

Internationalisation of Higher Education and its Impact on the Economy

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Although Higher Education Institutions (HEIs) and governments are increasingly adopting internationalisation strategies and recognising its importance for generating benefits to society, the internationalisation of HEIs cannot be taken for granted. The true impact of the current backlash in internationalization of Higher Education in a more deglobalized post-pandemic era is likely to be felt to its full extent in the longer-term, once virtuous mobility circles are broken. This makes it all the more important to have better evidence and analysis on the trends and impact of internationalisation of higher education and the deployment of policy instruments.

THE SCENE FOR INTERNATIONALISATION OF HIGHER EDUCATION

Higher Education Institutions (HEIs) and governments are increasingly recognising internationalisation of higher education as generating important benefits to society, adopting internationalisation strategies, engaging in a global “war” for top positions in world rankings, trying to attract talents internationally. Yet, the internationalisation of higher education cannot be taken for granted. The political, economic and social environment in favour of HE internationalisation is highly dynamic and cyclical. The current times of rising protectionism and geopolitical tensions, the UK withdrawal from the EU and the Covid-19 pandemic are particularly threatening for internationalisation of HE.

MAJOR FINDINGS ON INTERNATIONAL MOBILITY

Despite the growing importance attached to a broad concept of internationalization of HE, most policy strategies of HEIs, including in Europe, are still predominantly focused on international mobility and recruitment of students and scholars, and international reputation and visibility. Internationalisation at home is still underdeveloped, but might find a push from the COVID crisis.

The excellence and prestige for research and teaching of the host institution is the chief selection criterion for destinations. By contrast, the main motivations for returning home are personal and family based.

The evidence on an increasing intra-EU mobility of students and scholars is good news for the EU’s mission to establish a European Higher Education and Research Area. But at the same time, it raises a concern that the process of integration intra-EU may divert attention away from, or substitute for, openness extra-EU. The EU has much to gain from attracting talent and from collaborating with top places

outside the EU. It is a reminder that a critical part of the EHEA and ERA process is to foster extra-EU openness as a conjoined twin to intra-EU mobility.

The US benefits not only from a high attraction rate from Asia/China, but also from the high stay rate of these students, which is much higher than for European students.

MAJOR FINDINGS ON EFFECTS FROM INTERNATIONAL MOBILITY

Most impact assessment exercises typically focus on trading off short-term economic gains with costs. Long-term effects from international mobility come from the integration of mobile students and scholars into the labour markets, contributing to knowledge creation, innovation and economic performance. These long-term benefits can quickly outperform any short-term costs and benefits, while limiting crowding out effects. The size of these positive long-term effects for the host environment are critically determined by the retention rate and the quality of those staying.

When looking at the effects of international mobility of students and scholars, the evidence shows that not only the best students and scientists are internationally mobile, but that cross-border mobility also comes with a boost in human capital that would be absent without mobility, creating the scope for substantial long term benefits.

VIRTUOUS MIGRATION CIRCLES

Overall, the evidence clearly shows how internationalisation and excellence go hand in hand. Internationally mobile individuals, particularly masters, PhDs and seasoned researchers, are the more talented individuals among their peers, typically making emigration a brain drain for the origin country, and immigration a brain gain for the destination country. But as emigration and immigration is highly

correlated, open countries enjoy brain circulation, where more excellence is gained from the imported talents than what is lost from exported talents. This, however, only holds for the countries with a high-quality local base. Countries with a weaker local base still gain from importing talent, but their quality loss from emigration is higher. Returnees are a particular source of brain gain for these countries, even if the returning emigrants are not the best emigrants.

For countries to benefit from mobile talents, a virtuous circle must be fed by having a strong environment that attracts the best of international talents. These best of immigrated talents will be a brain gain over locals, further boosting the country's overall excellence. This will in turn improve the attractiveness of the country for the next inflow. Not only the US, but also Switzerland, the UK and the northern European countries are successful examples of such virtuous circles.

POLICY IMPLICATIONS

Building an open and strong local education and research environment should be high on the policy agenda in order to build the foundations of a virtuous openness-excellence nexus. This is a joint EU and national/regional policy agenda. At the same time barriers for international mobility should be removed. Survey evidence points to regulatory issues, such as portability of pension rights and visa requirements as important barriers. All these are straightforward targets for policy to remove, being mostly a national/regional policy competence. Extra burdens on mobility may have important long-run implications, if they brake virtuous mobility circles.

As HEIs are important for shaping a country's or region's reputation for excellence in education and research, policies should look at removing barriers and providing incentives and resources for HEIs to engage in internationalisation strategies and reap their benefits. A big worry for HEIs is what will happen in a post-Covid, more de-globalised world. In this uncertain climate, the mandate for the regional, national and EU policymakers is to commit to continue their financial support, and if possible, even increasing it. This will be more sustainable if the effectiveness of their interventions can be more forcefully demonstrated by high-quality impact analysis.

The EU level should clearly show its commitment to international mobility programmes, particularly Erasmus+, Marie Skłodowska-Curie fellowships and European Research

Council grants, and prioritising these programmes in its next EU budgets. In addition, the EU should devote more attention to a better mix of its policy instruments for international mobility. It should also mix its instruments better with national and regional ones and fill gaps in the mix of policy instruments. An example of missing instruments at the EU level are international fellowships for long-term stays abroad for PhD students.

To support EU and Member States' policies supporting international mobility, more evidence should be available not only on the quantity but also of the quality of international connections. There is also a need for more regular studies analysing the net effects from internationalisation. They should look not only at short-term costs and benefits but also at the long-term effects, as this is where most of the potential for positive effects can be found. To assess long-term effects, more indicators will be needed to trace stay rates, the quality of stayers and their activity profiles when staying. Finally, more regular studies are needed to analyse the effectiveness of policy instruments deployed for stimulating internationalisation.

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For more details see: Sandra McNally. *Impact of Higher Education Internationalisation on the Economy*
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