The Business of Cross-Border Education
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Outline of the presentation

• The scope of cross-border education
• The economics of cross-border education
• Opportunities and challenges
Main dimensions
(Robin Middlehurst)

• Types of provider and provision
• Delivery modes, media and location
• New curricula and content
• New qualifications and outcomes
Main forms of cross-border education

- Students abroad
- Branch campuses / franchise campuses
- Borderless E-learning
Number of foreign students (millions)
Origin of foreign students

- Asia: 53%
- Europe: 23%
- Africa: 12%
- Latin America and the Caribbean: 6%
- North America: 3%
- Oceania: 1%
- Not specified: 3%
Foreign students

- 22% of all foreign students in OECD countries from China, 5.8% from India
- Most popular destinations: USA, UK, Australia
- New attraction countries: China, Malaysia, India
Scholarship programs

- China and South Korea
- Saudi Arabia: 160,000
- Brazil: Sciences without Borders (100,000)
- Chile, Ecuador, Kazakhstan, Russia
Branch campuses

- How many? close to 200 in 2014
- Where? Asia, Gulf countries, Africa
  - Dubai Knowledge Village (no taxes, free infrastructure)
- Who?
  - Mainly US, Australia and UK
  - New players today: Malaysia, Turkey, China
LimKokWing University of Creative Technology

- Private university accredited in Malaysia
- Working in English
- Branch campuses in London, Lesotho, Botswana, Vietnam, China, Cambodia
Megatrend University

- Private university accredited in Serbia
- Working in English
- Branch campus in London
- Branch campus in Vienna (26,000 students)
E-learning

• Blended learning
• MOOCs
• Digital content
  • Digital libraries
  • Digital courses
• Open educational resources
E-learning

- Asia in the lead
  - 7 out of 10 fastest growing countries (Myanmar, Thailand, Malaysia, Vietnam, Indonesia, Nepal & Pakistan)
  - Also Slovakia, Ethiopia and Mozambique

- Africa: next high growth market
Largest online providers

- Cisco (1,000,000)
- U. of Phoenix (400,000)
- ChinaEdu (311,000)
- Korea National Open U (210,000)
The MOOCs

- Initially, US initiatives
  - EdEx (Harvard & MIT) reaching 2.5 million people (300,000 in India)
  - Coursera (former Yale President)
  - Udacity

- Veduca in Brazil, 3 million visitors, has raised 1.3 million $ since January 2014

- XuetangX in China
The MOOCs in Europe

- UK: Futurelearn
- Germany: iVersity
- Spain: UniMOOC
Forces at play

- Diminishing public budgets
- Globalization and growing international competition
- Unmet demand
  - First-time students
  - Adult students
  - Changing career students
Forces at play (II)

- New providers
  - Traditional moving abroad (Monash)
  - Traditional with blended & online (U of Maryland)
  - For-profit (Phoenix)

- High speed Internet (availability and price)
  - Digital Bangladesh Initiative (3G in all U)
Forces at play (III)

- English as international language (esp. in Asia)
- More favorable higher education laws
- National e-Learning Policy
  - Malaysia: one-third of all HE online by 2015
- Capacity building partnerships in countries wishing to expand private HE (Malaysia, Yemen)
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Economic dimensions

- Education as a major export sector
- Education as a big business
- Education as a public good
Economic contribution of foreign students

- Fees
- Accommodation
- Food, transport and other expenditures
- Related tourism (students & families)
Impact on UK economy (2011-12)

- Higher education sector represents 118 billion US$, 750,000 jobs, 2.8% of GDP

- Foreign students & international visitors
  - 17% of the total student population
  - 13 billion $
  - 64,000 jobs
Impact on US economy (2012-13)

- 820,000 foreign students contributed:
  - 24 billion US$
  - 313,000,000 jobs

- Benefits
  - Bridges between US and other countries
  - Bring global perspective into classroom & research labs
  - Support innovation through STEM classes
  - Cross-subsidize programs & services on US campuses
Impact on Canada (2010-11)

- 220,000 foreign students contributed:
  - 7.7 billion US$
  - 86,000 jobs

- 37% from China and South Korea

- Saudi students spend the equivalent of 44% of what the Kingdom imports from Canada on educational services in Canada
Impact on Australia (2012)

- 300,000 foreign students (29% of total student body) contribute:
  - 15 billion US$
  - 4th largest export
  - 95,000 jobs
  - valuable source of migration to address skills shortages
  - Fees represent 16% of university revenues
E-learning (2013)

- Self-paced E-Learning represents 42.7 billion US$ in 2013, 53 billion by 2018
- ASIA: 7.9 billion
- Africa: 355 million
“Education is the industry of the future”

- Paulo Guedes, chairman of Rio-based Bozano Investimentos.

- Invested $155 million in Brazilian education firms, earned three times as much in three years.
Big business

- Laureate
  - 4 billion US$ a year
  - 800,000 students at 75 institutions in 30 countries

- Whitney International University System: 400 million US$ revenue in 2013
Disruptive nature of the MOOCs

- $30,000 investment to reach 1 million students who don’t pay a cent

- HBX: Credential of Readiness Program: 3 9-week online courses to prepare liberal arts students for $1,500
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Opportunities

• Access for regular and non-traditional students

• Better quality / more relevant educational experience
  • “Best available”
  • Global professional
  • Global citizen
Case-Study on Erasmus Graduates

- Half as likely to face long-term unemployment
- Five years after graduation, 23% lower employment rate
- 44% more likely to hold managerial positions
- More mobile (40% working in other countries)
Case-Study on Erasmus Graduates (II)

- 10% who did Erasmus placement started own company
- One-third offered jobs in placement companies
- Not only employment advantages, also generic skills and attitudes (problem-solving, tolerance)
Collaborative research

- Sharing of facilities
- Capacity building
Online education

- Indian student: “I never imagined that I would be taught by MIT professors, let alone for free”
- MOOC with incentives for high-risk students
- Online discussion fora
Open Content

- Digital libraries
  - Pakistan and Madagascar
- Online journals
- Online educational resources
Risks and threats

- Commercial interests take precedence over educational priorities
  - Lower admission standards (UK, Australia)
- Hidden fees (when joint programs with other country universities – Sweden)
- No viable business model for MOOCs
Studies abroad

- Brain drain
- Fraud
  - Visa scandals (UK, Australia)
  - Fictitious degrees (Romania)
For-Profits

- Driven by short-term commercial interests
  - 200,000 $ a year on marketing
  - Recruiters paid based on number of new students

- Doubts about quality
  - High indebtedness in USA
  - U. del Valle in Mexico: 100,000 students, 5% full-time teachers
  - UDLA in Chile
Branch Campuses

- Cultural imperialism
- Loss of academic freedom
  - Singapore
  - China / Confucius Institutes
  - Gulf countries
- Unsustainable ventures
MOOCs

- “Neo-colonialism of the willing”
- Exacerbation of social inequalities
- Many start, few complete
- Recognition
- Sustainable income?
conclusion
CAN YOU TELL ME ABOUT MY FUTURE?

HMMM... I WOULD, BUT I CAN'T READ CHINESE!
The Rising Stars

- 3 out of top 4 in THE under 50 ranking are Asian institutions
looking back to the past
looking ahead to the future
Moving ahead

- Public good vs. commercial service
- Transparency in financial reporting and accounting
- International regulatory framework
International regulatory framework
(Dirk Van Damme)

- International registration of providers
- Effective arrangements for recognition of foreign qualifications and credit transferability
- International approach to quality assurance and accreditation
Competing in the learning society...
Competing in the learning society...
Competing in the learning society...
Competing in the learning society...
What is your vision of the benefits & dangers of cross-border education?