

The Bologna process and the UK's international student market

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Introduction

1. This paper draws together several studies in order to consider the implication of the Bologna Process and the resultant reforms in other European higher education systems for the future of the UK as a destination for international students.

2. The UK already had in place action proposed by the Bologna accord in establishing a European Higher Education Area – for example a two cycle qualifications system (Bachelors and Masters), initiatives to promote lifelong learning, and the inclusion of students on governing bodies. Indeed, UK higher education institutions (HEIs) had also engaged in other far reaching reforms concerned with funding, accountability, autonomy, competition and corporate management. As a result, UK HEIs did not generally need to reform to meet the action required by the Bologna accord. However, in the highly politicised EHEA, this lack of Bologna inspired reform has been perceived in some quarters as a spirit of aloofness. This perception is largely unfair: in many respects the UK has been an active and influential participant in European higher education reform, and the creation of the Europe Unit by the representative and funding bodies remains unique in Europe. But the extent that this perception exists – and it does to some extent – it needs to be managed carefully in order to maintain the UK as an influential EHEA member.

The Sorbonne and Bologna agreements

3. In 1998, higher education ministers from France, Germany, Italy and England, meeting at the Sorbonne, signed the Sorbonne Agreement providing for a common set of qualifications in their four countries, based on the Bachelors and Masters qualifications already offered in the UK, and recognised widely throughout the world.

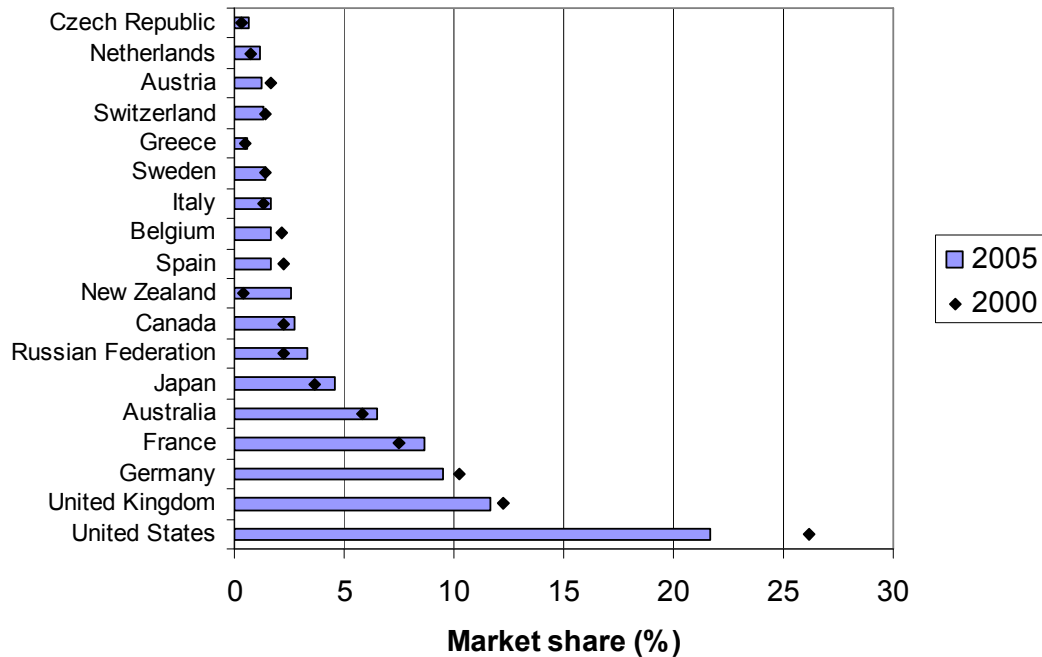
4. This agreement was followed in 1999 by the Bologna Agreement signed by higher education ministers from 29 European countries. This provided for a 10 year plan to introduce the two cycle Bachelors (minimum 3 years) and Masters (no specified length) programmes throughout the 29 countries. The pace at which these agreements were signed reflected a strong view throughout Europe that a reform of higher education qualifications was urgently needed.

5. The wider reforms in the UK have led to exceptional achievements, as demonstrated by having 40 per cent of those universities in the Bologna area that appear in the world's top 200. Spurred on by the Bologna Agreement, wider reforms are now being pursued in continental Europe as well, although progress so far has been relatively slow.

The international student market

6. Figure 1 below illustrates the recent level of international students recruited by different countries. The UK has remained second only to the USA in attracting international students. Germany and the USA have fallen back in relative terms while Australia, France, Japan, and New Zealand have expanded – France through its traditional market in French speaking Africa but also through China (some 10,000 students for whom it offers first year teaching in English), Japan through its traditional markets in Eastern Asia, and New Zealand where numbers increased from 8,000 in 2000 to 69,000 in 2005, with nearly half the increase from China. Apart from Switzerland, the UK has the highest percentage of foreign students taking advanced research programmes.

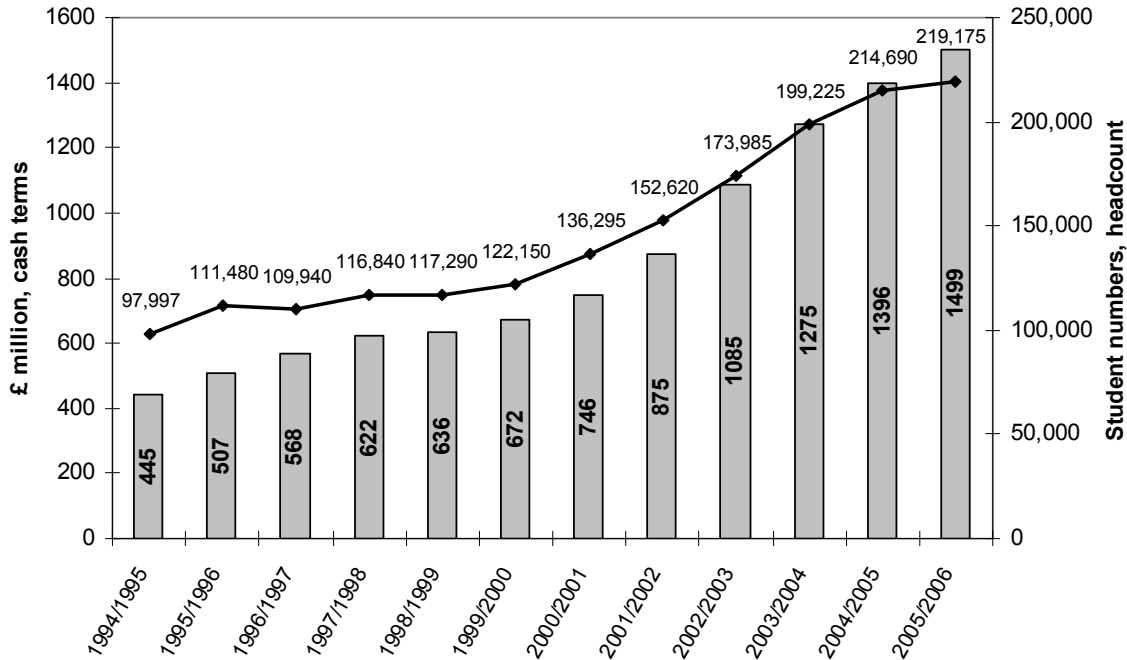
Figure 1: International student market shares



Source: OECD, Education at a Glance 2007

7. The number of international students (excluding EU)¹ at UK universities has grown sharply over the last decade as has the income received:

Figure 2: Growth in international student numbers and income



Source: HESA, Resources of Higher Education Institutions 2005-06, Tables 1b and 6 (UUK analysis). Students from European Economic Area countries are excluded.

8. Provisional figures for the UK show that the number of international students enrolled in 2006-07 increased by 6 per cent (7 per cent in non-EU countries) and the indications are that enrolments in 2007-08 have increased by a further 6 per cent. It needs to be noted that although numbers have increased sharply, this is because the overall market size has increased. Our market share has declined from 16 per cent since 1998, but in the last few years has remained static at around 12 per cent.²

Future trends in the international market

9. In 2004 a British Council report (Vision 2020) concluded that as a result of world-wide demographic trends and an increasing proportion of young people gaining qualifications suitable for entry to higher education, there was likely to be a 6 per cent annual growth in international demand for

¹ Students from the European Union pay the same fees as UK students – up to £3,145 for 2008 entry – with subsidised loans and bursaries available.

² Source: OECD. Year-on-year comparison is difficult owing to a change in their methodology. The exact figures are 1998: 16.2 per cent, 2000: 12.3 per cent, 2003: 13.5 per cent, 2005: 11.7 per cent, of which 1998/2003 use one measure and 2000/2005 use a more precise definition excluding some students who would previously have been counted. However, as this change applied to all countries, it should not greatly affect the market share comparisons.

places in UK universities. However, demographic trends for young people in the European Union are sharply downwards (by as much as 10 per cent by 2019). Given the substantial numbers from the EU choosing to study in the UK, this suggests an annual growth of just under 5 per cent in the demand for places in the UK by international (including EU) students.

10. The main features of the UK's success in recruiting international students have been teaching in English, the relatively short first and second degree courses, effective marketing by individual universities, and the perceived high quality for teaching and research, resulting in high completion rates and a good graduate employment record. All this has been achieved in part through significant numbers of international faculty members (20 per cent overall) and a high rate of return for students in terms of salary levels.

11. In the medium term, it can be expected that less developed countries will increasingly provide for their undergraduates in their home universities. There will continue to be students who see advantages in studying abroad but the emphasis may become concentrated on postgraduate courses and research. In addition, undergraduate degrees started for the first two years in another country and completed in a country away from home may become more popular. UK universities have already embraced these developments. Some have established a campus overseas while others have set up partnerships, in part to ensure articulation between courses started in one country and completed in the UK.

12. UK universities are well placed to respond to further developments of this kind given their autonomy and flexibility. On the other hand, universities in other countries are seeking to increase their recruitment of international students, sometimes as a matter of national foreign policy. The main threats to the UK's market position are considered below.

Future concerns for the UK

Premium price

13. UK higher education is marketed as a premium product for a premium price. A European HE perception study by the Academic Co-operation Association (ACA) in 2005 has demonstrated that the premium price element is increasingly becoming an important decision making factor for mobile students when choosing a destination away from home. But it has not hitherto been an overriding factor for international students as can be seen by comparing the table of international students in individual countries above with the following fees charged:

Table 3: Fees charged by sample universities in selected countries

Country	University	Course	Fee in local currency	Fee in US dollars
Australia	University of Sydney	Business and management	AUD 21,840	18,383
		Mechanical engineering	AUD 23,952	20,164
		Philosophy	AUD 19,248	16,204
Canada	Laval University	Business and management	CAD 10,966.20	10,634
		Mechanical engineering	CAD 12,226.20	11,852
		Philosophy	CAD 12,226.20	11,852
China	Shanghai Jiaotong University	One fee for all undergraduate programmes, regardless of subject	CNY 24,800	3,300
France	University of Paris (Sorbonne Paris IV)	One fee for all undergraduate programmes, regardless of subject	EUR 169.57	235
Germany	University of Heidelberg	International students may be subject to long-term tuition fees according to official legislation on university tuition in the state of Baden-Württemberg	n/a	n/a
Japan	University of Tokyo	One fee for all undergraduate programmes, regardless of subject	JPY 535,800	4,852
Malaysia	University of Malaya	Business and management	MYR 5,933	1,704
		Mechanical engineering	MYR 5,100	1,464
		Philosophy	MYR 5,766	1,658
New Zealand	University of Otago	Business and management	NZD 17,000	12,120
		Mechanical engineering	NZD 19,200	13,687
		Philosophy	NZD 15,500	11,050
Singapore	National University of Singapore	Business and management	SGD 6,720 (with tuition grant)	4,445
		Mechanical engineering	SGD 6,720 (with tuition grant)	4,445
		Philosophy	SGD 6,720 (with tuition grant)	4,445
UK	University of Oxford	Business and management	GBP 10,775	21,653
		Mechanical engineering	GBP 12,315	24,748
		Philosophy	GBP 10,775	21,646
USA	Harvard University	One fee for all undergraduate programmes, regardless of subject	USD 31,456	31,456

Source: International Student Mobility: Patterns and Trends - The Observatory on Borderless Education (OBHE) Line Verbik and Veronica Lasanowski September 2007

14. Although exceptional in UK terms in its ability to command among the highest fees, OBHE selected Oxford for this comparison as an example of an elite university in the UK, comparable to the others in their respective countries shown in the table. It is on the face of it quite remarkable that those countries that are the most expensive should have the most success in recruiting overseas students. The reasons for that are beyond the scope of this study, but undoubtedly result from perceptions of the value of degrees from these countries, which in turn have ultimately to do with the fact that

these are native English-speaking countries, but also are the ones that have gone furthest in reforming their HE systems.

15. As the authors point out, the lack of significant fees in some countries may stand in the way of developing a marketing strategy of the kind which has been so successful in the US, UK, and Australia, but also may in the medium to long term limit their ability to provide sufficient funding for high quality provision.

16. Although fees are an important factor in the decisions of potential students, it is the total cost of study and living costs which is the more relevant, and these are shown below:

Table 4: The total cost of a degree (in US\$), including tuition, living costs and other expenses

	PhD	Masters	Bachelors
USA Private	116,902	81,501	161,257
United Kingdom	95,306	53,257	93,382
USA Public	80,621	79,613	82,986
Japan	94,824	41,756	76,885
Australia	81,132	45,131	67,789
Germany	59,507	31,632	66,623
Malaysia	19,929	14,428	36,014

Source: Australian Education International, 2006

17. It is notable that although the UK remains more expensive than most other countries the differential reduces considerably when the total cost of a degree is considered. That is not because living costs are cheaper in the UK than in other countries – they are not. Rather it is because of the short degrees in this country. The path to a PhD is generally one year shorter than in most other systems. So to the extent that price is important – and it undoubtedly is to some extent – then it is extremely important to the UK to be able to continue to offer and attract students to its relatively short programmes. And there is some indication that other countries³ are beginning to introduce fees for overseas students. As this happens, then price comparisons will swing back in the UK's favour.

Teaching in English

18. Teaching in English is now practised widely in other countries. A recent OECD analysis showed that in countries as diverse as France, Sweden and Turkey an increasing number of programmes are provided in English.⁴

19. While it remains the case that the UK has the advantage, with some others, of having English as its native language, it is quite possible that the advantage of native English speakers may be exaggerated. A survey by i-

³ Denmark has just announced full-cost fees for international students, and there are signs that some of the Länder in Germany will also introduce fees.

⁴ See OECD Education at a Glance 2007, box C3.2.

Graduate⁵ revealed that students were more satisfied with the English language proficiency of teachers in the Netherlands than they were in the UK. As instruction in English becomes more common in other countries, this advantage will reduce – but it will not disappear: there can be no substitute for living in an English-speaking country, whatever the language of instruction.

Quality of teaching and research

20. The quality of teaching in UK universities together with assurance arrangements by an independent Quality Assurance Agency in the UK are highly regarded in other countries. There are, however, concerns about the shorter courses offered in the UK, as compared with continental Europe, and this is discussed below. There is also concern about the relatively low amount of teaching provided and private study required in many courses in UK universities. This has been highlighted in previous reports by HEPI and others⁶. On the other hand, the authors of the HEPI report emphasised that it would be simplistic to draw any conclusions about quality simply from the number of hours of teaching or study, though there is also no doubt that such things are important to students, and there is a danger that English degrees will be seen as 'study light'. However, this has not yet occurred, and international surveys (for example by i-Graduate⁷) indicate that UK universities have a good reputation for high quality, and for offering a worthwhile investment. Indeed, it is this that enables our universities to continue to recruit international students in such numbers.

Short degrees

21. In any evaluation of the UK's unique selling points, our relatively short degrees have generally been seen as an advantage – enabling students to achieve their qualifications in less time than others. However there are worrying signs that this feature may work against us in future – certainly there are those of our competitors who seek to achieve this. This is important, and is discussed further below.

Bologna compliance

22. The ACA report referred to above concluded that the European brand, to the extent that it existed, was regarded as fragmented, though there were favourable perceptions of Bologna reforms. However, the emergent reform measures in Europe (Bachelor-Master system, credit system to facilitate recognition, innovative study models such as joint Masters programmes in two different European countries) were seen positively, although were not yet

⁵ i-graduate International Student Barometer April 2008

⁶ The Academic Experience of Students in English Universities: HEPI September 2007. Also, Allen, J., Coenen, J., Kaiser, F. & Weert, E. de (2007) WO-Monitor 2004 en 2005: VSNU-kengetallen, Analyse en Interpretatie, The Hague: VSNU

⁷ i-graduate International Student Barometer April 2008

a key factor in determining the attractiveness of European higher education. Nevertheless, if the Bologna brand were to become well-established, and if the UK was seen not to be 'Bologna-compliant' – and there are undoubtedly a number of our competitors who would like to create this impression – then that could damage the UK's attractiveness to international students. That is one reason why perceptions of aloofness from the Bologna process – however unfair – could damage UK universities in the long term.

Funding considerations

23. UK universities receive on average 8 per cent of their total income from international students. This income is as important as, for example, the funding they receive from the Funding Councils for research – and there are 10 institutions with twice this level of dependence on international fee income. This income is also important to universities because there are no conditions on the way in which it is applied. Moreover, the sector's earnings from this source are several times more than the surplus recorded in institutional accounts. If the anticipated continuing demand from international students outside the EU materialises, then there is a reasonable likelihood of maintaining at least present levels of income. There is no reason at present to believe that demand will decline but the impact on fee income of a substantial decline would be serious.

24. Within Europe, it is the recruitment of home students within each country which may be more problematical. Across much of Europe, demographic trends for young people are likely to mean a reduction of some 10 per cent over the next 10 years in the number of young people. Given existing high levels of participation, this will impact adversely on the numbers applying for university places. Demographic trends are of the same magnitude in Scotland and Northern Ireland. In England however immigration means that the reduction will be nearer 6 per cent and universities will be better placed to manage the change.

25. The domestic demographic trends in Europe are likely to lead to increased competition for international students as other European universities strive increasingly hard to increase their international student numbers to replace declining domestic numbers, and to put pressure on the UK's share of the market.

Bologna and the one year UK masters course

26. The one year Masters degree is the main point of divergence of the UK HE model from the majority of other European systems. UK qualifications (three or four years for Bachelors and one or two for Masters) undoubtedly meet the requirements set by the Bologna agreement – which are sufficiently flexible to allow for innovation by individual universities. But whereas the majority of UK undergraduates who wish to undertake second cycle study do so through a twelve month Masters degree, the majority of EHEA members

have adopted a two year Masters with a strong emphasis on research. It needs to be emphasised that while it is true that 3-2-3 years for the 3 cycles leading to a PhD is the pattern chosen by most other European countries, the Bologna agreement does not require or even commend this, as is sometimes claimed⁸. The Agreement does not specify a minimum length for Masters courses, and indeed some Masters courses elsewhere in Europe are for one year or 18 months and by contrast, many UK masters especially research Masters programmes are two years long⁹.

27. The UK position has long been that the UK has the capacity to deliver second cycle (Masters level) qualifications with the requisite learning outcomes in a twelve month period that take longer in other countries. The content and length of academic programmes is set by individual universities rather than by the State, and in contrast to the position in many other European countries, students wishing to take a Masters degree following completion of a Bachelors are required to apply and be selected. Taught courses are designed to provide a student with more specialised knowledge, usually in the area of study at Bachelors level, and they are very popular with UK and international students¹⁰. Teaching is usually intense – 9am to 6pm in many cases. Many courses are available in both full-time and part-time modes and some may also be followed through distance or flexible learning. The programmes usually require a dissertation, and vary in emphasis: some provide essential training leading to research; others offer career-specific preparation. These latter are intended to enhance a student's immediate employment prospects. Outstanding students may be offered the opportunity to take a PhD. This autonomy and diversity are in contrast to many of the new Masters programmes in other European systems, which are heavily research focused. But this diversity and flexibility has a price and can lead to confusion, with very different qualifications carrying the same name. Moreover, this, coupled with the emphasis on learning outcomes, can lead to concerns about comparability. The dilemma is encapsulated in the following extract from the University of Warwick's website:

"Some people think that there's no way you can get a full Masters degree only four years after you leave school, because they know it takes at least five years, while we say the length of time doesn't matter, just look at what they can do."

28. The challenge for the UK system is to identify objective and meaningful measures, widely accepted, of what students can do at the end of a programme of study.

⁸ For example in the January 2008 report from the Royal Society 'A higher degree of concern'.

⁹ Wendy Davies, "Mastering Diversity", a report produced for the Europe Unit at Universities UK. See also the results of a Europe Unit survey that found 22 per cent of UK Masters courses in some subjects are two years long.

¹⁰ See Table 3 of the full report, available at www.hepi.ac.uk.

29. This divergence of approach between the majority of European systems and the UK has recently been highlighted by the Norwegian quality assurance agency, NOKUT, which published a paper entitled 'A comparison of master degrees in Norway and the UK, with a focus on recognition' (NOKUT 2006). This paper reanimates, at the end of 2006, the debate surrounding UK deviation from the majority of European systems that was widely held in 2004. The paper took and reflected evidence and input from UK as well as Norwegian bodies and reflects the differing opinions of various administrations. The paper was circulated widely within European fora and indeed was funded by the European Commission DG Education and Training. Though it is important to recognise that the study did not, on the whole, compare like with like and was largely disregarded by the UK partners of the study, the paper did reflect the sentiments of a number of administrations in the EHEA and needs to be taken seriously.

30. As a point of departure, the paper noted that UK Masters degrees, with the exception of the MPhil, are not granted general recognition in Norway and compared the standard UK 3+1 system with the Norwegian 3+2 system. The paper noted that a primary driver for the creation of the 3+2 system in Norway was to comply with the Bologna Process. It explicitly recognised that the UK case for comparability was based on learning outcomes for Masters courses, but on the other hand its decision not to recognise a one year Masters degree for the purposes of entitlement to pursue a PhD in Norway disregarded this, and was based only on the length of the course. This seems to be at the heart of much of the objection to the UK's one year Masters courses: they are being judged inappropriately as preparation for a PhD, which is how the new Masters qualifications are often seen in other countries that have newly introduced these, and is generally not their purpose in the UK.

31. Such objections pose a real danger, even if they are nakedly protectionist or ill-founded in their criticism. The NOKUT paper suggests, in public, a concern that the UK one year Masters degree is less rigorous than other EHEA member variants. The ramifications of this are potentially troubling, for whereas the UK one year Masters functions within the UK system and arguably does much to promote a lifelong learning agenda, which is a key Bologna action line, it also functions as an important export product for a number of UK HEIs. Our strength lies in the knowledge that Bologna Ministers have endorsed our approach and any suggestion of non-compliance is untrue. Nevertheless, external perceptions of the value of UK HE qualifications have clear commercial implications for export oriented UK HEIs, many of whom rely heavily on international student fee income for their viability. It would be a serious matter if these perceptions – however misguided – damaged the currency of these qualifications.

Conclusion

32. UK universities have been remarkably successful in recruiting international students. Although their market share has declined, the number of students – and the income they derive – has increased substantially.

33. This success has been based on the continuing perception of the quality of provision, the fact that English is the language of instruction and on the short degrees in this country, relative to others.

34. Although there is no immediate threat to our international market, we cannot be complacent given the 8 per cent average income to UK HEIs from international student fees. Some of the possible threats have been set out in this paper:

- It is expensive for an international student to study in England – more so than in almost any other country in the world. UK degrees are marketed as a premium product for a premium price. So far, we have been able to maintain our position, but if price sensitivity becomes an issue, this may not be sustainable.
- Competition from other countries has increased, and will continue to increase as they seek to obtain a share of the international student market. Competition will become even more intense as demographic decline takes hold in the rest of Europe.
- There is reason to believe that the demands made of UK students are less intensive than in other countries in Europe. It will be important to be able to demonstrate, as we claim, that our methods of teaching and the university environment, together with the overall quality of what we provide, more than compensate for the apparently shorter study time.
- As the Bologna process takes hold in the rest of Europe, other countries are providing the Bachelors/Masters structure that was until recently the preserve of small number of countries. That will erode one of the competitive advantages that we have had.
- It is unfair, perhaps, and untrue, but there are concerns about whether the UK is fully committed to the Bologna process – something that in part arises because the extent of reform that has been required here has been much less than in other European countries. But if our competitors succeed in creating an impression of non-Bologna compliance, and if Bologna compliance becomes important internationally, then this could prove damaging even though accusations of non-compliance would be untrue. It is important that we continue to be seen to be active in the process to ensure that our interests are not damaged by our competitors.

- This issue of Bologna compliance applies in particular to one-year Masters courses. In the past these have been seen as a particular strength and a unique selling point. Although there is no doubt that these courses are Bologna-compliant, we are out of step with most European systems, which in general have two-year Masters that are seen as a preparation for PhD study – something not generally the case in the UK. There are undoubtedly some that are trying to undermine the credibility of our one-year courses. It is important that they should not succeed, since these have become a mainstay of our international student recruitment.