

It's Not Easy Being English

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Aug. 20-27, 2007 issue - The welcome begins with a courtesy car at the airport. To follow: a week of activities, from a talk with the vice chancellor to an introduction to British folk dancing. For the foreign student arriving at Manchester University, the hospitality can't be too generous.

Of course, it's tinged with self-interest. A good name and a British campus are no longer enough to pull in high-paying overseas recruits. The competition within the world of English-language higher education is growing increasingly intense. Today's international students don't automatically head to the United States or the United Kingdom; they consider a slew of factors, from cost to climate, before making their pick. Already, Britain is starting to suffer as it finds itself in a fierce three-way contest for market share.

On the one hand, U.S. colleges are recovering fast from their post-9/11 drop in overseas recruitment. On the other, a batch of common-wealth countries is coming on strong and eating into Britain's market share.

Consider Singapore, which four years ago set out to lure branches of foreign colleges. The number of overseas students there has since climbed 46 percent. Malaysia hopes to pull off a similar trick. And in the first three years of the decade, the number of foreign students in New Zealand almost quadrupled. Then there's Australia. Foreigners—some 240,000 of them—now make up about a quarter of its entire student body.

Australia shows that the secret to success often has as much to do with government policy as with academic philosophy. Lavish grants can offset the Brits' and the Americans' edge in prestige. Foreign students at state-run schools in Singapore now get an 80 percent discount. According to the Observatory on Borderless Higher Education, an engineering degree that costs about \$30,000 a year at Harvard runs just \$2,000 at the University of Malaya, thanks to heavy subsidies. Currency fluctuations also make a difference, especially in Britain, with its strong pound.

The biggest factor today seems to be the prospect of employment. A degree from an Australian university now puts graduates on the fast track to permanent residency. And London offers an automatic 12-month work permit to most overseas recruits. But Britain can't do anything about its location. Why go all the way to the United Kingdom—or to the United States—when there's now a good English-language college just a few hours' flight from Shanghai or Mumbai? "For a Chinese student, this is like a home away from home," says Magdalene Lee of the Singapore Tourism Board. "Mandarin is widely spoken, and you can find Chinese cuisine on every corner."

But few countries can match Australia's main selling point. Surveys suggest that its sunny outdoors image works strongly to its advantage among international students. "Why go to Singapore," asks Veronica Lasanowski of the Observatory on Borderless Higher Education, "when you can get the whole package—surfing and going to the beach—in Australia?"

Why indeed? Yet no country can afford to throw in the towel. Cuts in government spending have forced colleges to look elsewhere for money. Overseas recruits have thus become an increasingly critical source of cash: in Britain the average university now looks to foreign students to provide at least 10 percent of its income.

Other trends could soon make things even more desperate. Today China is one of the biggest sources of traveling students. But for how much longer? The country is now busy developing its own elite institutions and ordinary colleges. If this trend continues, the developed world is going to lose its largest client. The

scramble for business in the Anglo world is already ferocious, while the market is expanding. Just wait till it starts to contract.