Successfully riding the third wave of international student mobility rests on attracting the best-fit students and delivering value-for-money, writes Rahul Choudaha.

“Prediction is very difficult, especially if it’s about the future,” said Nobel laureate Niels Bohr. While many were surprised (pleasantly or unpleasantly) by the unpredictable outcomes of the Brexit referendum and the American presidential elections, it is safe to predict that political volatility and anti-immigration rhetoric in these two leading destinations will impact future patterns of mobility.

Over the last several years, Australian institutions have been highly successful in attracting international students and positioning Australia as a quality destination for studying overseas. Education sectors around the world consistently look to Australian policies and strategies for attracting and retaining international students. Will Australian institutions continue to maintain their leadership in the future?

To understand the future trends let us look back at the recent history of mobility based on the ‘Three Waves of International Student Mobility’ published in Studies in Higher Education. In this framework, a ‘wave’ indicates key events impacting mobility directions and patterns. While many variables influence student mobility, the framework provides a bigger picture of how mobility has changed over time from the perspective of competing destinations.
Wave I was triggered with the terrorist attacks of 9/11. In the wake of the attacks, the US tightened visa requirements which made it more difficult for international students to study in the US. Around the same time, the Bologna process and European Higher Education Area (EHEA) started taking shape to create more comparable and coherent education systems to foster student mobility within Europe.

Also, some countries in Asia started developing ambitions to attract international students. For example, the number of international students in Japan more than doubled between 1999 and 2003 to reach nearly 110,000. Following 9/11, Malaysia created more opportunities for its domestic students to earn foreign degrees at home through branch campuses and capitalised on attracting international students from the Middle East and the Arab world who were finding it difficult to study in the US.

The number of international students enrolled in tertiary education in the US increased by only 13 per cent between 2002 and 2009, according to UNESCO’s Institute of Statistics. In contrast, Australia, Canada and the UK increased their enrolments by 43, 93 and 62 per cent respectively. While Australia grew at a slower pace than the other two leading English-speaking destinations, it was a wave of rapid growth within Australia. Between 2002 and 2009, international student commencements for the higher education sector increased by 63 per cent, surpassing 100,000 commencements in 2009. New South Wales, Victoria and Queensland drove much of this growth.

Wave II was defined by the impact of the GFC, which prompted institutions to become more proactive with recruitment and increasingly reliant on China.

Wave I was characterised by the US tightening its policies and becoming less attractive for international students. Conversely, destinations like Australia witnessed rapid growth.
Wave II has its origins in the Global Financial Crisis which started in the US. The cascading effect resulted in severe budget cuts in the education sector in many countries around the world. This compelled institutions to start thinking of alternative sources of revenue, such as full fee-paying international students and increased tuition fees. Australia was already a pioneer in recognising the critical contributions of international student fees in education services exports.

The number of international students enrolled in tertiary education in the US increased by 37 per cent, or 246,670 students between 2009 and 2015 (UNESCO, 2016). By comparison, Canada enrolled a total of 189,573 international students in 2016 and grew by 98 per cent between 2009 and 2016). Meanwhile, Australia and the UK experienced slower growth of 30 per cent and 17 per cent respectively.

The growth of China’s middle-class provided much-needed enrolment momentum for many countries around the world. The number of globally mobile Chinese students grew by 63 per cent to reach 847,046 students in 2016, as compared to 519,751 in 2009 (UNESCO, 2016).

While there are concerns of overdependence on China as a source market, the commencements of Chinese students in Australia’s higher education sector increased by 37 per cent between 2009 and 2016 – a much slower pace than the growth rate of all Chinese students going abroad.

Australian universities experienced one of the toughest times during this wave as international commencements plummeted to 89,126 in 2012 as compared to 101,908 in 2009. Since then Australia has been on a recovery path reaching 131,125 in 2016. Overall, between 2009 and 2016, international student commencements for the higher education sector increased by 29 per cent, much slower than 63 per cent in Wave I. This time, Victoria grew at a much faster pace of 45 per cent as compared to 33 per cent for New South Wales and 6 per cent for Queensland.

A recent IEAA blog post by Jonathan Chew and Bill Stephens frames this as a growth gap between Go8 and other universities and regions. Along with the associated concerns of diversity, this has been characterised as a ‘two-speed’ international education economy.

### TABLE 1 Tertiary education enrolment of international students

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<tbody>
<tr>
<td>Australia</td>
<td>179,619</td>
<td>257,637</td>
<td>335,512</td>
<td>43.4</td>
<td>30.2</td>
</tr>
<tr>
<td>Canada</td>
<td>49,572</td>
<td>95,590</td>
<td>189,573</td>
<td>92.8</td>
<td>98.3</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>227,273</td>
<td>368,968</td>
<td>430,687</td>
<td>62.3</td>
<td>16.7</td>
</tr>
<tr>
<td>United States</td>
<td>582,996</td>
<td>660,581</td>
<td>907,251</td>
<td>13.3</td>
<td>37.3</td>
</tr>
</tbody>
</table>

Source: UNESCO Institute of Statistics. Tertiary education includes advanced professional vocational diplomas and associate degrees.

Data for US and UK for 2016 was unavailable and hence figures for 2015 are used as an estimate.

### TABLE 2 Higher education commencements of international students

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<tbody>
<tr>
<td>All higher ed</td>
<td>62,332</td>
<td>101,908</td>
<td>131,125</td>
<td>63.5</td>
<td>28.7</td>
</tr>
<tr>
<td>NSW</td>
<td>21,169</td>
<td>34,791</td>
<td>46,290</td>
<td>64.3</td>
<td>33.1</td>
</tr>
<tr>
<td>VIC</td>
<td>19,353</td>
<td>30,842</td>
<td>44,810</td>
<td>59.4</td>
<td>45.3</td>
</tr>
<tr>
<td>QLD</td>
<td>10,028</td>
<td>16,727</td>
<td>17,809</td>
<td>66.8</td>
<td>6.5</td>
</tr>
</tbody>
</table>

Source: Department of Education and Training
Wave III is shaped by the uncertainties triggered by a new political order with nationalistic overtones in the UK and the US which started with the Brexit and Presidential elections. This is likely to redirect a segment of international students to alternative destinations. Previous research by Janet Ilieva confirms a strong association between student visa policies, including post-study work opportunities and international enrolments.

In the short term, Australia is still benefiting from the political turmoil in the US and the UK – international student commencements for higher education reached a historical high of almost 150,000 in 2017. However, the sustainability of enrolment growth is under stress due to a range of reasons including diversity, capacity and cost. English-taught programs launched by universities in Asia and Europe in Wave I are becoming a stronger competitive threat based on their accumulated experiences of working with international students and rise in the global rankings. Some of these universities are competing on the same premise of value-for-money which was a big attraction for Australian universities in Wave I.

This is where it becomes important to think of the sustainability of international student strategies, not merely in the form of source countries but from the perspectives of student segments in search of value-for-money (University World News, 2018).

This means that universities must reflect and innovate in expanding the value offered by reducing financial cost and increasing experiential benefits. For example, a recent story published in the Australian noted that universities in Western Australia are offering international students steep tuition fee discounts in the form of scholarships to offset a decline in enrolments – an effective strategy for attracting price-sensitive students.

Likewise, several Australian state strategies are focusing on stepping up support for student experience. For example, Queensland’s International Education and Training Strategy identified ‘Enhancing the Student Experience: Improve student satisfaction with the quality of their experience both inside and outside of the classroom’ as one of its five strategic imperatives. This type of strategy strongly appeals to experience-seeking students.

Sustainable enrolment growth will require Australian institutions to recalibrate the value-for-money proposition for diverse segments of international student cohorts.

Dr Rahul Choudaha is Executive Vice President of Global Engagement and Research at StudyPortals. He serves on the IEAA research committee and tweets as DrEducationBlog.

Download the full ‘Three waves of international student mobility’ framework at ieaa.today/2IlpQuf

The current trends of Wave III indicate that the competition for attracting international students is intensifying. Australia has all the right ingredients for maintaining its leadership in attracting international students. However, successfully riding the third wave rests not only on effective strategies for attracting the best-fit international students, but delivering on the promise of value-for-money.

Sustainable enrolment growth will require Australian institutions to recalibrate the value-for-money proposition for diverse segments of international student cohorts and align institutional strategies with rapidly changing student needs and an increasingly competitive environment.
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The rhetoric of regionalisation Phil Honeywood

Riding the third wave Rahul Choudaha

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