<td>24.5%</td>
</tr>
<tr>
<td>Queensland</td>
<td>6300</td>
<td>62700</td>
<td>522600</td>
<td>12.0%</td>
</tr>
<tr>
<td>Macquarie</td>
<td>9600</td>
<td>59000</td>
<td>222600</td>
<td>26.5%</td>
</tr>
<tr>
<td>UK HE institutions**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manchester</td>
<td>7300</td>
<td>71000</td>
<td>796700</td>
<td>8.9%</td>
</tr>
<tr>
<td>LSE</td>
<td>5700</td>
<td>68000</td>
<td>210900</td>
<td>32.3%</td>
</tr>
<tr>
<td>Nottingham</td>
<td>6500</td>
<td>63000</td>
<td>478000</td>
<td>13.2%</td>
</tr>
<tr>
<td>Oxford</td>
<td>6100</td>
<td>52400</td>
<td>845500</td>
<td>6.2%</td>
</tr>
<tr>
<td>Edinburgh</td>
<td>4300</td>
<td>41200</td>
<td>596300</td>
<td>6.9%</td>
</tr>
<tr>
<td>Cambridge</td>
<td>5400</td>
<td>28800</td>
<td>1197800</td>
<td>2.4%</td>
</tr>
<tr>
<td>Sheffield</td>
<td>4400</td>
<td>36500</td>
<td>423000</td>
<td>8.7%</td>
</tr>
<tr>
<td>Westminster</td>
<td>5600</td>
<td>26100</td>
<td>182900</td>
<td>14.3%</td>
</tr>
<tr>
<td>Northumbria</td>
<td>4200</td>
<td>23500</td>
<td>207000</td>
<td>11.4%</td>
</tr>
</tbody>
</table>

Sources:
** Times Higher Education 3 April 2008; HESA Data 2006-07
A study by Bruce Mackintosh and Alan Olsen\textsuperscript{109} relating to 33 Australian universities reported total income from international student fees in 2005 of AUD 1.70 billion (EUR 0.98 billion). They also estimated that the costs of their international operations, which aggregated to AUD 214.4 million (EUR 123.5 million), amounted to almost 13 percent of the revenue.

A more detailed analysis of UK higher education funding from the Times Higher Education data indicates the very high importance of research for many UK universities. Some derive up to 40 percent of their total turnover from their research activities. This has a direct influence on institutional internationalisation strategies where, increasingly, for many institutions growing international research cooperation (including attracting high quality research students) has become top priority. Unfortunately no information is available detailing institutional investments in international research cooperation, although at the UK national level the three national programmes mentioned previously (BRIDGE, UKIERI and PMI2) all support research cooperation.

For institutions international student fee revenue is significant. Importantly, such funds can generally be employed by institutions in a more flexible way compared to government grants or research contracts which might be tied to specific activities. Many re-invest some of their international revenues in growing other aspects of their internationalisation strategies.

6 Strategic considerations

Higher education institutions are complex organisations, embracing many objectives and activities and receiving funds from a wide mix of sources. Appropriate data, particularly linking international activities to investment or funding, are rarely available. Table 1 suggested a range of activities that institutions might include in any ‘internationalisation’ strategy. However, drawing these into some form of balanced overarching institutional strategy is challenging, and priorities for investment difficult to agree.

As Ella Ritchie\textsuperscript{110} has indicated, for a large research-led university the key challenge is probably to shift staff thinking on internationalisation from the recruitment and teaching of students to a more proactive, wide-ranging, inclusive, and mainstreamed policy. Madeleine F. Green,\textsuperscript{111} in a recent study stresses that the initial priority to deliver internationalisation in an institution must be investment in staff development across the institution: without their engagement and commitment nothing will happen.


In the course of developing this paper, the internationalisation strategies of a selection of institutions from several countries were reviewed. What is apparent is that while most institutions embrace the broad internationalisation agenda (i.e. not just student recruitment), there was a general lack of consideration of the investment implied to deliver any strategy – or any assessment of potential returns. This section briefly considers some internationalisation activities with the associated practical, strategic and funding implications.

**International student recruitment**

This is frequently listed as the major priority for individual institutions and it is justified in terms of promoting internationalisation through greater international diversity amongst the student body. In this context the levels of internationalisation might vary greatly in institutions: across all US higher education institutions the proportion of international students within the total student population is about 6 percent, for Australian universities it is about 25 percent and for the UK about 13 percent. The debate continues as to what might be a desired proportion for international students. Communications with higher education institutions in the UK indicate that the maximum proportion of any one national group with an international student population should be about 20 percent. Beyond this, one group might dominate. However this begs the question as to whether this proportion should apply to the institution, the department, or the programme. Additionally for the vast majority of institutions, local domestic students are by far the largest group: at what point in time will a truly internationalised institution suggest similar limited proportions for its domestic enrolments? Generally, achieving balance according to nationality is probably more aspirational than realisable: it tends to depend more on the dictates of the current market for international students, rather than direct policy interventions. Indeed any such interventionist approach might be conceived as discriminatory, and therefore illegal in many national jurisdictions.

While institutional strategies might stress the need for international diversity on campus, the reality for many is the need to generate revenues. As Marginson indicated, for many Australian institutions their international student revenues are now necessary to contribute to their core budgets, given the relative reductions on federal government investment in the sector.

As was previously mentioned, probably the most comprehensive series of studies relating to institutional investment in international student recruitment has been conducted by Alan Olsen and Bruce Mackintosh for Australia.

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112 Institutional strategy papers provided confidentially to the author.
113 Neil Kemp private communications with selection of UK higher education institutions.
Their work on benchmarking of international office operations in higher education institutions estimated the costs of delivering international student recruitment in some 33 Australian universities representing over 70,000 international student commencements in 2005. From their analysis they found that the in-Australia total costs involved aggregated to AUD 2,900 (EUR 1,670) per international student commencement. In addition to the above the authors also considered the overseas related costs to recruit international students (including agent’s commissions, travel, advertising, exhibitions and freight), and how these costs might vary across countries. From their study in 27 countries using data from 25 Australian universities they were able to show that the average in-country cost per student recruitment was AUD 1,190 (EUR 686) – with country variations including China AUD 1,072 (EUR 618), India AUD 1,675 (EUR 965), Middle East AUD 2,096 (EUR 1,208) and Taiwan AUD 522 (EUR 300).

While this all indicates the levels of direct investment in international marketing and recruitment by higher education institutions there is also a growing trend by institutions to offer more international student scholarships. The most common approach is to offer ‘fee discounts’ and this is also a useful marketing strategy, although an increasing number of institutions provide full scholarships (i.e. fees and living costs), particularly to attract high quality international doctoral students. No figures exist on the levels of scholarship funding available, but for a typical institution in the UK this might be between EUR 2 million to EUR 7 million per annum. Interestingly, the approach of fee discounts is being adopted more generally internationally. For example the University of Minnesota recently announced:

‘International undergraduates currently pay non-resident tuition rates. Recognizing the importance of having international students on our campus, the University will implement a new tuition structure […] the non-resident rate would be approximately $14,000 – a reduction of more than $7,500 off of the 2007-08 non-resident rate of $21,515’.

In addition, more European institutions are offering programmes delivered through the English medium, particularly at the postgraduate level to attract a wider mix of international students.

Internationalisation of the domestic student experience

An important and particularly welcome trend has been the drive to broaden the international experience of all students on campus and in particular to build internationalisation into the programmes of domestic students. This has resulted in expanding activities to promote:

international mobility e.g. through exchanges and study abroad;
internationalisation across the domestic curricula;
regional and/or country specific studies;
greater participation in foreign language programmes.

The previously described EU mobility programmes have successfully encouraged European institutions to engage more actively in exchange programmes. This attitude is best exampled by a recent analysis\textsuperscript{118} of the motivations for Danish higher education institutions to internationalise which clearly showed that individual Danish institutions very much prioritise improving the quality of the international experience for Danish students over all other considerations, the reason given being the need for Danish students to be able to compete in an increasingly globalised world, given Denmark’s need to cooperate and trade internationally.

The internationalisation of curricula and extension of language teaching has been prioritised in many US universities in the post 9/11 context. Results have been impressive. EU funds have supported some similar initiatives across European institutions but unfortunately it is impossible to quantify the investment in these important areas as most of the drive for change, and the associated investment, derives at the institutional levels.

As mentioned previously the US has prioritised all areas of internationalisation and specific national support to institutions is growing. For study abroad the Senator Paul Simon initiative has been launched. While the final approach to funding has yet to be agreed, ultimately US federal support (possibly USD 70 million per annum) will be available to share costs with individual institutions. Institutions will be expected to build overseas study experience within the regular programme of their US students. Costs would therefore ultimately be incorporated in the course fees and met in some way probably through the student’s payment, either privately or through their student loan.

New programmes are being trialled to encourage students from the EU and North America to seek new study abroad destinations outside their more traditional ones: the Erasmus Mundus programme is one such (see above) and a major objective of the Senator Simon investment will be to grow these new destinations. Similarly the UK’s PMI\textsuperscript{2} has a number of initiatives underway to encourage UK students to spend time in India, China and a number of other East Asian destinations with an initial budget from government for the pilot projects of about EUR 1 million per annum.

\textit{Transnational education}

The last ten years have witnessed a mushrooming of programmes delivered transnationally, in particular from institutions in Australia, UK and USA (‘pro-

\textsuperscript{118} Tim Rogers and Neil Kemp: CIRIUS, 2006.
vider countries’). Higher education institutions in East and South Asia have been the predominant recipients (‘recipient countries’) and a recent US survey assessed that 40 percent of all US transnational education activities are in China. The initiatives are driven in particular by the large and unsatisfied demand for higher education places in key subject areas in many developing and middle income economies, with foreign institutions seeking to become involved for a mix of motives – educational, research, developmental, and financial.

The high profile establishment of ‘big name’ foreign campuses such as the Sorbonne in Abu Dhabi, University of Nottingham in China and Malaysia, Carnegie-Mellon in Adelaide and Cornell Medical College in Qatar are all examples of large cross border projects. While foreign campuses attract much attention the majority of transnational education providers offer just a few programmes through some form of institutional partnership. There are little data to define the totality of cross-border activities although some 240000 students are enrolled in UK programmes delivered outside the UK. The figure for Australia is about 40000. No comparable data exists for USA or other countries.

The growth and sustainability of cross-border activities ultimately depends upon revenue from student fees. It is worth noting that most transnational education partnerships are with non-government providers (private sector or foundations) in the recipient country. Initial core investment in the main comes from investors in the overseas country with perhaps limited funding from the ‘supplier’ institution – mainly in the form of in-kind contributions including for staff, course materials and curriculum development. The BRIDGE and UKIERI programmes from the UK have provided ‘seed-corn’ investment of about GBP 40000 per individual higher education programme for UK and overseas institutions seeking to grow partnerships.

What is also increasingly apparent is that the distinction between cross-border delivery and student mobility as separate entities is decreasing: higher education institutions often offer a mix of choices for students, allowing them to move flexibly between components of the programme either in their own country or on campus in the provider country. Of note is that institutions often suggest that their transnational education operations as an entity might not cover costs. However, as Stephen Martin has pointed out, if seen from the broader perspective, including encouraging students to study on the home campus for part of their programme, the activity can cover costs. In the paper considered, Martin presented a case for a broader based approach to investment in international programmes, particularly to include support for a development period of a minimum of three years.

Many countries have well established private sector higher education providers (including USA, Japan, Indonesia, and Brazil), but a more recent trend is that multinational businesses have become involved in international education delivery, particularly US corporations.\textsuperscript{120} These include Kaplan (part of the Washington Post group) which is active in Hong Kong, Singapore, Australia, Ireland and the UK. Laureate and Apollo Group of USA both have a mix of interests. In addition, many of these US private higher education providers offer degree programmes fully online, particularly MBAs, where there are no country restrictions for enrolment. Data on investment costs are not accessible however several of these online US ‘for profit’ providers are sufficiently large to be quoted on the New York stock exchange and their value has increased significantly since 2000.

\textit{International research cooperation}

Innovative research, particularly in science and technology, is increasingly delivered through international cooperation. Most of the institutions ranked in the top 200 of the most quoted international league tables\textsuperscript{121} are research led and their position would seem to depend on their ability to deliver internationally recognised research. The recruitment of high quality staff is essential but the pool of leading academic talent in the world, in most disciplines, is limited at present and thus competition for them is intense.\textsuperscript{122} If any university wishes to move rapidly into the international top 200 it must therefore invest significantly to attract from this group. Indeed, as Steve Michael demonstrated,\textsuperscript{123} the positioning of US research universities positively correlates with the levels of foundation funding available to them. The size of funds available to US universities to position themselves internationally is clearly indicated in the US Higher Education Chronicle regular updates on university fund raising where the latest data show that a number of universities have recently already raised over USD 2 billion (EUR 1.15 billion). The list includes Chicago, Michigan, Stanford, Yale, New York and Johns Hopkins. This is also reflected in the UK where the two topped ranked universities internationally (Oxford and Cambridge) also have access to the largest research and foundation budgets.

7 Future

What is inevitable is that the internationalisation of education at both national and institutional levels will continue to grow rapidly, driven both by the demand for improving the quality of research and teaching as well as the

\textsuperscript{120} King, R., \textit{Private universities and public funding: models and business plans}, Universities UK (2008).
\textsuperscript{121} Academic Ranking of World Universities; Shanghai Jiao Tong and Times Higher Education (THE-QS).
increasing ‘marketisation’ of higher education. In particular, international student mobility will continue to expand as evidenced by new recruitment for 2008, which is up again in all the main destination countries. More countries are launching marketing strategies and introducing legislation to charge full cost fees.

Given the large value of the ‘global business’ of higher education and the inability of many governments to invest to meet the high demand for additional higher education places (particularly across South Asia and Africa), private companies will become more involved, particularly US ‘for profit’ providers, both to deliver transnationally as well as to acquire or build new higher education institutions. In addition to direct delivery by private providers, public-private partnerships will continue to expand, extending delivery beyond national boundaries. This growing competition could prove to be a challenge to public providers – caught trying to compete on costs while at the same time needing to spend to raise quality of provision. While private companies provide funds for institutional investment, and any reputable private concern will ensure strict regulatory compliance, the challenge in this fast changing environment will be to protect the student-consumer from the less scrupulous, including those offering unaccredited degrees through the web.

Increasingly in many countries there is also a drive to improve the quality of provision for domestic students. One response has been that institutions now invest more funds in internationalisation, particular to internationalise curricular and student experience. It seems inevitable that this trend will continue. The internationalisation of research will grow at an ever increasing rate. Universities everywhere have aspirations to achieve ‘World Class’ status, and strategies to achieve this most frequently prioritise international cooperation and staff recruitment.

Higher education internationalisation, as evidenced above, is a complex mix of activities but there is only very limited information on investment. This paper has provided analysis and discussion mainly in relation to student recruitment and mobility, reflecting the fact that this is the only area for which financial data exist. However it serves to highlight the large gaps in our understanding of the costs and benefits of internationalisation. In particular there have been no real attempts to assess the levels of investment needed to deliver internationalisation strategies, both at the national and institutional levels. A model for investment both at the institutional and national levels is essential if we are to make any meaningful comparisons of strategies and outcomes. Similarly the potential returns, direct and indirect, financial and other, need to be explored at all levels.
Annex A

Table A1
Total Value of Education and Training Exports to the UK Economy (2003/04). (Values quoted EUR 1 = £0.8 sterling)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Value (EUR millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher education: tuition Comprises non EU and EU students. Excludes scholarships.</td>
<td>2632.9</td>
</tr>
<tr>
<td>Higher education: other spending Comprises spending on goods and services by students other than tuition.</td>
<td>3299.4</td>
</tr>
<tr>
<td>Trans-national higher education Comprises franchise agreements, twinning agreements, joint programmes, validation, subcontracting and distance learning activity.</td>
<td>244.9</td>
</tr>
<tr>
<td>Other higher education Comprises, visiting students to HE, research grants and contracts from overseas agents, expenditure of academic visitors to HEI’s, private HE institutions.</td>
<td>1103.5</td>
</tr>
<tr>
<td><strong>SUB-TOTAL HIGHER EDUCATION</strong></td>
<td>7280.6</td>
</tr>
<tr>
<td>Further education: tuition excluding ELT</td>
<td>57.9</td>
</tr>
<tr>
<td>Further education: other spending excluding ELT; Comprises spending on goods and services other than tuition.</td>
<td>623.8</td>
</tr>
<tr>
<td>Other further education: Comprises transnational FE provision and independent FE.</td>
<td>824.4</td>
</tr>
<tr>
<td>English Language Teaching: tuition Comprises ELT carried out in UK by private and public sector organisations, supply of ELT courses by UK residents overseas.</td>
<td>1373.6</td>
</tr>
<tr>
<td>Examinations/Professional bodies</td>
<td>247.5</td>
</tr>
<tr>
<td>Independent primary and secondary</td>
<td>392.6</td>
</tr>
<tr>
<td>Private sector training</td>
<td>1739.6</td>
</tr>
<tr>
<td><strong>SUB-TOTAL STUDENT RELATED</strong></td>
<td>12540.0</td>
</tr>
<tr>
<td>Publishing</td>
<td>1761.3</td>
</tr>
<tr>
<td>Educational equipment</td>
<td>669.0</td>
</tr>
<tr>
<td>Broadcasting Comprises total sales of BBC and Channel 4 world-wide educational programming.</td>
<td>848.0</td>
</tr>
<tr>
<td>Consultancy</td>
<td>18896.3</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>22174.5</td>
</tr>
</tbody>
</table>

Source: G. Johnes et al Study Commissioned by the British Council and the Department of Trade, UK
Beyond 2010: European higher education and employment in the next decade

David Coyne
Director
European Social Fund, Monitoring of National Policies and Coordination, European Commission

1 Introduction

From an institutional perspective, 2020 may seem a long way away. Between now and then we have two sets of European Union Financial Perspectives, three European Commissions, three European Parliaments, and probably about 80 national elections in the 27 Member States – or more if the Union is enlarged between now and then. But in planning terms, it is the day after tomorrow. If you were to start designing a new undergraduate course today, the first person to complete it, and to go through the full academic cycle to PhD, would probably not complete much earlier.

But thinking about what 2020 might be like is not straightforward. There is a wide variety of forecasts and scenarios, ranging from the optimistic to the doom-laden. When we, in the European Commission’s Employment department, began thinking about what sorts of employment, equality and social policies would be most appropriate for 2020, we started from a literature review and study done by the European Union’s Institute for Security Studies. It takes the position that most of the developments which will affect Europe over the next 10 or 20 years will not be purely internal to Europe – they will be global, or perhaps planetary; and it looks at five main areas: demography, the economy and globalisation, energy, the environment, and science and technology. I won’t go through all the sections, but some of the questions are interesting as scene-setters. For example, have you ever wondered what Europe will look like in 2020 regarding the following aspects:

♦ What will be the size and profile of the population?
♦ How many, and what type of people will be in or out of work?
♦ How healthy will Europeans be?

Or have you thought what might happen to European society if …

♦ US politics led to greater protectionism in world trade?
♦ A major terrorist incident or war broke out?
♦ There was a major epidemic leading to 50 million deaths?

These and other factors would – maybe will – impact on us whether we like them or not. They are largely outside our control. But some areas, such as the education and employment policies we pursue, are very much within our control. And it is these that I want to look at now.

2 What will Europe be like in 2020?

Population rates and graduates

First, the demographers tell us that we shall be an older society. Eurostat data\(^{125}\) show that fertility rates are nowhere near renewal. What is striking about these figures, apart from the fact that they are all too low, is that they are particularly low in the more Easterly part of Europe – Poland, the Czech Republic, Slovakia, and even Germany.

Because fertility rates have been falling since the 1970s, the numbers of young people ready to come into higher education are falling, too. We know today how many 18-20 year-olds there will be in 2020 – they were born 6 – 8 years ago. Overall in the EU, disregarding immigration in that age-group, there will be 800 000 fewer 18-20 year-olds than there are today. The decline in young people that we can already see in schools will, by 2020, have hit universities in almost all countries.\(^{126}\) But the proportion of graduates in the overall population – and indeed their absolute numbers – will have increased. In 2006 we had, in the EU-27, about two and a half times as many higher education students as there were in 1975, even though birth rates have been coming down since then. Most European governments have had a policy objective to increase graduate numbers for some years now. Indeed, in 2004 some governments announced that they would put in place a teaching infrastructure sufficient to include 100 percent of the annual cohort. So, by 2020 there will have been a substantial change in the proportion of graduates in the working age population. Let's start by looking at where those graduates are now, and where they might be in 2020.

Today, the proportion of graduates in the overall population reflects both the density of higher education and the date at which its expansion began. We see a relatively high concentration – often 20-25 percent, sometimes more – in the Benelux and in some areas of France, Spain and in the United Kingdom. By 2020, however, the landscape will have changed considerably. Now, the high figures will be in excess of 35 percent; and they will be wide-spread. Benelux still, but also Denmark, the North of Spain, Estonia, Latvia, most of Sweden, Ireland or the United Kingdom, about half of France, and some


\(^{126}\) All countries except Denmark, France and the Netherlands, where gains are very small.
regions of Poland will be in the upper echelon – but much less of Germany or Italy, or of the newer member states. Clearly, that is a generalisation; we need to bear in mind the impact of research magnet cities and other attractions. But overall, there will be a considerable change in the distribution of brain-power around the European Union.

At the same time, in 2020 more people will be leaving the labour market through retirement than will be coming into it at the bottom. So what will that do to the working-age population in 2020? It will have shrunk. Populations in some countries and some regions – the UK, Ireland, Greece, the South of France or of Spain – will be relatively unaffected, with declines on the working age population unlikely to exceed 10 percent. However, some of the other countries or regions have major demographic problems on the way. In the heartlands of Central and Northern France, in Northern Spain, in Sweden and Finland, and in a huge arc starting with Estonia, Latvia and Lithuania and going on down through Poland, the Eastern regions of Germany, Hungary, the Czech Republic, Slovakia, Slovenia, Romania and Bulgaria the likely decline in the working age population may be as much as 30 percent or more.

Of course, in one sense, this only reflects the declining fertility rates I mentioned earlier. In another respect, however, it produces a situation in which dependency rates – the ratio of workers to pensioners – become very difficult. The overall EU dependency rate is likely to be around 32 percent in 2020, but in some regions it will rise above 50 percent.

Labour market needs

What sorts of people will the labour market need in 2020? Forecasting qualifications’ needs so far ahead is full of pitfalls. Employers know what they want today and they may have an idea about what they might want in the near future. But few of them claim to have the crystal ball needed to see twelve years ahead. Fortunately, therefore, the European Centre for the Development of Vocational Training (CEDEFOP) got out its crystal ball recently, and this is what they think we shall need – not in 2020, but at least in 2015.

The overall picture is of a society needing more highly skilled workers (at the top of the graph); and more low, or unskilled workers (at the bottom). There is a hollowing out in the middle: the demand for skilled and craft workers seems likely to diminish. The areas that interest us today are basically the top three categories – the legislators, senior officials and managers; the professionals; and the technicians and associate professionals – many of whom will have a higher education qualification in 2015 or 2020. What is interesting here is that in each case the dark blue line – which represents real growth in demand – is quite long. CEDEFOP, like most forecasters, takes the line that we shall need increased skills to raise productivity if we are to maintain our position in the world and our standard of living, to say nothing of the strong economy we shall need to pay for pensions and healthcare. But if we need
Beyond 2010

Skill needs forecast 2015

Demand by occupation, broad groups (change in millions)
2006-15, EU-25, Norway & Switzerland

- Legislators, senior officials & managers
- Professionals
- Technicians & associate professionals
- Clerks
- Service workers & shop & market sales workers
- Skilled agricultural & fishery workers
- Craft & related trades workers
- Plant & machine operators & assemblers
- Elementary occupations

Total requirement
Replacement demand
Expansion demand

Source: CEDEFOP

Graduate distribution 2004

Source: Eurydice
these graduates – and you can see that the longest two dark blue lines are for the professionals and the associate professionals – many of whom will come from the science, technology, engineering, architecture disciplines, as well as the lawyers and accountants – they must study the appropriate subjects. So it is interesting to look at what is being studied today – does it look appropriate, given the forecast demand?

Not really. First, the preponderance today is in the soft subjects. The largest single field is “social sciences, business and law”, with more than a quarter of students in all countries except Germany and Sweden. In Poland and Latvia, more than half of all graduates were in this area. Let’s stop here a moment. Half a country’s students are studying the social sciences, business and law. That does not seem to me to reflect anyone’s needs – not the country’s, not business’s – and, since there are probably not enough jobs in those fields, not the students’ interests either. I wonder how it comes about.

Perhaps that is because social sciences, business and law are relatively easy – not to say cheap – to teach. Private universities offering these subjects need few facilities – no labs, no expensive materials, no practical projects. All they need is a shop-front for a library – or perhaps just a good broadband internet connection. Or perhaps it is because science, technology and engineering are taught in state universities, which control access numbers so as to maintain quality or prestige. Or perhaps because scientific subjects do not have a good image among schoolchildren, and no one is getting out into schools to encourage them into those disciplines (that is certainly the case in many EU countries). Whatever the reason, however, so great an imbalance must surely raise questions about the value of the qualifications both to the individuals themselves and to the economy in the future. Value, or usefulness, is by no means the only criterion to be borne in mind, but just as certainly, it is a criterion.

Let me note also, without going into detail, that the distribution of PhD studies is somewhat different. Here we see a preponderance of science, mathematics, and computing, while “social sciences, business and law” are only numerically superior in Latvia, Austria, Portugal, Romania and Turkey. It is interesting that only at this level do we see relative strength in those disciplines thought of as the begetters of innovation, competitiveness and commercial success. Could this be because business is prepared to pay for these, with the result that there is a higher rate of take-up here?

Employability

And finally, in this introductory section, a word or two about employability itself. Intuitively, the idea of employability is easy to grasp, but once we start pinning it down, it can be difficult to define. We have to deal with the conundrum that however vague and general our criteria, or however low we place...
the bar, some people who manage to find jobs seem to be below our standard. So employability must be (at least in part) context-related.

The UK’s Institute for Employment Studies has recently published a definition which I rather like. It suggests that employability has four blocks:

♦ **The assets** individuals have include skills and knowledge, as well as personal attributes and social skills. This includes everything from managing a machine or knowing how to interrogate a data-base, through to reliability at work and tolerance of difference in the work-place.

Many definitions of employability stop here. But in reality, so limited a definition is both inadequate and unrealistic. There are two other personal components:

♦ **“Marketing and Deployment skills”**: these are largely career-related skills such as how you go about managing your (probably multi-employer) career, the way you manage transitions from one employer to another, and the flexibility and realism in your approach to the labour market – i.e. how willing are you to look at other occupations and how willing are you to move?

♦ **Presentation**: i.e. once you have the right qualifications and experience, can you actually persuade an employer that you are the right person for that particular job? Can you present yourself well – can you shine?

Those seem to me to provide a good definition of the package of skills and competences that people need in today’s and tomorrow’s worlds. Not just the ability to do the job, but the ability to find the job, get the job, and flourish in it unless and until you move on. But there is a fourth component – the context-related issue I mentioned earlier:

♦ **Context**: the relationship between the individual’s personal skills and capacities and employers’ demand. This explains why people can be unemployable in some circumstances and perfectly employable in others. To take one simple example, if the employment rate is over 80 percent, as it still is (say) in Wisconsin, the vast majority of people are not just employable – they’re employed! If the employment rate is 50 percent, employers can afford to be much choosier. Another example can be found in the armed forces. Professional recruitment to armies always increases when unemployment rises, because relative employability in other careers has declined.

3 **Employability of graduates in 2020: what are the points for students?**

The first piece of good news is that employers will want them. If CEDEFOP (and OECD, and most other forecasters) are right, employers will be looking for more graduates in 2020 than they are employing now. But on the other hand, employers will probably be more demanding than they are today. If one third of the population has a degree, then it is not a rare qualification. It no lon-
ger marks you as part of the elite, as it did — say — in 1970, when the 50,569 graduates in Germany represented only 3.7 percent of school leavers. In 2020 a third of each age-cohort at least will have a degree. A first degree will thus be the equivalent of a good vocational qualification today, something that one of your neighbours’ children has, almost wherever you live.

Perhaps this suggests that the bulge in social sciences, business and law is not so negative after all. First degrees in these subjects will normally provide a good grounding in the subject matter, but not a sufficient qualification in themselves to entitle a graduate to practice. On the other hand, the techniques taught — general skills like evaluation, analysis, a basic understanding of finance and accounting, a feel for the way legal thinking works — are general skills that can be applied across a wide variety of fields, both in business and in the public service. Perhaps these students are unknowingly taking up what business is increasingly saying: give us recruits with good general skills, and we will add the specific training on the job.

Secondly, when this many people have a degree, the expectations of the rewards it will bring must be down-graded. This has already started. A rapid flick through secretarial advertisements in London suggests that after 3-4 years of professional life, a good secretary is earning about the same as some 40 percent of graduates. In the very particular European microcosm that I inhabit professionally, we have been seeing this for years. I get secretarial applications from those with BAs, MAs and occasionally PhDs. Some of them, it is true, are looking for any way in, so that they can capitalise and move on to higher status jobs. But a depressing number are simply looking for any job at all.

So what will employers be looking for? First, I suggest that they will look not just at whether someone has a degree, but at where they got it. That will increase the perceived hierarchies, which in turn will increase the pressure for specialisation of universities. We all know that this is happening already, in different ways. In the big European countries it is easy to identify the research-intensive universities. And we all know that scientific, technological and medical research in particular take a lot of money, and thus represent a choice not open to all universities. Others have specialised in issues which concern their regions. Others have developed clusters of specialisation — marine sciences, nanotechnology, green energy. Others again have specialised in something which 50 years ago would have seemed very odd or “un-university”: access for non-traditional groups. There is a number of institutions who understand the outreach necessary, whose courses have been designed — often modularised — with non-traditional entrants in mind, who have ways of helping diminish the aversion to risk which characterises these groups. And make no mistake, with the decline in the working-age population we shall be seeing in 2020, we shall need these people in universities, because we shall certainly need their skills and productivity thereafter. So
the choice of which university may matter more to a student in 2020 than it
does today. I will come back later to this issue, but it will raise an important
point about the nature of the university and the nature of the first degree,
which will be difficult to resolve.

A similar issue will arise for students over their choice of discipline. We have
seen the burgeoning of social studies, business and law, and we can expect
the process of cellular fission to continue: more students = more academics
= more specialists = (over time) more sub-divisions of the discipline, and,
therefore, a more difficult choice for students. Knowing what you intend to do
with your degree before you have made irrevocable choices will be more
important for students in 2020 than it is today, which means that advice and
counselling services will be important too.

But if where you got your degree is almost more important than the fact that
you have one, then the question of how admission works will come to the
fore. Where the general upper-secondary leaving qualification provides the
level of differentiation necessary, it will remain the preferred method. Where
universities feel that this is not the case, however – where too many school
pupils leave with top marks – we can expect an extension of specific en-
trance tests. These have a chequered history, but they are quite widely used
today, in one form or another. In some disciplines they are standard, for
example, medicine, or anything with a numerus clausus. In some countries,
particular institutions use or are thinking of using them – Cambridge, Oxford,
Imperial College in the UK; the Grandes Ecoles in France; some of the Italian
universities in subjects like engineering. But as specialisations become more
regular and a perceived hierarchy of universities develops, we should surely
expect pressures for admission to be regulated in the longer term by what
seek to be objective tests, rather than by a more random choice such as
“first-come-first-served”.

Testing brings us back to the equity issue. Tests tend to discourage those
who start with less advantage. But in a declining workforce, we will be able to
afford even less than today to exclude a sizeable block of the population from
higher education. The extent to which the labour force is going to reduce has
not yet registered in the policies of some EU governments. Even in those
cases where fertility rates are really low – 1.3 or 1.4 in a thousand – it is rare
to see governments accepting the need for long-term investment in their own
people: increasing the quality of teaching, preventing school drop outs and
thereby maximising the returns on public expenditure and in social capital.

4 So what about the employability of graduates in 2020
from a university perspective?

The first thing universities should do is to think about the issue. Most univer-
sities do, but not all of them translate that thought into action.
Let me start by suggesting that employability should be an issue as from, but not limited to, the first degree. I do not mean that universities should in some way teach it and test it, but rather that the issue of what a student does after university should be something that is thought about in all courses and in all cases. Even more so, of course, where degrees are specifically designed “for the labour market” – the way some of the new BA degrees are sold. I suggest that universities will need information not just about how long it takes to get a job (not all universities have that information for now, nor do all countries), but – above all – about what sort of job it is that graduates get. Even if expectations have to be lowered, a three-year BA ought to lead on to something more than a “MacJob” frying hamburgers late on Saturday night.

Secondly, they should consider potential outcomes in the light of their own position. What sort of a university are they? Are they a regional motor? Are they an access university? Are they a research-driven university? How can they use their contacts and partners to ensure that what they are offering to students will have positive echoes when students are looking for jobs? What will be the impact of the fact that one young person in three gets a degree on universities and their courses? Or of the lower expectations and rewards that a degree brings? As the status of graduates comes down, so will the respect afforded to universities, or at least, to those universities not perceived as being “excellent” in some way. I suggest that this should lead them to review their offerings and to think about courses not just in terms of their take-up, but also in terms of their employment outcomes. A regional university will have a good view of where the regional economy is going, and what sorts of qualifications are likely to be needed. Of course, some students will want to move away, not everyone wants to stay where they study. But directing investments in curriculum-building towards sectors with expansion potential is inherently helpful. Good employment outcomes will be an important marketing tool in the struggle for universities to go on attracting enough students.

And this brings me to the fact that universities will need a strategy for their own intakes. Look at the numbers of 18-year olds remembering, as I remarked earlier, that these are solid figures as all of these young people have already been born.

You will see that at its most extreme (in Latvia), there will be fewer than half as many 18-year olds in 2020 as there were in 2004 and there are similar figures in Poland and many of the newer EU member states. A good part of the solution to this must lie in addressing the access and equity issue I discussed earlier. But beyond that universities will have to develop partnerships with schools and to go out actively and recruit. In fact, that could have advantages even today. If universities do not go out and persuade pupils that Maths, Science, and Technology disciplines are not impossible, or ‘geeky’ or ‘nerdy’ or even just simply ‘uncool’, then the 100 000-strong deficit of engineers that the German Employers’ Association already complains about, is not going to go down between now and 2020.
5 And governments, what should they be thinking about?

The dominant issue for governments will be getting as many people into the labour market so as to sustain wealth creation and within that, getting the right balance of skills for a competitive economy.

So for governments the first issue is the equity or access issue. This is mainly about funding: it matters that there are the public funds necessary to help non-traditional learners into the university system, because if there are not, they probably will not come. But in addition, the messages that governments give through all the other actions they take also matter: how they regulate
benefits and tax systems, for example, or housing benefits and entitlements. Non-traditional attendees are a sensitive group of people, and their sensitivity is sometimes more finely tuned than that of Ministries. Not all governments, however, seem to see it that way. They accept that there will be a fall in the working age population and a shortage in the skilled professions. Indeed, a number of those in the more Easterly parts of Europe have shortages on the labour markets now, particularly in the engineering and construction field. But most of them think about immigration, not inclusion. They see it as a short-term problem that they can buy their way out of. Time will show how wrong they are.

A further issue – and I class this as an issue for governments, but you may disagree with me – will emerge over the disciplines that people choose. In their enthusiasm for academic freedom and their haste to get the graduate numbers up, governments have generally left this very much to the market. Universities have underlined the need for academic choices to be free – for students as well as for academics generally. And the result is that in many countries in Europe the output of graduates does not necessarily match the needs of the labour market. Let us look at Portugal as an example, where youth unemployment overall is about 16 percent but graduate unemployment (in the same age-range), which should be lower, is half as much again at 24 percent. If we look at the disciplines of unemployed graduates in Portugal today, the three top categories are business sciences, teachers and education sciences, and social sciences, and they provide 45 percent of unemployed graduates between them. There are just more of these graduates than the labour market can absorb. This is not a new phenomenon. It has been there for years. Why has it not changed?

I am not suggesting here that everything should be dictated from the top and that we should go back to the managed economies of the past. Nor am I suggesting that governments make better choices about what the academic world should work on than do academics themselves. But it is part of a government’s responsibilities to see that people can get jobs which suit their aspirations and their capacities and, conversely, that the economy has the workforce it needs to enable people, not just to get by, but actually to flourish and to enable public authorities to provide the services that their citizens want. Allowing people a relatively unfettered choice of subjects to study does not necessarily achieve that.

I cited earlier the example of Poland, where in 2004 over half the graduates had studied social sciences, business and law. If you add education and the humanities to that, you are up to three-quarters of all graduates. Every other subject – and some of them are crucial – has to fit into the remaining 25 percent. Is that a sustainable outcome? Poland is a big country with a history of scientific research and activity. Where are its future scientists going to come from? Other EU countries? The Ukraine? Russia? And Poland may be an
extreme case, but it is by no means the only one. Put that question another way: where are its would-be, but disappointed science students going to go to study? If they go abroad – and what other choice do they have? – Poland would be handing away some of its most precious resources. Surely governments should think about what the country will need not just today, or in this political mandate, but in the longer term. And then make some effort to see that the right courses are offered and that people are attracted into them – and not only in Poland.

The case is somewhat different for the smaller countries, because they will have to think in a different way about their universities, and about the sorts of graduate they want to produce at home. The European Union has three member states with a less than 1 million population, five with between 1 and 5 million and a further eleven between 5 and 12 million. The distribution of population and, therefore, (to some extent) of wealth between member states is important in this context. At some point there is a trade-off between the size of a country and the amount of money it can afford to put into its universities – or university. This bites most noticeably on big scientific research, but if graduate numbers are going to rise as demography suggests, it will begin to bite on teaching as well, and particularly teaching which involves more than just a library and a good internet connection.

Let me put it more clearly. At what stage does it become uneconomic for a smaller country to try and teach all disciplines itself? I am not talking about being a world-class general research university, but rather asking about the expensive disciplines. Let me take an example: veterinary science. Vets are important people, not just for animal health and welfare but because they are irreplaceable in the food safety chain. We have to have vets. But vet science is one of the expensive ones. It is practical. It involves the same sort of study and experiment as human medicine does. But does every country need to train its own vets? The science is common, as is the practice. The qualifications are already recognised across European borders. The food safety legislation vets apply is largely common too – because food safety legislation started life off as part of the Common Agricultural Policy, and is not just harmonised, but directly regulated by the European Union. There are language issues – but they do not take the 6-9 years that vet training takes. There are cultural issues, perhaps. There are self-sufficiency issues: if you have to have vets, can even a small country afford not to train vets? I don’t know. But I do know that they are a case where a country might ask itself what training vets abroad gives. We could pay full scholarships and pay tuition costs, but get it done abroad and save the money, and use it elsewhere. Money is going to be tight in the future – remember all those pensions, all that expensive health care. Outsourcing training in some areas might provide more resources to support other faculties, which cannot be outsourced – perhaps for cultural reasons. Such choices impact directly on where students end up and what they can study.
The real argument I want to make here is not just that governments should make an active choice, not just let the waves of history wash over them. Not choosing is itself a choice – and in higher education it is often an irresponsible one, because the waves of history very often roll in, on the rising tide of mediocrity. Everyone has an interest in maintaining quality. If governments want their universities to provide high-class skills, to give their graduates qualifications that will be looked for on the labour market, they must choose how, and if necessary in what subjects, they are going to attain that.

Finally, perhaps just a reminder from the employment perspective. Economies cannot do without graduates, and they therefore need efficient systems for producing them. By and large, universities have been an efficient system to do just that, even if it has in some cases been almost a by-product – something that you get when you require intellectual contact between the master and the student. But by 2020, the production of graduates – in other words, the teaching process – cannot be a by-product any more. It has to be a major part of the objectives of governments and of universities – as it already is today for the vast majority of students. That is a bigger change than we all recognise. It is not a change we all welcome. But it is a change for which we must be prepared.
The emergence of a new ‘Geopolitics’ of higher education: context, causes and frameworks

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Even a cursory glance at developments over the course of the last decade reveals profound changes in higher education. As the title of this essay suggests, the dimension of these changes is such that it can be argued that a new “geopolitics” of higher education has emerged, bringing with it changes in the global mapping of higher education systems, altering regional arrangements for higher education, transforming tertiary systems, and consequently resulting in a more pronounced diversification of the mission of higher education institutions. Inadvertently, this new reality also requires changes in a number of areas of policy on higher education.

1 Information and knowledge

The long history of higher education shows that it is not easy to single out one specific factor which preempts major changes in higher education. Nevertheless, it is evident that higher education is part of an increasingly interdependent world with knowledge-based and knowledge-dependent economies. A telling cause of this new reality for higher education lies in the individual and collective relationship to information and knowledge. The amount of information generated and the speed with which it now circulates is overwhelming. Modern telecommunication and information technologies, symbolised by the internet, have made distance and time zones almost meaningless for the movement of information. Thanks to wireless technology we are becoming “digital nomads”, easily reaching people and information without moving from place to place. Not to mention that a growing number of jobs can now be performed “from a distance”. We are therefore now hearing that the internet has become a “fifth power”, that the laptop, an indispensable part of a student’s book bag and life, is considered to be more powerful than the sword. At the same time, we have experienced an exponential growth in the quantity of information about the basic functions of higher education – teaching and research.

Anecdotal, yet nevertheless quite telling evidence of these trends can be illustrated by the volumes published by the American Chemical Society entitled Chemical Abstracts which is acknowledged as the “Key to the World’s Chemical Literature”. It has more than 1900 pages in each of its two volumes with some 80 thematic sections and some 10000 entries. But this is not the whole story. This respected source of research productivity in chemistry is
published on a *weekly* basis. Analyses of other bibliographical references give evidence that chemistry is not the only academic discipline with such a staggering amount of scientific output. If we extrapolate this phenomenon by adding other disciplines and other types of publications and sources of scientific information available in online databases of scientific journals, it is quite clear that only those countries which have highly performing academic and research institutions are better positioned in the production of innovation and patents, and have a better starting point for developing new products and services. It is this enormous production of research results combined with the financial and human resources which represent the foundations of the “knowledge-based economy” and the “knowledge society”.

In order, however, to have such an “army of researchers” one must look to higher education. In this context, society and its decision-makers must consider “education” as a main factor determining the future of each society and higher education as being essential for the enhancement of individual and collective capacity to contribute to a knowledge-based economy. Not to mention that higher education institutions are the largest and *unique* contributors to the development of human capital and innovative products and services. In other words, the university is seen as both a *powerhouse* and a *nursery* for any forward looking society.

### 2 A quantitative growth of higher education

The above argument leads to another factor which is contributing to the emergence of a new ‘geopolitics’ of higher education – a quantitative growth of higher education, exemplified in particular by the massification of student enrollments. In the late 1970s it was considered that in order to grow, a society needed to assure that at least 20 percent of the typical college-bound age group (the 18-23 year olds) should have access to higher education. It is now being argued that those numbers should be closer to 50 percent. Europe, even in the 27 European Union member states, is still well below this benchmark, while some countries such as Japan, Korea, Canada and the US are approaching 70 percent. Equally, Europe is still lagging behind with regard to the percentage of the population with tertiary education. The highest percentage in the EU countries is in Finland where according to 2007 data 33.2 percent have university or other tertiary education qualifications.

But what is important in the context of the thesis of this article is that in our fast-moving world, regions and countries which until recently were behind are fast developing their respective systems of higher education and enhancing research productivity. This is why the largest system of higher education from the point of view of student enrolments is no longer the

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127 It is estimated that the current deficit of researchers in the countries of the European Union is in the range of 700,000.
United States but China. The number of students from China who are studying abroad continues to grow and they outnumber those from any other country, including India. But also India, under the pressure of its booming information industry, is upgrading its higher education. A similar trend can also be observed in Latin America, where Brazil is leading the locomotive of change.

It is also encouraging to note changes in sub-Saharan Africa. For example, a new strategy of the World Bank is currently being developed and at the end of April 2008, the Board of Directors of the African Development Bank adopted a document entitled *Strategy for Higher Education, Science and Technology in Africa* which spells out policy support and financial commitment to transforming higher education systems in Africa in order to stimulate access and affordability of higher education studies as well as to energise indigenous science and technology. In this way it attempts to create conditions for sustainable economic growth and to increase competitiveness of African economies. Such a strategic re-thinking of the role of higher education is based on evidence that the capacity of a country, region, or city to provide access to higher education combined with indigenous capacity and centres of research and innovation has become an important indicator of preconditions for favourable investments and a good omen for dealing with the darker sides of globalisation, such as even more acute brain drain.

This line of reasoning is of a particular relevance for a majority of countries in Central and Eastern Europe – often referred to as the “new EU member states”. Over the last two decades, most of them have experienced remarkable economic development based on a relatively well-qualified but relatively cheap labour force. This “competitive advantage” is quickly disappearing because the cost of labour is now being determined by global labour markets or by an influx of migrant workers, and because these new EU countries are realising that their general educational standards in science, reading and mathematics are not as brilliant as they were once perceived to be. According to the OECD’s latest PISA survey of educational standards in 2006, only young Estonians and Slovenians performed above the OECD average in all these three areas. This is why it is so important that these countries move forward with reforms of higher education, particularly with regard to adequate quality assurance and regulatory mechanisms of financing. In this regard the Bologna Process provides an important policy context with good guiding posts.

One of the characteristics of globalisation is that regional development can rapidly become part of the global arrangement. This is why, due to its conceptual coherence combined with sufficient pragmatic flexibility, introduction of the three-tier degree structure – bachelor’s, master’s and doctorate – under the Bologna Process will soon become a world-wide framework. This framework will in turn facilitate cross-border and inter-institutional
mobility, provide better information to various stakeholders and ease the process of recognition of academic and professional qualifications. There is no doubt that the implementation of the objectives set up under the overall umbrella of the Bologna Process should reinforce higher education in the participating countries. But we need to be aware that the Bologna Process can have unexpected side-effects. The rector of a well-ranked private Polish university with several study programmes in English commented recently that in his opinion one of the causes for the decline in international applications to his university is due to the fact that the Bologna Process, by introducing the same structure of study programmes, has created a level playing field when competing for international students. In his opinion, the only strategy for his institution must be the “enhancement of quality” combined with appropriate “cost-sharing arrangements”. In this context, the recently launched European Register of Quality Assurance Agencies is of great significance.

The issue of how to deal with cost-sharing arrangements is going to be reviewed particularly in countries with no-tuition fees for international students. Generally speaking, there are two basic strategic approaches with regard to the financing of this aspect of internationalisation. The first is based on seeing internationalisation as a source of additional economic income at the institutional as well as national level. In this case, there is a substantial difference between tuition fees for “home students” and international students. The United Kingdom serves as a good example to this policy. The second, adopted for example by France, does not differentiate between home/EU citizens and those from other countries. Such a policy has many features of cultural commitment, academic solidarity and even that of developmental assistance. In this case the eventual economic benefits of having international students are of lesser importance.

The downside of this approach is not only that it reduces the economic interest of higher education institutions to internationalise their educational services, but that it can also create some unforeseen problems for countries without a numerus clausus admissions policy. A telling policy dilemma is a recent example of Austria and Belgium, which were confronted with a high in-flow of students to their universities, mainly in the fields of medical and veterinary studies, of holders of secondary education diplomas from other EU member states – mainly from France in the case of Belgium and from Germany in the case of Austria. When Austria and Belgium introduced a quota system (e.g. reserving 75% of places for holders of Austrian diplomas, 20% for holders of secondary education diplomas awarded in other member states, and 5% for holders of third country diplomas) the European Commission warned them that this “led to indirect discrimination on the grounds of nationality” which was prohibited by Article 12 of the EC Treaty and gave both countries five years to provide data supporting the argument that the restrictions are “necessary and proportionate”.

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Another very potent factor impacting a geopolitical map of higher education is the global competition for talent and academic excellence. Leading universities are now heading towards becoming global universities and more and more universities are competing internationally for resources, faculty and the best students. The approaches may differ but more and more higher education institutions are aware that through internationalisation they raise their profile and establish a global brand, attract top research talent who, in turn, may attract grants and produce important research results, innovation and patents. Thus it is not surprising that leaders of technological companies such as Bill Gates, the Microsoft chairman, consider that the only way to solve the US “critical shortage of scientific talent” is to open up the visa system to special categories of immigrant workers.

To the above arguments for competing for talent can be added that higher education is more and more considered an important diplomatic asset contributing to a reduction of friction between countries and cultures. Not a negligible argument in today’s “post 9/11 world”. It is not surprising to see new organisational initiatives linking foreign policy with international student mobility and academic cooperation, e.g. the creation of the Bureau of Educational and Cultural Affairs at the US Department of State or locating outposts of CampusFrance in French embassies around the world.

If for the time being traditional powerhouses of higher education have some upper hand with regard to quality, it is only a matter of time before this lead starts to diminish. Progress in higher education and research should be seen as a curtain-raiser for the assent of these countries to pre-eminence. Until recently, there has been uncontested dominance of North American and European higher education, together with Japan in the natural sciences, engineering and technology. Other regions were lacking trained staff, the research or managerial infrastructure, as well as financial resources, and in some countries such as China and Vietnam, this was compounded by erroneous political decisions and rigid ideological constraints. The situation is radically changing. The enormous long-term growth-potential combined with favourable political climate for economic development makes it inevitable that by the middle of this century higher education in other regions can catch up in every way that matters in their respective economic progresses.

It should be noted that there is also growing internationalisation in the context of “quality”, evidenced, not in the least, by the attention accorded to international rankings, in particular those published by Shanghai Jiaotong University and The Times Higher Education Supplement. An interesting argument was expressed at the conference of the World Wide University Network held at the end of 2007 in London. When the question was posed: “What nowadays defines a global ‘superpower’?” the following concluding view was formulated: “In the past, it was the size of national armies or possession of
nuclear weapons. But now there is a more important (and peaceful) benchmark: the size and prestige of university systems”. In the same vein, an American scholar in higher education likened the present-day global competitive nature of higher education to an “arms race”. Even if this phrasing of the current situation seems rather dramatised, it undeniably demonstrates that there are number of important developments at the global level which are rapidly affecting higher education.

There is ample evidence that, on average, European higher education is not bad and is even good, but what it is missing are “universities of excellence at a global level”. European universities, particularly those functioning in systems with generous public support, have a mixed attitude in accepting the new paradigm of global academic competition and advocate the status quo combined with an increase in public funding. I have my doubts as to how successful such advocates are likely to be. What we are actually observing is that the big funding for higher education and research is going to be allocated only to the best projects. Good is not going to be sufficient. For this reason, we can talk of a new quality regime: “moving from good to excellence” in higher education and research policy.

This new quality regime combined with searching excellence also raises one of the most challenging problems related to institutional configuration of European (continental foremost) higher education. Such a regime may question the system-wide validity of the so-called Humboldtian model of the university which has been the dominating conceptual and organisational framework for higher education in Europe for almost two centuries. This model puts “research” at the heart of the traditional university and is naturally linked to teaching thus assuring a mutually reinforcing mechanism for the free circulation of knowledge between research and teaching. I do not consider that the Humboldtian model is altogether obsolete, but it does only reflect a certain type of higher education institution which is often referred to as the “research-intensive” university. This is the model which the majority of academics prefer and who provide many of the arguments for retaining it. But is this the only type of higher education institution which is needed in a modern system of higher education? Can we afford for all institutions to be “research intensive”? No less important for our analysis is that research has become a highly globally competitive activity which requires enormous investments in personnel, infrastructure and equipment. Therefore when trying to adapt themselves to “the global battle for intelligence” countries are introducing a preferential system for supporting research excellence, recognising that only through a competitive approach and a steady level of appropriate funding are they going to be better positioned for meeting the future challenges of higher education and research.

It is evident that as universities and other higher education institutions became one of the founding blocks for a modern “knowledge-dependent eco-
nomy”, their roles have increased, but then so has the public interest in their functioning (which is one of the reasons why academic ranking is drawing such interest). Institutions of higher education are big providers of services, large employers, and receivers of significant public funds. In other words, on the one hand, higher education has become too important to be left to higher education institutions and academics alone but, on the other hand, it must have enough institutional autonomy and respect of academic freedom in order to be able to respond to such challenges. Identifying appropriate policies is a global challenge.\textsuperscript{128}

\textsuperscript{128} It is anticipated that the forthcoming UNESCO World Conference on Higher Education (WCHE+10) in July 2009 will provide an opportune platform for such a policy analysis to begin. For UNESCO’s Europe Region (Europe, North America and Israel) the dialogue will be launched at the UNESCO Forum on Higher Education in the Europe Region – Access, Values, Quality and Competitiveness – organised by UNESCO-CEPES and the Government of Romania in collaboration with the Council of Europe, the European Commission, OECD, European University Association, European Students’ Union, and Education International in Bucharest, Romania, in May 2009. The European Forum will bring specific regional concerns, expectations and proposals to the World Conference.
Is a Bologna process feasible for Latin America?

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1 Introduction

Convergence and integration among higher education systems of different regions is likely to arise as a trend in tertiary education in the years to come. It seems to be a part, and also a major consequence, of the current globalisation and internationalisation of higher education. For now, its advantages, obstacles, and feasibility are mostly a matter of analysis and discussion in Latin America. The Bologna Process is definitively at the base of the worldwide debate and is enjoying a solid conceptual framework, as well as already having important results and achievements.

After the mentioned process was launched, it captured the attention of some specialists in Latin American higher education, and university planners of the region, because the Bologna Process seemed to be an antidote and a solution for many of the long standing problems affecting higher education in this region. Since then, it has been a matter of discussion to what extent this process should have an impact on the future of Latin American universities. It is in this sense that academic circles and some government officials in the area are following the recent developments of European higher education with great interest.

From the conceptual point of view, the issue of a possible convergence and integration of Latin American higher education has been framed as a question of what necessary conditions and efforts are needed for achieving a “Common Latin American Space of Higher Education”, or more ambitiously as a task pursuing a “Common Knowledge Space between Latin America and the European Union”. It has to be pointed out that this way of labelling the problem contains an important ambiguity. This way of designation is in fact referring to different ways of conceiving the issue. The same name denotes simultaneously a strong version and many possible weaker versions of it. For the strong version, the goal is to implement a process of convergence with the Bologna characteristics within Latin American systems of higher

129 Other trends already present in tertiary education are discussed in OECD, Education at Glance. OECD Indicators, 2007.
131 Other denominations of this idea include the notions of a “common academic space”, or a “common space for knowledge”.

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education, while the weaker position refers to those views accepting that much could be learned and applied from the European higher education integration process without engaging in a comprehensive process of convergence involving the entire region. The merit of having made explicit the ambiguity hidden in the above designation pertains to José Joaquín Brunner.\textsuperscript{132}

The weaker interpretation has been assumed by specialists like Norberto Fernández Lamarra,\textsuperscript{133} Salvador Malo,\textsuperscript{134} and José-Ginés Mora\textsuperscript{135} and by the recent Report of Iberoamerican Higher Education.\textsuperscript{136} On the other hand, the distinction itself was succinctly made by Salvador Malo and, as mentioned above, José Joaquin Brunner has very recently written a very interesting essay on the theme with forceful arguments against the strong version. In our opinion this author has gathered overwhelming evidence to demonstrate that a process like Bologna, or variants of it, is not feasible to be implemented within Latin American higher education institutions. Both Malo and Brunner have rejected the stronger interpretation of a common academic space for Latin America by pointing out the many differences existing among the national higher education systems within the region, as well as the striking differences existing between Latin American and European higher education institutions. A review of these differences and their origins will help to assess the scope of their claims and may clarify the different shades of interpretation under which the many variants of the weaker versions are currently being worked out. This review will also help to understand the peculiar problems facing higher education in the region in the first decade of the 21\textsuperscript{st} century, and the reasons for the enormous interest in the developments of the Bologna Process among Latin American higher education experts.

2 Latin America: its economic and social situation

During the last three decades (1975-2004), Latin America has had an economic growth below that of developed countries. With the exception of Chile, Dominican Republic and Colombia, Latin American countries grew on average by only 0.6 percent compared to 2.4 percent growth in developed countries in the same period. Mexico (0.9%), Brazil (0.7%) and Argentina (0.4%) fell below the average worldwide growth rate (1.4%).\textsuperscript{137} If one looks at the competitive factor, i.e. a region’s ability to attract investment and its capacity to interact within a global environment, the above contrast has more signifi-

\begin{footnotes}
\footnotetext{132}{Brunner, J., “El proceso de Bolonia en el horizonte latinoamericano: límites y posibilidades” in Revista de Educación, número extraordinario, 2008, pp. 119-145.}
\footnotetext{133}{Fernández Lamarra, N., “Hacia la convergencia de los sistemas de educación superior en América Latina” in Revista Iberoamericana de Educación. No. 35, 2004.}
\footnotetext{134}{Malo, S., El proceso de Bolonia y la educación superior en América Latina, 2005.}
\footnotetext{135}{Mora, J., El proceso de Bolonia: ¿un modelo para América Latina? (Presentation), Universidad Politécnica de Valencia, 2007.}
\footnotetext{136}{Centro Interuniversitario de Desarrollo [CINDA]. Educación Superior en Iberoamérica. Informe, 2007.}
\footnotetext{137}{Ibid.}
\end{footnotes}
cance. The results of the global competitive index 2007-2008\textsuperscript{138} show that after the United States, which is in the first place, Switzerland, Denmark, Sweden, Germany and Finland hold the 2\textsuperscript{nd} to 6\textsuperscript{th} places. The United Kingdom comes in 9\textsuperscript{th}, the Netherlands 10\textsuperscript{th}, Austria 15\textsuperscript{th}, France 18\textsuperscript{th} and Belgium 20\textsuperscript{th}. In stark contrast, Chile holds the 26\textsuperscript{th} place, Mexico the 52\textsuperscript{nd}, Costa Rica the 63\textsuperscript{rd}, Colombia the 69\textsuperscript{th}, Brazil the 72\textsuperscript{nd}, and Argentina the 85\textsuperscript{th}. In terms of income distribution, Brazil, Bolivia, Panama, Colombia, Ecuador, Argentina, Chile and Mexico have Gini coefficients above or close to 0.50, thus placing themselves among the most unequal countries in the world. Hence, it is not surprising that for some Latin American countries, globalisation means negative effects, while for some others it represents new opportunities for development.

In terms of human development, the situation for Argentina, Chile and Mexico is more promising since these countries are among those having high levels of human development, according to the United Nations Human Development Index\textsuperscript{139}. The rest of Latin American countries, on the other hand, belong to the middle group\textsuperscript{140}. By contrast, the Educational Development Index (which takes into account the percentage of participation in primary education, the percentage of literacy among adults, the survival rate after fifth grade, and the gender index) states that, with the exception of Argentina, most Latin American countries are lagging behind. Hence, basic education in our region is a serious problem.

The differences between Europe and Latin America in terms of economy, income distribution and capability to compete in a global environment have direct consequences in the educational arena. The existing gap between Europe and Latin America has been highlighted by the PISA results of the last ten years\textsuperscript{141}. While most European countries are at the top, Latin American students have done very poorly in reading, mathematics and science. The problems that Latin American higher education faces, especially vis-à-vis the demands of a knowledge society, are confirmed by the Economy of Knowledge Index. This index comprises four factors, each with a set of variables: quality of the economic incentives system, capacity for innovation, educational contribution and use of ICT. On a scale of 1 to 10, Latin-American countries – with the exception of Chile where a grade of 7 was obtained – received a low score of 4.7 while the rest of the world, on average, received 5.6\textsuperscript{142}. This means that education, including the tertiary level, has a very small impact on the development of the region.

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In addition to the above mentioned economic and social differences, there are also striking contrasts in size and population. In Latin America there are large countries like Brazil, Mexico and Venezuela; medium size countries like Colombia, Ecuador and Peru; other rather small ones like Nicaragua, El Salvador, Bolivia without forgetting the Caribbean islands like Cuba and the Dominican Republic. To sum up, one can say that there is not a single Latin America, but different ones. Notwithstanding these differences, Latin American region is made of nations sharing similarities in terms of level of economic, political and social development. In this respect it is worth pointing out that they share unequal levels of development and different views on economic and social progress and also disagree in their approach to globalisation.

3 Latin American higher education systems

The facts described above show that institutions of higher education in Latin America face a fundamental problem today: the need to respond to a series of demands imposed by globalisation and the knowledge society, starting from an educational backlog, which includes an obsolete educational model and pedagogical methods, limited infrastructure, insufficient highly qualified human resources for teaching and research, and a limited and obsolete educational offer.\(^{143}\) This situation places Latin America, at the very onset, at a competitive disadvantage with developed countries, including the emerging world powers of this century like China, India and other Asian countries. This educational backlog is one of the major causes why Latin American countries receive only the negative impact of globalisation without being capable of taking advantage of the opportunities that it has to offer. In sum, a backlog in higher education puts the economic and human development that the region needs for the following decades at risk.\(^{144}\) This is why it is paramount to make fundamental transformations to modernise the tertiary educational systems of each of these countries.

Unfortunately, there are major obstacles for a change towards convergence and regional integration process. The first one has to do with the model pervading the Latin American universities: one that is oriented to produce professionals in traditional fields, based on old teaching methods and not on student-centred learning strategies.\(^{145}\) Latin American universities are for the most part focused on undergraduate teaching with less emphasis on master’s and doctoral degrees. From the 18th century on, the region has adopted the so-called Napoleonic model, meaning that universities are professionally oriented, excluding research during undergraduate studies; cha-

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\(^{143}\) These facts are reviewed extensively in De Wit, H., Cristina Jaramillo, I, Gacel-Ávila, J. and Knight, J. (eds.), Higher Education in Latin América. The International Dimension. The World Bank, 2005.

\(^{144}\) This point has been forcefully made by Eduardo Andere in his “México y América Latina rebasados por la globalización” in Foreign Affairs en español, 2004, Vol 4, no. 1, pp. 61-75.

\(^{145}\) This problem is a well known fact and it has been abundantly researched by many specialists.
racterised by the memorising of overloaded disciplinary contents, instead of being centred on the development of competences, skills and cognitive abilities. The result of this is a curriculum of lengthy and prematurely specialised studies of licenciatura, cutting short the need for advanced programs of research and state of the art knowledge. It is most unsuitable for developing the ability of learning to learn throughout life. Moreover, the teaching style associated to it is not student-centred, but rather limited to lectures and note-taking, discouraging debate and critical judging. Evaluations reward memorising instead of fostering thinking abilities and argumentation. Duration of studies is lengthy (4-5 years for licenciatura, 2 or 3 years for maestria, and 4 to 5 years for PhD’s). To get a PhD can take sometimes as long as 13 years, compared to the eight or nine years in Europe. As a consequence there is a high rate of dropouts (50%) and very low student mobility – indeed one of the lowest of the world. More to the point of the Bologna curricular reforms, the educational model of most higher education institutions in the region is especially unapt for facing the demands imposed by globalisation and the knowledge-based economy. It is telling that in 2007 only nine Latin American universities appeared amongst the 500 classified in the Academic Ranking of World Universities of which five are Brazilians, two from Chile, one from Argentina and one from Mexico.

A second obstacle for a possible convergence is the enormous differentiation reached by the systems of each country. Nowadays, higher education is offered by a wide variety of institutions such as traditional universities, non-university institutions, research institutes, technological institutes and professional schools, both pertaining to the public and private sectors. This may appear as a paradox, considering the predominance of the curricular model in the area, but it is dispelled if one considers the case of Mexico. According to the CINDA report, this case exemplifies the high degree of institutional diversification of the region. Mexico has almost 2000 institutions of higher education grouped in 12 different subsystems and with 2.5 million students enrolled. Concerning funding, 713 institutions are public and 1179 are private ones, all of them having different typological profiles. This taxonomy consists of six different types of institutions, among them those having only teaching activities and offering only programs of licenciatura, those combining teaching and research and offering postgraduate studies, those offering advanced technical training, and institutions known as research universities. But there is more to it: institutions offering higher education in Mexico differ also with respect to funding, enrolment, functions, size, regional scope, modality of studies, and prestige. Thus, in Mexico one can find such institu-

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147 This is abundantly characterized through different chapter in De Wit Hans et al., Op.cit.
tions as the National Autonomous University of Mexico (UNAM) having an enrolment of more than 200,000 students or institutions like the Technological Institute of Higher Studies of Monterrey (ITESM) with several campuses spread all over the country, and many private institutions with less than a thousand students, comprehensive private and public universities with a large academic offer, religious, popular, multicultural and indigenous universities, professional schools focused on only one or very few areas like teacher training, law, medicine, engineering or business. There are also research universities and those exclusively oriented to pre-graduate teaching.

It is worth mentioning the increase of the private sector throughout the region during the last two decades, reaching 47 percent of the total student enrolment. Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Paraguay and the Dominican Republic have more than half of the students enrolled in private institutions. This increase has been prompted by a growing demand for higher education. Needless to say, the current proliferation of private institutions constitutes a trend towards differentiation. A trend that is running against any attempt at convergence and integration: as they are independent of public funding, it becomes very difficult to coordinate them.150

Another force against convergence worth to be mentioned has to do with the notion of university autonomy, inherited from the Cordoba Reform in 1918. Most public universities in the region enjoy a total autonomy in order to make decisions on what their priorities are and where their financial resources should be invested. Thus, the management and development of these universities are left to different factors like corporate, political and institutional interests, plus demand and supply forces. Under these circumstances, it is rather difficult to imagine that governmental policy makers and political leaders could implement an integration process beyond the decision of university authorities, as has happened in the Bologna Process. At this point we should remember that ministers of education of member states gathered in Paris decided through the Sorbonne Declaration to establish a common structure for studies, credit transfer schemes, and common criteria for quality assurance. Such an event is most unlikely for now in Latin America, as Brunner points out. The combined impact of these forces makes Latin American higher education systems very heterogeneous with a low capacity for association or cooperation.

4 Benefits from the weaker versions

The ongoing discussion on the impact of the Bologna Process is clarifying the way in which it could have a positive effect on higher education systems throughout the region. Instances of educational innovative practices from the Bologna process have helped researchers and decision makers in higher

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150 This trend is conceptualised by Brunner as a special category of differentiation. See Brunner, Op. cit.
education policies to better understand better the Latin American higher education context and appreciate its limitations within global trends of educational policies. Some of the educational strategies of the Bologna Process could be most profitable for Latin America to overcome the above-mentioned limitations. The distinctions between different versions of these strategies clearly point out that it is a piecemeal approach that could provide the major benefits. Some examples of such a positive influence will be touched upon in the following paragraphs.

Under the influence of the Bologna Process, the project of building a Latin American knowledge space (in the weaker version), including Spain and Portugal, emerged. This idea has been discussed at meetings of presidents and heads of state of the region since 1991, but it is after the launching of Bologna that it has gained a more specific substance. The Declaration of Salamanca of 2005 gave rise to an agreement for creating such a common space with the goal of transforming higher education systems in such a way as to give more weight to research and to foster the development of competences and skills among students in order to increase the competitiveness of the region. Recently, in a meeting at Seville, the idea of a common Iberoamerican space of higher education was launched as a way to make the region benefit from an international context characterised by scientific and technological innovation. As a result, a number of networks and associations has emerged including the Iberoamerican Association for Distance Education (AIESAD), the Iberoamerican University Association for Postgraduate Studies (AUIP); the Organization of Iberoamerican States for Education, Science and Culture (OEI); the Mobility Programme PIMA and so on. In addition to the idea of such educational space, several programs of collaboration between Latin-American and European universities have emerged out of Bologna. I am especially referring to the project Alfa Tuning-Latin-America\(^\text{151}\) inspired by the previous experience of Tuning Educational Structures in Europe, which was launched in 2002, and an offspring of the Reflex European Project (The Flexible Professional in the Knowledge Society) named Proflex.

5 Conclusions

Based on the experience of European academic integration, Latin America is debating and definitively exploring ways of modernising its own higher education systems and making progress towards a change of old methods and obsolete educational practices. The Bologna Process is provoking new debates and topics of analysis, showing policies and proceedings to follow. Some examples of the new ideas and debates are, for instance, the length of studies, new ways of curricular design and structures, standards for quality assessment procedures, employability of graduate students, the formation of

regional spaces and the international competitiveness of Latin American higher education sector, to mention just a few. This discussion is a real achievement, since it removes old ideas and paradigms. This is very fruitful even more so when the big neighbour from the North is not showing much interest towards the improvement of educational levels among his southern American neighbours. Further in this reflection, according to Malo, Latin America in general sees modernisation trends from the USA as a threat and even with an ideological mistrust. On the contrary, the trends coming from Europe are seen well. European globalisation is seen as a something less dreadful than the one of the USA, more comprehensible and humanitarian than the Asian one, and in more agreement to our idiosyncrasy and customs than the Australian ones. The Bologna Process has forced Latin American higher education systems to look at themselves from inside – albeit from an Old World mirror – and compelled themselves to acknowledge their own limitations and possibilities. For any system a look from outside is always beneficial. In the same way as globalisation is making universities gain more weight in public policies, so are university development strategies becoming more and more international. International cooperation among higher education systems and exchange of ideas and good practices are definitely the key for the future of the global community of universities at large and especially for Latin America.

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Anxieties and trusts: the United States views Bologna and its future

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This paper will focus on three elements of the United States view towards post-Bologna European higher education: ignorance, an anxious sense of growing competition, and an unprecedented chance for even more partnerships. These elements co-exist easily and uneasily. That is, when we in the United States do take the full measure of the world in which we live, we realise that United States and Europe are at once competitive and collaborative. Let me take each aspect in turn.

1 Ignorance

Europeanists and higher education experts are aware that great changes are taking place in European higher education, both within some national systems and within Europe as a region. Such people know that Erasmus is more than the name of a 16th century humanist, and that Bologna and Lisbon are more than the names of pleasant destinations for US tourists. However, faculty and staff in US higher education are mostly unaware of the extent of these changes, which can seem confusing to an outsider. Among the causes of our ignorance is our arid provincialism. This provincialism leads to the self-satisfied conviction that US higher education is the best in the world. As a result, many of my fellow citizens believe that we need not worry about what is happening elsewhere. A corollary is that English is the global language of scientific research and much of higher education. As a result, we also believe we need not worry too much about learning natural languages other than English. In addition, because of diminishing press coverage, even developments in the United States higher education do not receive the attention they merit.153

2 Competitiveness

Fortunately, United States ignorance is withering away. Competitive forces beyond our borders are undeniably gnawing and biting away at the extraordinary position and prowess of our colleges and universities. These forces are too strong to be ignored. The challenge from Europe exists within a larger

global field of challenges. A flashpoint is the struggle to remain a primary
destination for mobile international students and especially for the graduate
students who help sustain university research. After September 11, 2001,
the number of international applications to our graduate schools declined
sharply from 28 percent in 2003-4 to 5 percent in 2004-5. The next two years
saw an incomplete reversal of this trend with an 11 percent increase in 2005-
6 and an 8 percent increase in 2006-7. However, the climb back went far
more slowly in 2008, with an average increase of but 3 percent.

These numbers are the consequence of several well-documented forces.
One is the strong, overt, organised competition from Europe, Asia, and Aus-
tralia – among other nations. As a recent report notes, “over the past several
years, Australia, Britain, France, and Germany have used national marketing
strategies, increased offers of financial support, and implemented other bro-
dly coordinated efforts to recruit students from abroad, while in the US stra-
tegies for recruiting students from overseas are largely conducted at the indi-
vidual institutional level”. Another force is the perception that the United
States is “dangerous and unwelcoming” – a perception that post-9/11 United
States visa policies have done their bit to create. Still another force is the
growth of higher education in Asian countries, making them more attractive
to their own citizens. India, China, and Korea have sent about 50 percent of
the international students who have enrolled in United States graduate
schools. When official policies and individual choices conspire to keep these
students at home, the US loses out.154

The most formidable, detailed, and formal response to these forces is a
major 2006 report from our prestigious national academies: the National
Academies of Sciences, the National Academy of Engineering, and the Insti-
tute of Medicine. Its title, Rising Above the Gathering Storm: Energizing and
Employing America for a Brighter Economic Future, crystallises its argu-
ment.155 The report is neither arrogant nor chauvinistic, but it is an alarmed
call to action. The prosperity and global position of the United States, it
argues, very much depend on research and development in universities, cor-
porations, and national laboratories. However, our ability to do science and
technology is weakening – the consequence of both national inertia and
competition from “Ireland, Finland, China, India, or dozens of other nations”.
To restore and enhance national strengths, the report offers four overarching
recommendations, each of which would bring greater national coherence to
the decentralised systems of United States education. We must immediately
improve the teaching of mathematics and science in primary and secondary

154 Figures and quotes are from Council of Graduate Schools, Washington, D.C. “Research Report: Findings
155 The report’s author is a Committee on Prospering in the Global Economy of the 21st Century: An Agenda
for American Science and Technology, chaired by Norman R. Augustine, the retired chairman and CEO of
the Lockheed Martin Corporation.
schools; dedicate ourselves to basic research; make the United States a place where the best and brightest wish to study and do research, whether they come from within or outside of the country; and put public policies into place that encourage innovation.

Whether the United States will act systematically on these recommendations is unclear. It certainly will not in the waning days of the George W. Bush presidency. My own response to *Rising Above the Gathering Storm* is mixed. On the one hand, its recommendations are sensible, their enactment desirable. On the other hand, the report focuses on science and technology at the expense of the humanities. The deep prosperity of any country or region depends on a complex awareness of its history, culture, languages, and its always-changing place in the larger world. The humanities explore what such concepts and places as “Europe” and “America” actually mean. Moreover, in the tension between choosing to be a competitive nation or being a collaborative one, the report veers towards competitiveness.

3 Partnerships and collaborations

Some competitions within and among states – some friendly rivalries – are energising. At the same time, local, national, regional, and global survival ultimately depends upon partnerships and collaborations. Indeed, I watch the recent history of European higher education as a dynamic interplay among competitive national systems and a bold regional collaboration. It is a fertile time to experiment with collaborations, to be innovative and creative. This is the case because of recent US self-interrogations about its competitiveness, because of the ferment in European institutions of higher education, because this ferment is helping to align US and Europe more closely, and because of the power of globalisation to shake us all up.

Not surprisingly then, partnerships, which were already lively before the Bologna process, are proliferating in a dizzying array of forms. In 2000, symbolically at the turn of the millennium, the Bill and Melinda Gates Foundation, based in Seattle, Washington, announced a donation of USD 210 million to establish the Gates Cambridge Trust at Cambridge University. A publicly stated reason for the choice of Cambridge was its standing as one of the “world’s leading universities”. Significantly, Gates Scholars are not limited to Americans or Europeans. On the contrary, the Gates Cambridge Scholarships are meant to build “a global network of future leaders committed to improving the lives of others”. In 2007, I sat in an office in Budapest while representatives of a German university were discussing possible relations with a Chinese university. My own university, New York University, demonstrates the growth of bilateralism in its work with Europe and elsewhere. We

have six of our ten traditional study abroad sites for our undergraduates and graduates in Europe—at this point in London, Paris, Madrid, Florence, Berlin, and Prague (The others are in Shanghai, Tel Aviv, Buenos Aires, and Accra.) We are also developing more reciprocal bilateral partnerships. Our faculty enters into research collaborations with European faculty, which electronic technologies enable. Moreover, individual academic departments, programmes, and schools within my university negotiate and sign agreements with non-US groups, to work together on research and training. These activities may lead to joint or dual degrees. For example, with French institutions, the New York University grants joint (“cotutelle”) degrees.

Importantly, in institution after institution in the United States, multilateral or global partnerships are supplementing bilateral ones. They involve the United States, Europe, and other regions. To give but one example: in 2006, ten major research universities launched the International Alliance of Research Universities (IARU). Still evolving, it is comprised of the Australian National University, the Swiss Federal Institute of Technology ETH, Cambridge University, Oxford University, Copenhagen University, the National University of Singapore, Peking University, the University of Tokyo, Yale University, and the University of California/Berkeley. Echoing the language of the Gates Cambridge Trust, which is the language of elite “forward-looking” globalisation, its inaugural announcement stated that the Alliance is “a strategic drawing together of a selected group of research-intensive universities that share similar values, a similar vision, and a commitment to educating future world leaders.”

Obviously, like marriages, there are excellent partnerships, good enough partnerships, and bad partnerships. Some will be long-lasting; some will end in divorce. We enter into them because we are convinced – with varying degrees of realism – that the whole will be more than the sum of its parts. If my university enters into an agreement with French institutions for graduate training in medieval history, we all believe that scholarship and future scholars will benefit. Whether bilateral or multilateral, whether excellent or simply good enough, partnerships embody five principles: 1) They are rooted in solid, shared academic values. My own set of values stresses academic integrity, and a combination of autonomy, freedom, and service. 2) Partnerships reflect a clear sense of mutual interests. Academically, partnerships between the United States and Europe have a plethora of questions they can usefully explore – such as the comparative study of empires, cross-Atlantic patterns of slavery, or, in contrast, the origins and development of democratic theory. 3) Partnerships emanate mutual respect, a palpable recognition of the strengths, promise, and value of the Other, be it an institution or a person. 4) Partnerships are sustainable financially, although richer institutions have an obligation to contribute more to a partnership than poorer ones; and 5) Partnerships are administratively supple, smooth, and competent.
Crucially, we need not enter into formal agreements and sign memoranda of understanding (the ubiquitous MoUs) in order to learn from each other. Less formally and legalistically, we swap ideas and papers, hold conferences, send e-mails, construct networks, travel to each other’s campuses, and publish our findings. These exchanges can result in useful comparative studies of higher education itself. For example, how are United States and European institutions of higher education working with their “minority” populations? How are their “elite” institutions serving less privileged ones? If we have democratic values, we must think about educating everyone – not just future leaders. Another example: how do we assess teaching and learning without establishing rigid, boring quantitative measures? And what is, to narrow my questions, the role of private institutions, be they non-profit or for-profit, in higher education? Among the most interesting comparative studies today are those being done about the practices and best practices in graduate education. Graduate education is particularly important because it is the nexus of research and teaching, of advanced inquiry and of the training of the next generation of scholars, researchers, and teachers. The European University Association and the Council of Graduate Schools, which includes United States and Canadian institutions, have together led this effort.\(^{157}\)

One of the gifts of Europe to me has been the mythology of classical Greece and Rome and other Mediterranean cultures. One of the stories I learned was about Europa, the beautiful daughter of a king, whom the god Zeus loved. He appeared before her in the form of a white bull, and so enchanted the girl that she climbed upon his back. He, the wily divinity temporarily turned bovinity, ran to the seacoast and swam away with her to the island of Crete where he fathered several of her children. Read very benignly, this myth of the origins of Europe is about the collaboration between the sacred and the secular, the divine and the human. In the 21st century, our collaborations will not be between the divine and the human, but among us, we human beings, with our powers and errors and fragilities. However, I hope they will be as generative as the mythic collaboration that brought Europe itself into being.

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\(^{157}\) The two groups called an initial meeting in Salzburg in Fall 2006. CGS organised a second gathering in Banff, Alberta in Fall 2007, which resulted in the publication *Global Perspectives on Graduate Education: Proceedings of the Strategic Leaders Global Summit on Graduate Education*, Washington, D.C.: Council of Graduate Schools, 2008, pp. 161. Note the summoning up of the concept of leadership again. A third meeting will occur in Florence in August/September 2008.
Challenges for global higher education in the 2020s: what the next decade holds in store

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1 Introduction

The debate about the future of global higher education often seems to be based on two assumptions, which most policy makers, commentators and institutional leaders regard as uncontroversial (or, at any rate, inevitable), but which perhaps deserve to be more critically explored. The first assumption is that there will be an exponential growth in student mobility (and of most other forms of international collaboration). The second assumption is that this growth will be almost entirely a market phenomenon. Even international initiatives, which did not appear initially to be market-driven, are treated as, essentially, market phenomena – rather as the purposes of the Bologna process have been re-defined by explicitly linking them to the Lisbon Agenda. Two simple ideas, therefore, seem to sum up the future of global higher education – that it will get bigger and bigger (and bigger); and that it will be dominated by the market. This grand narrative is in danger of crowding out alternative accounts of that future.

My aim is not to contradict this grand narrative, which is partly true, but to draw attention to alternative accounts, which may also have elements of truth. For this purpose, I would like to suggest three theses:

♦ The first thesis is that, while global higher education will certainly grow, that growth may owe as much to contingent forces – for example, the impact of migration patterns – as it does to the deliberate policies of governments to increase their ‘market share’ or of universities to develop internationalisation strategies. As a result, growth may take less predictable forms. The future may not be like the past.

♦ The second thesis is that a decisive shift beyond post-imperial, hegemonic and geo-political frames of references will take place, requiring governments and higher education systems to engage more wholeheartedly with issues of cultural diversity and pluralism.

♦ The final thesis is that the market will be only one driver of global higher education. Growth will be driven by a range of forces – political agendas, socio-cultural influences, deeper structural changes, as well as the market. ‘Entrepreneurial’ is not synonymous with ‘international’.
2 The growth of global higher education

My first thesis is that the growth of global higher education will be at least as much due to wider social, cultural and economic forces – in a word, globalisation – as it will be to specific policies for internationalisation. Many governments have ambitious plans to increase their ‘share’ of the ‘market’ for international students for reasons that typically include a mix of diplomatic and commercial motives (with the latter tending to become more dominant). Many national agencies, including those which are members of ACA, play an important part in realising these ambitious plans, whether by supporting the direct recruitment of international students or, indirectly, through their cultural diplomacy initiatives. Many universities also have internationalisation strategies which may include targets for increasing the number, and proportion, of international students as well as stimulating staff exchanges or research collaboration.

All these efforts have been accompanied by an impressive growth in global higher education. The temptation, therefore, to attribute this growth to these efforts is almost irresistible. While these efforts clearly have had a substantial impact, other – more contingent, but also more powerful – forces have also been at work. The most important may be the rapidly changing patterns of worldwide migration. Of course, migration is not a new phenomenon. The United States is – largely – an immigrant society, and so is Argentina. Within Europe widespread migration occurred during the 19th century, notably from Eastern Europe (Austria-Hungary and the Russian Empire) to Germany, France and Britain. The prosperity of post-war Europe also encouraged large-scale immigration – of Turks to Germany, South Asians to Britain, and North Africans to France.

But during the past two decades the scale, intensity and velocity of migration patterns have transformed this historic phenomenon. While the pace of actual migration has ebbed and flowed, fertility rates among immigrant communities have ensured that the pace of ethnic, cultural and religious diversification has continued to accelerate. As a result many larger European cities have become, in effect, ‘world cities’ on the pattern of New York. In addition, although neo-liberal economic policies are as much an effect as a cause of globalisation, increasing global inequalities have combined with the communications revolution (making images of prosperity instantly available to a global audience), and ready access to mass travel, to ease, accelerate and intensify migration patterns. As a result, traditional ideas of social solidarity and shared culture have been increasingly challenged, provoking a right-wing populist backlash in some European countries, and encouraging governments to develop more restrictive immigration policies.

This image of ‘Fortress Europe’ (and equally the emphasis placed on ‘homeland security’ in the United States) may be at odds with the desire of governments to increase their ‘market shares’ of international students, of national
agencies to promote cultural diplomacy, and of universities to develop effective internationalisation strategies. These agendas – seeking diplomatic and cultural advantage (maximising geo-political influence), commercial advantage (expanding national economies), and institutional advantage (whether building reputation through participation in global university alliances and success in global league tables, or securing additional income – and compensatory income if state budgets are cut) – are difficult to reconcile with tougher policies on immigration and national security. So, if the growth of global higher education is linked to phenomena such as mass migration, which governments are now more likely to define as threats than as opportunities, it may become increasingly difficult to pursue internationalisation strategies with vigour.

But, even if that is too gloomy an interpretation, global higher education must still be seen in the much wider context of extended population flows – of displaced persons and refugees, of so-called economic migrants, and of global elites. There is still a tendency to regard international higher education as, essentially, an elite domain, with clearly defined parameters. But, seen in this wider context, it takes on many of the more open characteristics of the mass higher education now provided in national higher education systems.

3    Geo-politics to cultural pluralism

My second thesis is that by the 2020s a decisive shift will have taken place from viewing global higher education in a post-imperial lens (or, at any rate, in geo-political terms or in the context of a competitive global economy) – still probably the dominant perspective, to recognising its potential for promoting cultural pluralism (and even celebrating cultural ‘difference’).

There is an understandable reluctance to discuss the post-imperial, or post-colonial, influences which have been important in shaping present patterns of international education. There is also a reluctance to openly acknowledge the contemporary significance of geo-political factors. But, in practice, much of the strategic thinking about international education continues to be influenced by such ideas. Global higher education, at times, seems to have become a new arena for the expression of ‘Great Power’ politics – whether in terms of the continuing importance of imperial or colonial connections (in the case of France and Britain), of the hegemony of the United States (and whether it can be, positively and peacefully, challenged by the European Union as a counter-weight) or, looking forward, of the rise of China and India. Alternatively, global education is regarded as one aspect of free-market globalisation, in the context of intensifying competition for highly educated and skilled personnel, or for ground-breaking research within a knowledge-based global economy. Even at the level of institutions, such thinking is not entirely absent. The growing interest in global league tables of universities is evidence of the same struggle for competitive and reputational advantage.
But a new paradigm of global higher education may be emerging – and may be, by 2020, well established. Many different factors are likely to contribute to the development of such a paradigm:

◊ Shifts in academic and scientific cultures which have transformed national higher education systems in the second half of the 20th century – for example, the emergence of feminist perspectives to mirror changing gender roles, or the increasing emphasis on the contextualisation, and arguably the ‘relevance’, of research – may go on to transform global higher education in the first half of the 21st century;

◊ Similarly, the democratisation and massification of national higher education systems, emphasising social equity, democratic entitlement, and economic inclusion may begin to penetrate global higher education, leading to similar emphases only on an international scale. It can be argued that notions of international education have remained imprisoned within an essentially elitist and anachronistic model of higher education – and that this may (must) change;

◊ These forces of social transformation may be reinforced as the mass culture of the 20th century is transformed by the emergence of new, and radical, ‘virtual’ cultures. So far the impact of these developments on global higher education has been seen as largely being confined to the changes brought about by the revolution in the technologies of communication – the means. By 2020 the radical impact of new cultures of communication may be more widely recognised – the ends;

◊ The geo-politics of the Cold War, essentially a clash between two branches of the same Enlightenment tradition, have been replaced by a more fundamentalist ‘clash of civilisations’ (which, incidentally, is also apparent in the ‘culture wars’ which characterise US politics). So far, the reaction has been summed up in the non-negotiable phrase ‘the war on terror’, which is difficult to reconcile with genuine internationalisation. But by 2020, more negotiated and nuanced positions may have been taken up, leading to genuine recognition of cultural pluralism.

As a result of these and other factors, a new paradigm of global higher education may emerge that challenges the currently dominant geo-political paradigm – but which is also distinct from a purely market paradigm.

4 The limits of the market

My third thesis is that it is not inevitable that global higher education will be an almost exclusively market phenomenon, whether that prospect is welcome or unwelcome; still less that the internationalisation of higher education is likely to lead to the wider adoption of market forms in national higher education systems.
It is easy to see how such assumptions have come to be made. First, there is widespread acceptance that the post-1945 welfare state is no longer a viable model – whether because of the so-called crisis of social democracy (in other words, a political backlash) or because the very success of the welfare state, particularly the economic growth it produced or presided over, has eroded the older social solidarities on which its moral authority depended (a more subtle socio-cultural explanation). The development of many national higher education systems, of course, both in Europe and the United States, was closely aligned with the welfare state – not only chronologically but also normatively. So now, both the state and higher education have to play a new – free-market – game. Secondly, the development of a knowledge society, bolstered by theories of post-industrialism, has emphasised the economic role of universities as ‘factories of the mind’. Intellectual curiosity and scientific creativity, as a result, are now likely to be regarded not so much as cultural resources but as economic inputs.

However, there are two reasons for questioning these assumptions:

a. The first is that the successor to the welfare state, the neo-liberal revolution that began in the 1980s, is now showing similar signs of having run its course, of exhaustion in its turn. The current economic difficulties, triggered by the recklessness of global financial markets, have called into question the ability of de-regulated economies to produce reliable growth. At the same time, and especially in an international context, their limitations have been underlined – in terms of the insecurities, and economic costs of the ‘war on terror’; of the failure to adequately address issues of environmental degradation; and of wider social costs. Suddenly the weaknesses of neo-liberalism, and its fetishing of the ‘market’, have been exposed. Whether this will lead to a fundamental realignment on a global scale, equivalent perhaps to Franklin Roosevelt’s New Deal in the United States, remains to be seen – but it is certainly possible.

b. The second is that there is abundant evidence, in the shape of polls and surveys, to show that bed-rock social attitudes are still more closely aligned with welfare-state values than with market, or neo-liberal values. This is especially true in Europe, where the phrase ‘the social dimension’, so often repeated in the context of the Bologna process, indicates a deeply ingrained allegiance to what has sometimes been labelled the ‘post-war settlement’, i.e. social welfare combined with economic modernisation. The persistence of these social attitudes makes it more difficult to imagine that the current dissonance between the ‘public’ values and practices exemplified in national higher education systems and the ‘market’ values which have been more influential in global higher education will, inexorably, be resolved in favour of the latter.
5 Conclusion

Whether these three theses are more plausible guides to the future of global higher education than the two assumptions they seek to challenge only time will tell. But, even if they prove to be unreliable, they deserve to be seriously considered – first, because such consideration enriches the vocabulary of the debate about the future of global higher education (at least there is something else to talk about); but, secondly and more seriously, because it encourages us to regard the future of global higher education not simply as an essentially technical process, a response to the development of a global knowledge-based economy, but as a political and cultural challenge in its own right, a ‘great issue’ of our times as significant as the global environment or world peace (and, therefore, as deserving of our attention).
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Jocelyne Gacel-Avila holds a Master of Arts degree from the University of Paris VII in Foreign Languages and Civilizations and a PhD in International and Comparative Education. Since 2001 she has been Director of the Office for Cooperation and Internationalisation as well as research professor at the Center for Strategic Studies for Development at the University of Guadalajara.

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Gacel-Avila is the author of several books and articles on the theme of internationalisation, international education and co-operation. She has conducted several research projects regarding internationalisation and cooperation for the Ford Foundation and World Bank and has taken part in many European and Latin American projects on the subject. She has been awarded the Support for Internationalization in Higher Education in Mexico award from AMPEI in 2006 and she is Member of the National System of Researchers (SNI) since 2003.

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Maria Kelo is Senior Officer at the Academic Cooperation Association (ACA). In this role, which she has held since 2003, she is responsible for the acquisition, development and implementation of ACA projects, the organisation of ACA conferences and seminars, as well as ACA’s public relations activities including representing the association at international fora. Recently she has
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Maria Kelo is the author of *Support for International Students in Higher Education. Practice and Principles* (2006), the co-author of *Brain Drain and Brain Gain – migration in the European Union after Enlargement* (Kelo and Wächtter, 2004) and *The Admission of International Students into Higher Education* (Muche, Kelo and Wächtter, 2004). She is the co-editor of *EURODATA – Student mobility in European higher education* (Kelo, Teichler, Wächtter, eds., 2006) and the editor of *The Future of the University. Translating Lisbon into Practice* (2006).

**Neil Kemp**

Neil Kemp has contributed to a wide range of education and training projects in over 20 countries. He has lived and worked in South and East Asia for 20 years, including eight years each in Indonesia and India. His career has involved several posts in the British Council: Country Director in Sri Lanka and Indonesia and in the UK as Director of Science and Technology and Director of Education UK Marketing. Currently Neil Kemp manages his own international education consultancy and his clients include a number of universities, the UK’s Departments for Education and Home Office, the British Council and Education UK Partnership; CIRIUS Denmark; the Swedish Institute; UK-India Education and Research Initiative; and Universities UK. His current professional interests include national and institutional policies relating to the internationalisation of higher education; the role of the independent sector in higher education, particularly in developing countries; and international student mobility.

Over recent years Neil Kemp has been a member of the UK government’s Education and Training Export Group, the Higher Level Steering Group for the Prime Minister’s Initiative on International Students, the Education UK Board and the UK New Route PhD Committee. He has a number of part-time posts including as a Board Member for the Association of Independent Higher Education Providers in the UK; as a Trustee of the Institute of Development Studies, University of Sussex; Director of Open University Worldwide; member of the International Boards at the University of Westminster and Sussex Downs College.

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Jan Sadlak holds an MA degree in economics from the Oskar Lange Economics, Academy in Wroclaw, Poland, and a PhD in educational administration from the University of Buffalo/SUNY, USA. He is a member of the governing boards and scientific councils of various organisations and editorial boards of the leading journals in the field of higher education and science policy. He received a number of high rank academic and national distinctions, including five honorary doctorates from prestigious universities in Romania, Russian Federation, and Ukraine. He is a Member Correspondent of the European Academy of Arts, Sciences and Humanities – Academia Europensis, Paris, and a Fellow of the World Academy of Art and Science, San Francisco, USA. He is an Honorary Senator of the University of Maribor, Slovenia. Jan Sadlak’s research interests and publications cover such topics as processes of reform and transformation in higher education and science policy, organisation of doctoral studies and qualifications, private higher education, “world-class university”, quality assurance and university ranking, ethical dimension of higher education and academic values.

Sir Peter Scott
Peter Scott is Vice-Chancellor of Kingston University and President of the Academic Cooperation Association. Prior to this he was Pro Vice-Chancellor for External Affairs at the University of Leeds, as well as a Professor of Education and the Director of the Centre for Policy Studies in Education. Before going to Leeds in 1992, he was for sixteen years Editor of the Times Higher Education Supplement.

Peter Scott was educated at the University of Oxford and at the University of California at Berkeley. He has honorary doctorates from the University of Bath, UMIST, the (former) Council for National Academic Awards, Anglia Polytechnic University and Grand Valley State University. He is also a Member of the Academia Europea and of the Academy of Learned Societies for the Social Sciences. In December 2006, Peter Scott was knighted in recognition of his contribution to higher education both in the UK and at the international level. His research interests are the governance and management of universities and colleges, non-standard access to higher education and the links between further and higher education. Among his publications are The Meanings of Mass Higher Education (1995), Governing Universities (1996), The Globalization of Higher Education (1998) and Higher Education Re-formed (2000), University Leadership: The Role of the Chief Executive (2000), Ten Years On: Higher Education in Central and Eastern Europe (2000) and Re-Thinking Science: Knowledge Production in an Age of Uncertainties (2001).

Catharine Stimpson
Born in Bellingham, Washington, educated at Bryn Mawr College, Cambridge University, and Columbia University, Catharine R. Stimpson is professor and Dean of the Graduate School of Arts and Science at New York Universi-
ty. From 1994 to 1997, she served as Director of the Fellows Program at the MacArthur Foundation in Chicago. Simultaneously, she was on leave from her position as University Professor at Rutgers, The State University of New Jersey-New Brunswick, where, from 1986-1992, she was also Dean of the Graduate School and Vice Provost for Graduate Education. Before that, she was also the first director of its Women's Center at Barnard College.

Currently the editor of a book series for the University of Chicago Press, she was previously the founding editor of *Signs: Journal of Women in Culture and Society* from 1974-80. Stimpson has written a novel, *Class Notes* (1979, 1980), edited seven books, written a column in *Change* magazine from 1992 to 1994 and has also published over 150 monographs, essays, stories, and reviews, as well as served as co-editor of the two-volume Library of America edition of the works of Gertrude Stein. Stimpson has lectured at approximately 360 institutions and events in the United States and abroad. Her public service has included the chairpersonships of the New York State Council for the Humanities, the National Council for Research on Women, and the *Ms. Magazine* Board of Scholars. She served as the President of the Association of Graduate Schools as well as the Modern Language Association. She is now a member of the board of directors of several educational and cultural organisations. Stimpson holds honorary degrees from 13 US and international universities. She has also won Fulbright and Rockefeller Humanities Fellowships.

**Ulrich Teichler**

Ulrich Teichler is professor at the International Centre for Higher Education Research (INCHER-Kassel) of the University of Kassel, Germany. He served as director of the Centre for 16 years. He was active as professor on part-time basis in Belgium, Japan and the US and spent extended periods of research in Japan and the Netherlands. His key areas of research are higher education and the world of work, international comparison of higher education systems, and international cooperation and mobility in higher education (among others major evaluation studies of Erasmus). Ulrich Teichler is the author of more than 1,000 academic publications.

Ulrich Teichler is a member of the International Academy of Education and the Academia Europaea, former chairman of the Consortium of Higher Education Researchers (CHER) as well as former president and honorary member of EAIR. He was awarded the Research Prize of CIEE (1997), the Comenius Prize of UNESCO (1998) and the doctor honoris causa of the University of Turku, Finland (2006).

**Bernd Wächter**

Bernd Wächter is the Director of the Academic Cooperation Association (ACA), a consortium of European and global agencies which support international co-operation in higher education. Bernd was born in Giessen (Ger-
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Bernd's career has been focused on international higher education. In his first post, at the University of Kassel (Germany), he devised international degree programmes in cooperation with universities abroad. He later joined the British Council, before becoming the Director of the international office of the Fachhochschule Darmstadt. Moving on to Germany's internationalisation agency DAAD, he became the head of this organisation's European section. He subsequently became Director of Higher Education in the Brussels Socrates Office, with overall responsibility for the Erasmus Programme in Europe. In 1998, he took up his present post as the director of ACA. Bernd has published widely on international matters in higher education, and he is a frequent speaker at European and international education conferences. He is the editor of the ACA Papers on International Cooperation in Higher Education. He also works, as an expert advisor, for many international organisations.
What is ACA?

Founded in 1993, the Academic Cooperation Association (ACA) is a not-for-profit pan-European network of major organisations responsible in their countries for the promotion of internationalisation in education and training. Current membership is comprised of 19 such organisations in 16 European countries, as well as associate members from North America and Australia. ACA’s secretariat is located in Brussels, Belgium, in easy reach of the European institutions.

ACA is active in the following fields

♦ The promotion of innovation and internationalisation in (higher) education and training;
♦ The enhancement of contacts, networking and cooperation between its members and third parties;
♦ The provision of fast and up-to-date information on important developments in the European institutions and international organisations via a monthly published e-newsletter, regularly held seminars and an annual conference;
♦ Research into and publications on internationalisation in education and training;
♦ The provision of know-how and expertise in the management of international cooperation projects and programmes;
♦ Contract work for third parties.

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2010 is an important date on the European calendar. It marks the first decade of advancement on the European Lisbon goals, i.e. making Europe a globally competitive knowledge-based economy – and in education policy terms, it is a significant benchmark for both the Education and Training 2010 agenda and the higher education reforms related to the Bologna Process. However, many of the goals of these processes will not be wholly accomplished across Europe by the established time-frame, despite the ambitions and efforts. What will be the hot issues in the next years, and what current challenges will persist well into the next decade? And where is European higher education heading? The articles of this volume attempt to provide a number of responses to these questions through scrutiny of themes that will not lose their centrality at the end of this decade: student mobility, alternative delivery of international education, funding of higher education, and the impact of labour market changes on higher education. The articles in this volume are based on concept papers or presentations prepared for the ACA Conference Beyond 2010, held in Tallinn in June 2008.