Student Mobility: Changing International Patterns

An Australian Perspective

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An overview of trends in student mobility…

- Sector distribution
- Key source regions and countries
- Mode of delivery
- Disciplines and level of study
- Institution performance
- Role of government policy
Snapshot of international education in Australia…

- Over 188,000 students
- More than quadrupled over the last decade
Snapshot of international education in Australia...

- AUD4.2 billion export industry for Australia
- Multi-sector approach, private sector involvement
- Growing importance of transnational education
- Dominance of Asia (83%)
- Emerging markets: Europe (8%) & Americas (5%)
- Dominance of business (49%) and IT (11%)
- Metropolitan universities dominate the market
Sector distribution...
Sector distribution:
Growing relative importance of higher education…
Sector distribution:
Consistent performance of public universities

DEST 2002, annual growth in total international higher education students
Sector distribution:
Strong relative performance of the private VET sector

DEST 2002, total number of international vocational students
Looking forward…

• What has been driving the relative strong performance in higher education? Will it continue?
• To what extent is demand for English and vocational derived from demand for higher education?
• Will our current definitions of ‘sectors’ be applicable to study mobility in the future?
• To what extent will the corporate sector drive changes in student mobility of the future?
Source regions...
Source regions:
Asia dominates Australia’s source markets...

DEST 2002, total international students (all sectors)
Source regions:
Increasing importance of Europe and Americas...

DEST 2002, total international students (all sectors, all regions excluding Asia)
Source regions:
America and Europe are key growth drivers…

DEST 2002, total international students (all sectors)
Source regions:
Re-emergence of China as a key source market...

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Looking forward…

- Will the dominance of Asia as Australia’s major source region continue in the future?

- Some key outcomes of *Global Student Mobility 2025*
  - Demand will increase 9-fold to almost 1 million
  - Over 90% will come from Asia
  - Europe and USA will represent 3% each
  - Fundamental shift in demand composition

Bohm, Davis, Meares and Pearce (2002), Global Student Mobility 2025
Key source countries
Key source countries
Dominance of small number of countries…

DEST 2002, total international students (all sectors)
Key source countries
Top 5 source markets share of total market

DEST 2002, top 5 source markets (all sectors) as a proportion of total int’l students
Key source countries:
Small number of key growth drivers…

Key source countries:
Limited diversity in emerging regions (higher education)

- Norway
- Sweden
- Germany
- United Kingdom
- France
- Other Europe

DEST 2002, international higher education students from Europe in 2000
Key source countries:
Limited diversity in emerging regions (English language)

- Switzerland
- France
- Russian Federation
- Poland
- Germany
- Czech and Slovak Republics
- Other Europe
- Switzerland

DEST 2002, English language students from Europe in 2000
Looking forward…

- Will a small number of countries continue to drive student mobility in the future?
- Some key outcomes of *Global Student Mobility 2025*
  - Top 4 Asian countries = 62% of demand
  - All top ten source countries will be Asian
  - Globally, new markets will emerge

Bohm, Davis, Meares and Pearce (2002), Global Student Mobility 2025
Changing mode of delivery…
Changing mode of delivery: Emergence of transnational education…

IDP 2002, higher education students only
Changing mode of delivery:
Growing proportion of transnational students...

DEST 2002 and IDP 2002, % of total international higher education students in transnational programs
Transnational education:
Dominance of a small number of markets

DEST 2002, share of total offshore higher education students

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Transnational education:
Growing importance of China…

IDP 2002, offshore higher education students from China
Transnational education:
Relative growth rates – onshore vs transnational

China Hong Kong Malaysia Singapore Japan

Onshore (S1, 2001-S1,2002)
Transnational (S1,2001-S1,2002)

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Looking forward…

Transnational education has the ability to completely transform the nature of ‘global student mobility’

• Will the trend continue?
• Will we see greater diversification?
• Are transnational programs a substitute for local higher education?
• Are transnational programs a substitute for an international study experience?

To answer these questions, we need to understand the decision drivers for international students…
Looking forward…
Forecasts of the demand for transnational programs

Bohm, Davis, Meares and Pearce (2002), Global Student Mobility 2025
Looking forward…

Some key outcomes of *Global Student Mobility 2025*

- Top 10 countries represent 97% of demand
- China and Malaysia will represent 68% alone
- Top 8 countries are Asian
- Argument against cannibalisation
Disciplines...
Demand for disciplines:
Dominance of business in higher education…

DEST 2002, higher education students only

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Demand for disciplines…
Stable dominance of business in higher education…

DEST 2002, proportion of total international higher education students
Demand for disciplines…
Business also dominates vocational education…

Business & Economics: 58%
Arts & Social Sciences: 8%
Science: 21%
Agriculture: 1%
Health: 3%
Engineering: 2%
Education: 1%
Other Courses: 6%

DEST 2002, international vocational students in 2000
Looking forward…

Regional variations in higher education:

- Asia: Trend towards IT
- Americas: Non-award (study abroad, exchange)
- Europe: Greater diversity (arts, science, health)

International labour markets will drive demand

- Business will continue to dominate
- New demand areas emerging in high-value services
- Just-in-time education, skills and competencies
- Increased role of the private sector
High growth wages in key sectors

Average monthly wages in OECD countries (index)
Level of study...
Changing levels of study
Declining proportion of undergraduate students...

DEST 2002, undergraduate students as a % of total international higher education
Changing levels of study
Growing proportion of postgraduate coursework students…

DEST 2002, study level as a % of total international higher education students
Looking forward…

- Relative low % of PG relative to USA and UK
- Will demand for undergraduate education be met through transnational education?
- Will onshore education focus on postgraduate education?
Institution performance...
Institution performance in international education
Proportion of international students in universities

DEST 2002, total international higher education students as a % of total students

Total Average: 9.4%
Institution performance in international education
Onshore as a proportion of domestic students

Total Average: 8%

DEST 2002, onshore higher education students as a % of total domestic students
Institution performance in international education
Onshore as a proportion of domestic students

DEST 2002, onshore higher education students as a % of total domestic students

Total Average: 8%
Institution performance in international education
Offshore as a proportion of domestic students

Total Average: 4%

DEST 2002, offshore higher education students as a % of total domestic students
Institution performance in international education
Offshore as a proportion of domestic students

Total Average: 4%

DEST 2002, offshore higher education students as a % of total domestic students
Institution performance in international education
Share of onshore higher education students

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Institution performance in international education
Share of transnational higher education students

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Institution performance in international education
Top ten providers of transnational education

DEST 2002, top ten providers of transnational as a % of total transnational students
Institution performance in international education
Regional universities growing reliance on transnational

DEST 2002, number of students
Institution performance in international education
Go8 universities have an onshore focus

DEST 2002, number of students

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Looking forward…

The critical questions are:

- Why do a small number of institutions have such a large share of international students?
- What institution characteristics attract international students? Location? Quality? Price? How will these factors change in the future?
- How important is ‘product’? How important is ‘marketing’ the product?
Role of government policy...
The changing role of government policy in student mobility…

- Late-1980s: Demand Generator
  - Realising the export potential
- Early 1990s: Limiting Supply
  - First links to immigration
  - Impact on diplomatic and economic relations
- Late 1990s: Ensuring Quality
  - Consumer protection
  - Fostering diversity through new markets
- 2000 and beyond: Where to from here?
  - Understanding the holistic benefits…

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Phenomenal increase in global demand