Cross Party Group on Wales International

International student recruitment in Higher Education
3 December 2020

Attendees
Rhun ap Iorwerth AM (Chair)

Dai Lloyd, Member of the Senedd

Mia Rees, Welsh Assembly
Heledd Roberts, Welsh Assembly
Ioan Bellin, Welsh Assembly
Ryland Doyle, Welsh Assembly

Phil Stephens, Cardiff University
Sian Impey, Swansea University
Lee Bartlett, University of Wales Trinity St David
Omer Rana, Cardiff University
Siobhan Robinson, Cardiff University
Giles Jacobs, Aberystwyth University
Iwan Davies, Bangor University
Donal O'Connor, University of South Wales
Gwen Williams, Universities Wales
Aulay Mackenzie, Wrexham Glyndwr University
Leigh Robinson, Cardiff Metropolitan University
Rhiannon Hughes, Wicked Wales
Rob Humphreys, British Council Advisory Committee
Matt Durnin, British Council
Pia Fernanda Villanueva Guzman, British Council

Jenny Scott, Director, British Council Wales
Dr Walter Ariel Brooks, British Council Wales
Alison Cummins, British Council Wales
Lyndsey Halliday, British Council Wales
Rosa Bickerton, British Council Wales (minutes)

1. Welcome from the Chair

The Chair welcomed the group.

2. AGM

Rhun ap Iorwerth was duly elected as Chair and the British Council Wales agreed as the secretariat.

3. Presentation by Matt Durnin, Head of Insight and Consultancy, British Council on recent trends in global student recruitment for UK higher education institutions.

Matt notes the tremendous rise in outbound study from China in the last fifteen years of sustained double-digit annual growth. He stated there was a lack of relevant or similar data to compare too, but the British Council have based forecasting models of what we might expect to see happening in China on Japan, a market which had a similar situation of rapid high growth.

Matt stated that according to forecasting, outbound study from China will reach a peak by 2022/23 and then decline after that, driven by slowing economic growth, decreasing youth population and steady improvement in the domestic Chinese market. Growth may well continue due to the social value of studying abroad, and the model cannot capture everything.

China is, and will remain, the most important international recruitment market for some time, it is considerably larger than any of the other top 10 recruitment markets for the UK.

In terms of English-speaking study destinations that we are competing with, it is the USA and Australia who are our largest competitors, but recruitment from China to the USA is dropping.

Where is the next China? Matt states there isn't one. The growing middle class, high level of basic education and rapid pace of growth is not something we'll see repeated elsewhere in the world at this scale. Other markets identified are much smaller and developing more gradually by comparison however there should be opportunities with India, Indonesia and Nigeria. The global middle class, which is driving the trend for outbound study, and this indicator is used to predict what future opportunities there will be in other countries.

Matt referred to the survey work the British Council has been doing on Covid-19 impacting study plans. In China, there is continued high levels of uncertainty with regards to travel, much larger in China than other countries. India for example has higher intentions to keep study plans in place. The core issue for Chinese students is not visas or cost, its health concerns. Vietnam is similar in these concerns. There are also issues with isolated racist attacks against people of Asian backgrounds reported, which is impacting parents and student's decision making. Visa applicants for Q3 are low, but to be expected.

Looking ahead to autumn 2021, there is a lack of data available yet, but its looking like students will make the decision to study abroad much later than in previous years.

Matt shared slides on transnational education (TNE) in China, which is the overseas delivery of UK institution programmes, whether that's through branch campus or a joint programme. China has become the largest market for TNE. The UK was recently overtaken by the USA for the largest market share in delivering these programmes.

A slow-down started in 2014, due to a strict regulatory environment making it harder for programmes to be approved in China and the low value-for-money index as tuition fees for these programmes are relatively low whilst still being staff resource intensive, especially as China is capping tuition fees and mandating that these courses are taught in-country leading to a lack of mobility. British Council has a new paper out with UKI on mobility through partnerships, Matt highlighted that this is an important issue for Wales as more students come into Wales through these transnational partnership degrees than they do through a standard degree. However, many students from China and Malaysia do still come through these pathways.

https://www.britishcouncil.org/education/ihe/knowledge-centre/transnational-education/tne-routes-uk-he

4. Presentation by Professor Iwan Davies, Vice-Chancellor Bangor University and Chair of Global Wales (a partnership between British Council, Welsh Universities, Welsh Government and HEFCW).

Iwan stated that it is mission critical for the sector in Wales to heal their balance sheets and get back to a pre-Covid state, engaging a V type recovery. Wales must ensure that we reflect the geopolitical challenges of dealing with China and deliver the correct messaging to align with the opportunities and dangers of how UKs response to Covid is received.

Wales will have 27 new markets as of January as the UK exits the EU and must maintain that link in a way which demonstrates the special relationship. Wales as a study destination must also appeal to rest-of-UK students and this should be reflected in the Study Wales brand.

Overseas students contribute £500million pounds to the Welsh economy, 4% of GDP and twice that of agriculture. The UK has lost market share in 17 of the 21 key international markets. Pre-Covid the UK issued its Higher Education International Strategy, the ambition is clearly stated to grow the value of overseas students UK wide from £21Bn to £25Bn. Increasing the number of international students from 470,000 to 600,000. The UK will be issuing a new strategy in a matter of weeks and it is critical that the Welsh Government ensures the sector in Wales is part of that process.

Iwan noted that one of the key dividends of devolution has been the ability of the Welsh sector to work collegiately in a way that others in England cannot, and we must see the Welsh sector as not simply engaging in international activity as individual universities but aligning with priority countries.

UK International Education Strategy March 2019:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/799349/International_Education_Strategy_Accessible.pdf

Iwan mentioned the MOU that was recently signed by Welsh Government, Global Wales and the British Council with the Indian state of Telangana. Iwan stated that bilateral approaches like this is not simply a student export deal, its engaging on a system-to-system approach as governments want to work collaboratively to plug skills deficits, collaborate on research, encourage mobility.

The Global Wales initiative allows Welsh Government to work at the heart of universities, the British Council and our regulator HEFCW allowing a genuinely holistic approach that widely benefits all.

Iwan posits that we should be developing Wales' own scholarships and mobility programmes– as a tool to Welsh soft power.

He states that we need to nurture our own priority countries and regional networks – including Celtic and Basque countries, our networks developed through Wales for Africa, our diaspora networks.

Working collaboratively, *pontio,* is key to this. Working with DIT, FCDO and the UK government is key, but we must forge our own identity within the Global Wales network.

5. Comments from around the table

- Jenny Scott asked Matt Durnin about what the challenges are to future markets?

  Matt responded that all future markets will not follow the same steep trajectory of growth in recruitment and TNE that China showed. He mentioned Nigeria which was growing strongly with a large UK market share until the commodities crash, since then the UK market share has decreased with other English-speaking countries outperforming us – showing that competitors were doing something right that the UK wasn't. Indonesia is an interesting long-term market, but economic development is not there for large scale outbound study and Australia is much stronger there as a competitor.

- Rhun ap Iorwerth asked that we're seeing that the market for international education is much smaller in India and Indonesia than China due to a smaller middle/upper income demographic. There is not the market bulk that countries like the USA or UK look for. Does this mean there is an opportunity for Wales to focus resources on these countries as we might get cut through and we need fewer numbers to make a difference?

  Matt responded that looking for niche opportunities is a very suitable strategy for Wales. Once we get outside of China, India and the US resources will be spread very thin, so Wales could focus on investing and building their brand in a few countries as they develop.

  Iwan responded that Wales has a competitive advantage by using platforms which are collectively developed, and resources shared through our Global Wales platform. Iwan says that Wales' collective approach (via Global Wales) ensures that we can provide a 'one-stop shop' and meet demand for countries who are looking for specific skills areas, research areas etc. Iwan mentioned there may be a need to partner with private companies, Pearson, Future Learn, Cambridge University Press – who have significant digital assets that we can look to utilize.

  Matt supported Iwans statement that working in consortia is very wise, spreads out the risk. In the markets where the UK has historically low market share, they have seen this collective approach work well. i.e. success in South America came from UK universities working together, doing fairs together, student engagement together.

- In the content of Covid-19, does Iwan feel that we will get the V-shaped recovery that we need?

  Iwan stated that we have a number of students studying off-shore at the moment – so students are not required to be in-country until late in the year. The statistics that Matt showed a 60% drop in international student visas which is worrying. Iwan states that this is not just a Covid issue, before Covid the UK was 17 down out of the 21 key international markets. Wales has an opportunity to be very welcoming and be attractive that way.

- Will a one-year period of upheaval lead to long-term changes?

  Iwan referred to Matts presentation and said that a significant percentage of our international students come from partnerships – he see's this as a strength not a weakness and the English situation is more vulnerable as Wales is less beholden to agents and has developed relationships with international institutions. We need to reach out to our friends and develop our offer with mobilities, scholarships and more.

Matt stated that managing student experience is difficult, online resources have admirably been rolled out quickly this year. The reality is that the online experience is not what international students are coming for. The British Council is enquiring about students' perceptions of online studying the constantly, there's a lot of fatigue around that. We've raised the bar of online education, it's more accepted now but its not a replacement for an immersive international experience. We have a large number of students off-shore at the moment and we don't know how long we can keep them with online-only learning. Matt states that life on the ground in East Asia has gone back to normal there, so we are lagging in the UK and therefore staying home and studying in domestic institutions is becoming much more appealing. Offering networking experiences with other students or finding other ways of engaging with offshore students is key if were going to keep them.

- Gwen Williams asked Matt whether there has been research into perceptions of the UK as a study destination in EU markets?

  Matt stated that British Council is conducting research on this, with results shared next month. DFE have research on this, which has been delayed in publishing. Matt thinks the big issues in this area is not fees but access to student loans.

  Iwan stated that we have a better relationship with more western EU states; France and Germany but need to develop relationships with other states and perhaps this can we done via Welsh Government offices in those countries. Higher Education is an important part of the new trading regime in Europe, both for the UK and Welsh engagement with Europe. Mobility programmes such as Global Wales Discover also provide the opportunity for Welsh universities to build and further develop partnerships in key countries.

- How much scope is there for Wales to increase its share of students coming here?

  Matt said within partnership based TNE's there is a difference between full partnership and joint credit degrees. Joint credit degrees offer an easier way into TNE, less time and investment required for the partnership. The timeline for full TNEs developing is around ten years – so its hard to see the fruits, lots of them are not so far showing full cost recovery. We need to decide what sort of TNEs we're going to invest in, and how we do partnerships.

6. Closing remarks from Chair

Rhun stated that we will sum up themes and the ideas floated in a letter to First Minister, who now looks after international, and the Education Minister.

Rhun stated that MS's are aware of the issues currently facing Higher Education institutions in Wales caused by the pandemic, and where there are negative trends on a UK level we need to look at where Wales, as a small nimble country, can find opportunity.