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Effects of Student Mobility

Hausarbeit im Modul
„Internationale Beziehungen“

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1. Introduction

In the context of a globalizing economy, the World Trade Organization, the intensifying international trade of goods and services, and the mobility of people are more important than ever before. “This global economic integration demands linguistic and cultural knowledge from future partners which could, in particular, be acquired as part of their education” (Tremablay, 2003, 1). Thus, the education of the people and especially student mobility become increasingly important. The effects of this development are for example visible at the University of Bremen: out of a body of 20,000 students, around 1,500 are internationals. The importance of education and therefore student mobility can also be seen in the current UN Decade of Education for Sustainable Development 2005 – 2014. Yet, not all effects of student mobility are positive. The following paper will therefore discuss the advantages and disadvantages of student mobility.

2. The Effects of Student Mobility

In principle, we can divide the effects of student mobility into two levels of importance: On the one hand, the relevance for the single institution of higher education, and, on the other hand, the effects of student mobility on the national states. The assignment will consider both levels, and emphasise their interaction. A detailed analysis however demands further differentiation: The two differing perspectives on student mobility can be divided in three different dimensions:

- 1. The cultural dimension.**
- 2. The political dimension.**
- 3. The economic dimension.**

In addition to these three dimensions one also has to consider two opposing perspectives: The perspective of the hosting country and that of the countries of origin of the mobile students.

2.1 The Cultural Dimension

Data from of the UNESCO state that in 2005 close to two million higher education students were educated outside their home countries. This figure is likely to increase during the next years. The British Council and IDP Education Australia claim that this number will double by 2015 and again by 2025 (Cp. Gardner et al, 2005). Regarding this huge amount of highly educated and skilled people, a cultural interchange can not be denied; and both sides, the hosting culture and the culture of the countries of origin of the international students, are likely to profit from this. The effects of this interchange will be subject to the following section.

2.1.1 The Perspective of the Hosting Countries

For the hosting culture, students from other cultural backgrounds represent an enormous enrichment and the opportunity to understand foreign cultures. At the University of Bremen, e.g. the foreign students organize the “Cameroonian Soccer Tournament”, or an “Egyptian Cultural Evening”, which is open to the public. Thus, interested citizens can mingle with foreign students and have the opportunity to gain a better understanding of a particular culture. This is likely to reduce prejudices on both sides and therefore enhances the ability of a society to integrate people from different cultural backgrounds other than their own. As

a result, people are used to interact with “foreigners” and loose their fear of the other.

Not only the citizens of a national State, but the single higher education institution, can profit from student mobility as well. The cultural enrichment, described above is also, and even to a greater extent, valid for the institution itself. Besides this, one has to take into account, that not only the teaching of educational contents, but also the teaching of cultural competences and tolerance is, in most cases, part of the educational concept of higher education institutions. It is as well an important issue to meet the demands of the labour markets for graduates. As foreign students work and study in the system of research and development, their views on particular tasks from different cultural backgrounds will enrich the cultural education of the domestic students. The research and development of the institution and hence the education of the domestic students will profit as well.

2.1.2 The Perspective of the Countries of Origin

It can be agreed that the effects of cultural interaction are similar for the countries of origin than for the host countries. Returning from their stay abroad, foreign students function as an ‘ambassador’ of their former host countries and communicate their new cultural understanding of the hosting country to their country of origin. The integration processes that these students previously experienced are now exercised by them: If people with international experiences return to their home countries, they can provide a perspective of ‘foreigners’ to their fellow students, friends, family, neighbours, etc. Thus, fear and prejudices of ‘foreigners’ are reduced in the society of the counties of origin, which contributes to the international understanding of peoples.

The same is valid for the effects for the higher education institution itself¹ and the cultural input these students have on their fellow students, lecturers, professors, etc.

2.2 The Political Dimension

In the context of this paper, the political dimension is defined by its effects on general political structures. It is not meant as a specific policy, such as employment policy or economic policy, which will be discussed in 2.3. For the political dimension, the massive and increasing interchange between young people and different societies is, like for the cultural dimension, the most important factor.

2.2.1 The Perspective of the Hosting Countries

The mobility of students was and is often considered as a form of development cooperation. Development cooperation is one of the tasks of the German Academic Exchange Service (Cp. German Education Server, 2007) and has thereby not only been understood in an economic sense (Cp. 2.3) but even more in a political sense. Students from developing countries, educated in the so called first (or also second) world countries, are likely to become influential leaders in their countries of origin. This is for example considered as one possibility of spreading political ideas, such as democracy or human rights to these countries. From the perspective of the hosting countries, this influence can be considered as one of the major advantages of hosting international students. By sharing common values and political ideas, the possibility of

¹ When the stay abroad was just a part time stay.

armed conflicts in-between these countries decrease (Cp. Green/Olsen, 2003, taken from Mayer, 2007, 9).

The political stability and the prevention against armed conflicts is not only limited to issues of development cooperation but is also important for the relations between all countries in the world. The importance of this prevention was for example one of the aims of the intensive exchange programmes between (West-) Germany and the French Republic. The programmes installed after the Second World War led, in interaction with other arrangements, to a period of over 60 years without war between these two countries. Considering that previously they were commonly called “hereditary enemies”, the effects of this cooperation are apparent (Cp. Picht, 1998, 3).

The issue of development cooperation marks the pivotal point of student mobility: With a cultural understanding as explained in 2.1, there will be an ample scope for peaceful co-existence and it is likely, that above all, the first choice to dissolve international problems will be negotiations.

2.2.2 The Perspective of the Countries of Origin

From the perspective of the countries of origin, we find a similar situation and the stated arguments above can also be applied. The countries of origin can, in the sense of development cooperation, profit from the opportunity to send students abroad for educational reasons. The gains from a peaceful cooperation or at least co-existence of national states are beneficial for both sides.

2.3 The Economic Dimension

The economic dimension concerns all those factors, which directly influences the economies of the host country or country of origin. Student mobility therefore has a multilayered influence on these dimensions.

3.2.1 The Perspective of the Hosting Countries

The number of mobile students rose to over two million p.a. in 2005 and it is estimated to increase even further (Cp. Gardner, 2005). Especially for those countries which are quite popular amongst students, the intake of a considerable amount of people into their economy (respectively a certain economic region) is not to underestimate. Incoming students spend money on rent, food, services, leisure, etc. An internationalized higher education institution can in this sense be considered as highly valuable for the surrounding region. Yet, this financial benefit does not only affect the region, when charged enrolment and tuition fees, the international students contribute indirectly to the economic development. As a result of these fees, the higher education institution has more resources to spend on e.g. salaries as well as goods and services in the (local) economy. For the United States, the contribution of international students through tuition, living expenses and related costs was estimated at 12 billion US\$ for 2003.² This means that US higher education was than their fifth largest service export (Cp. IIE, 2003, quoted in Trembaly, 2003, 17). On the other hand, the intake of foreign students also produces costs for the economy. For example a late 1980 Canadian study estimated, that “additional revenues attributable to the percentage of foreign students [...] [were about] 9.000 to 10.000 dollars per student, for an additional cost of 5.000 to 6.000 dollars” (Tremblay, 2003, 17).

² The enrolment of international students in the US was 2003 at a total of 572,509 students (Cp. IIE, 2006).

According to Tremblay (2003, 17) similar cost-benefit-relations could be identified in studies about the Netherlands, Sweden, the United States of America, the United Kingdom and Australia.

Besides this direct regain from hosting international students, there are further economical aspects: Many traditional hosting countries face in the recent economical development effects such as deficiencies in their population scheme and shortages of highly skilled labour forces. In Germany e.g. the Chief executive Officer of the German Chambers of Industry and Commerce, Martin Wansleben, recently requested a change in the immigration policy so that highly skilled foreign experts could easily migrate to Germany to be part of the German labour market (Cp. NTV, 2007). For an economy with labour shortages in certain areas it is therefore consequent to not only to educate foreign students under the use of national educational resources, but also to provide the opportunity and even encourage foreign graduates to become a part of the labour market of the hosting country. In response to the labour shortages described above, several OECD member countries changed their legislation already in the year 2000, in order to provide access to their labour market to those international students who completed their studies in their country (Cp. Tremblay, 2003, 17f).

Labour shortages and student mobility is not only a matter of concern for the economical sector of the hosting country but also of the hosting higher education institution(s). The labour market for scientists can be described as one of the most competitive. This impression results from international traditions and international culture of science. Long before the globalization of the world markets occurred, the market of scientific development was, not only in the sense of the exchange of science and knowledge but also in the sense of labour mobility, globalized. The scientific world naturally involved international contacts, research abroad, and the change of jobs on an international level. In the scientific world the need for highly qualified scientists is therefore a comparable problem to higher education institutions, which can be dissolved by the intake of international students/scientists.

In addition to the direct monetary gain from tuition and enrolment fees, another advantage for the higher education institutions of the hosting countries can be identified: One of the driving forces of scientific development is the matter of excellence and the research on the frontiers of the existing knowledge. International students “enrolled in research programmes are required to carry out application or research activities, in a professional context (private and academic) in the form of dissertations and theses” (Tremblay, 2003, page 3). Thus, they contribute to the research and development activities of the hosting institution (respectively the hosting country). This contribution is considered to be very significant, especially in Australia, Switzerland and the Netherlands (Cp. OECD/CERI, 1991, quoted in Tremblay, 2003). In order to figure as one of the top scientific institutions in their region - the national state, or the world - it is necessary for the higher education institutions to strongly encourage young talents to deploy their abilities for the specific institution. Concerning the University of Bremen, over one third of the total budget is funded through third-party-funds. Raising funds from the economical sector via mission oriented research requires excellence of the scientists as well as support from e.g. the national or European research and development promotion like German Research Foundation (D), Higher Education Funding Council (GB) or European Research Council (EU).

Besides the described factors, other important but more indirect effects on the higher education institutions can be identified: International students contribute also to the growth in the size of the education system and may therefore open the possibility of achieving the critical mass required to engender economies of scale (Cp. Tremblay, 2003, 17). In the authors view, this effect depends in particular on the strategy of the higher education institution. The intake of huge amounts of foreign students may as well lead to an overload of the system and eventually to its collapse. Consequently the knowledge of the real economic costs of a student and an on these costs balanced charging of tuition and enrolment fees is therefore of crucial importance for institutions, having a strategy of internationalization leading to economies of scale.

Furthermore, student mobility is an issue of the business development activities of regions. One important issue in business development is the acquisition of (foreign) direct investments.³ In order to understand the importance of student mobility in this field, one has to take a closer look at the choice of location for foreign direct investment and also estimate how it can be influenced. Following Steiger (1999), there are four phases in which the choice of location typically operates.

1. **Period of motivation**⁴: the foreign investor identifies the need to go abroad and decides about the nature of the investment (founding a subsidiary company or purchasing significant parts of existing companies/operating facilities).
2. **Period of search**⁵: the foreign investor obtains information on various locations in order to find a suitable location.
3. **Period of optimizing**⁶: the foreign investor compares the pros and cons of the identified locations.
4. **Period of action**⁷: the foreign investor carries out his/her decision.

In the third period, the student mobility is of great importance: When returning to their countries of origin, e.g. to China, after having studied e.g. in Germany, the students/graduates are likely to become influential leaders in a company. They could then be one of the decision makers in a process of searching new locations for direct investment. Knowing the location and culture of the country/region may influence their decision, because of this period is regarded as the most subjective (Cp. Richter, 2003, 36 ff.).

Similar arguments are also valid for the decision of trading with foreign regions and student mobility may also be used as an attempt to strengthen the economic and commercial relations. Having studied abroad provides students with a better knowledge of the language, the cultural and social customs of the

³ I.e. "When a firm headquartered in one country builds or purchases operating facilities or subsidiaries in a foreign country" (Griffin, 2001, quoted in Houghton Mifflin, 2007).

⁴ Anregungsphase

⁵ Suchphase

⁶ Optimierungsphase

⁷ Durchsetzungsphase

hosting country. This knowledge makes them ideal ‘ambassadors’ for the relations between their country of origin and destination. This can e.g. be illustrated by the Australian policy of permitting students of Asian origin on a massive scale to study Australia (Cp. Tremblay, 2003, 18).

Student mobility is as interesting for the hosting countries economy as for the market of goods and services in the countries of origin. During their stay in the hosting country, the international students (may) become familiar with goods and services (e.g. certain food branches or service-products) which they would continue to use after returning to their countries of origin. The international student mobility therefore enhances the possibility, esp. for medium-sized companies⁸ to enhance their market portfolio.

3.2.1 The Perspective of the Countries of Origin

For the countries of origin, advantages of student mobility can be identified in the “transfer of technology and individual education in highly advanced specialist fields, where the country of origin does not have the critical mass of students of a sufficient level of technology to make such educational provision” (Tremblay, 2003, 18). Education abroad may enable economies to access highly qualified labour more cheaply⁹, when the international students return. These advantages may not only be found in between the relations of industrialised countries and so called “third world countries”, but in between highly industrialised countries as well. An example for this influence is the cost intensive education of medical and health professionals. Experts assume a strategy, were Norway sends most of their students abroad to save the costs of investing in this field (Cp. Vossentseyn, 2007).

⁸ This is neither that important for huge international companies, because they already have the strength to enter a market on their own; nor for small companies, which often lack the financial resources to internationalize.

⁹ Esp. because of the economy saves the costs to educate the international student.

In the context of technology transfer, especially the mobility of doctorate students is an important factor for the countries of origin. Although conducting their studies abroad, their work can meet the needs of their country of origin and contribute to their development (Cp. Tremblay, 2003, 18). Most often, from the perspective of the hosting (industrialised, western) countries, this effect is considered as an intention of their efforts of development cooperation.

Sending students to other markets may as well increase the market opportunities for companies of their countries of origin. The students may be likely to demand goods and services; they are used from their home countries as well in their host countries. As long as the goods and services can not be easily substituted by goods and services already present in the hosting country, there may be the opportunity, especially for medium-sized companies¹⁰ of the country of origin to enter a new market. When settled in a new market, even the consumers of the new market may be interested in these new products.

For the countries of origin, the student mobility is as well combined with the thread of loosing qualified labour forces. As described in 3.2.1, one major advantage for the hosting countries is the possibility to recruit highly qualified workforce. Obviously, these workforces will than lack the countries of origin (so called “brain drain”). For Tremblay (2003, 18), the degree of this thread seems to depend on the family status, the comparative employment status and safeguards¹¹ installed by the countries of origin. In the authors perspective, it depends as well on the wealth of the hosting country respectively the poverty of the country of origin. This “brain drain” is a major thread especially between highly industrialized countries and “third world countries”. Many of the students, given the opportunity to stay in the “glorious west”, may take this chance and not return to their countries of origin, even when they are offered more attractive jobs¹² than in the hosting countries.

¹⁰ This is neither that important for huge international companies, because they already have the strength to enter a market on their own, nor for small companies, which often lack the financial resources to internationalize.

¹¹ “Many countries offer foreign study bursaries to their brightest students, on condition that they come back to work in their country of origin for a certain number of years” (Tremblay, 2003, 21).

¹² In the sense of responsibilities, authority to decide etc.

The problem of “brain drain” not only affects the economy of the country of origin, but the single higher education institution as well: The institution runs the risk to lose excellent skilled scientists to research institutions in other countries. Many European countries claim that most of their top scientists migrate to the USA. Hence inventions or projects are made outside the institution and potential gains, like revenue by intellectual property or benefits granted by research and development promotion are lost.

The “brain drain” affects the economy of the national states as well, since inventions are not only outside the higher education institution but also in other economic systems. On the one hand, the “brain drain” of scientists leads to an innovation gap in the economy of the country of origin, because innovations are made outside the economy. On the other hand, the economy of the country of origin has to a certain extent¹³ invested national resources in the education of the scientist/students. In the context of the described “brain drain” this investment can be seen as at least partially¹⁴ lost.

4. Conclusion

As demonstrated in this assignment, student mobility has various and recognizable effects for all participants involved. The probably most important is its contribution to the international understanding. As history has shown, the exchange of young people, such as students (or pupils), has strongly contributed to a peaceful Europe for a period of for over 60 years. The political benefits are intransigently based as well on cultural cooperation, the openness of societies to different ways of living, and different cultural values as on economical issues, when an economy can profit more from friendship than from hostility.

¹³ Depends on how long the student/scientist was educated under the use of (educational) resources of the country of origin.

¹⁴ Indirectly, the scientist can still contribute to the economic development of his or her home country by e.g. returning later again or by inventions which might be valuable for his domestic economy as well.

The most controversial effects of student mobility can be found in the economical dimension. Here, we can identify not only positive effects but also disadvantages, especially for the countries of origin. The “brain drain” and lost investment of educational resources is not to underestimate, especially for developing and emerging countries which tend not to be strong enough to cover this by positive effects like enhancing their markets for goods and services. If not watched closely, this might lead especially those countries into a crisis; student mobility was supposed to help in the context of development cooperation.

To prevent this development, international actions should be taken and the responsibilities for actions lie, in the view of the author, not only with the countries of origin. If the richer/ more attractive (western) hosting countries continue to satisfy the needs of their labour markets with international graduates, their gain would only be momentary. If they want reliable partners in the developing and emerging countries, especially these countries of origin are to be protected. A possible way to secure this relation could, on the one hand, be the commitment not to supply working permits to graduated international student. But forbidding young qualified graduates to choose their working place is, on the other hand, a double edged sword. It hinders the free movement of people, capital and ideas as well as the freedom of the single person to choose a suitable way of life. A better way could probably be the offer of particular grants, if people decide to return. As graduates are to be financed as well, especially the less wealthy countries are thus enabled by the more developed countries to pay those grants and to offer a perspective to their young talents.

In general, we can nevertheless see that student mobility is of great importance for the international understanding, and we have to balance the political, cultural and economical advantages with potential disadvantages, to especially protect the developing and emerging countries.

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