

August 21, 2006
Section: Education
Edition: International Edition
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Wanted: Foreigners

Universities are competing to attract the best, brightest and richest students.

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With Akiko Kashiwagi in Tokyo
Newsweek International

Students who want to obtain their degrees abroad have never had more options. For decades, the best, brightest and richest typically chose between Oxbridge and America's top universities. No longer. Recognizing the windfall that foreign students bring, countries including New Zealand, South Africa, the Netherlands and Japan have begun stepping up efforts to attract them. They're fighting over a big pie. Of the estimated \$30 billion international-education market, the United States earns about \$13 billion. In Britain, Chancellor of the Exchequer Gordon Brown has said that education is the country's fastest-growing source of export income. UNESCO estimates that more than 2.5 million students study overseas each year, and that number is "definitely growing," says Peggy Blumenthal, executive vice president of the Institute of International Education. By 2025, 7.5 million students are expected to seek education outside their home countries.

With tighter visa restrictions and high fees creating obstacles for foreign students in America and Britain, other countries are reaching out. The Netherlands now teaches more than 50 percent of its master's programs in English, and has boosted recruitment efforts abroad. "With the government funding educational-information centers and a strong presence at international student fairs, this is a push," says Bernd Wachter, director of the Academic Cooperation Association in Brussels.

In New Zealand, the number of international students jumped from about 4,000 in 1999 to more than 21,000 in 2004, with the country earning an estimated \$1.2 billion off them. Last year the government announced it would spend an extra \$3 million to promote the industry.

Even Japan is reaching out to nonnative students. In 2004, Tokyo's Waseda University launched the School of International Liberal Studies, where a quarter of the students are foreign and all classes are taught in English--except Japanese studies. Recruiters have targeted reputable high schools from South Korea to Singapore. Already three times more foreign students have applied than could matriculate. "This is one way for Japan's higher education to become globally competitive," says Dean Katsuichi Uchida.

America and Britain are fighting to hang on to their share of the market. "Continental Europe used to see marketing education as dirty, but schools are starting to say, 'We have to be more proactive to compete'," says Wachter. If they don't go after foreign students, someone else will.

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