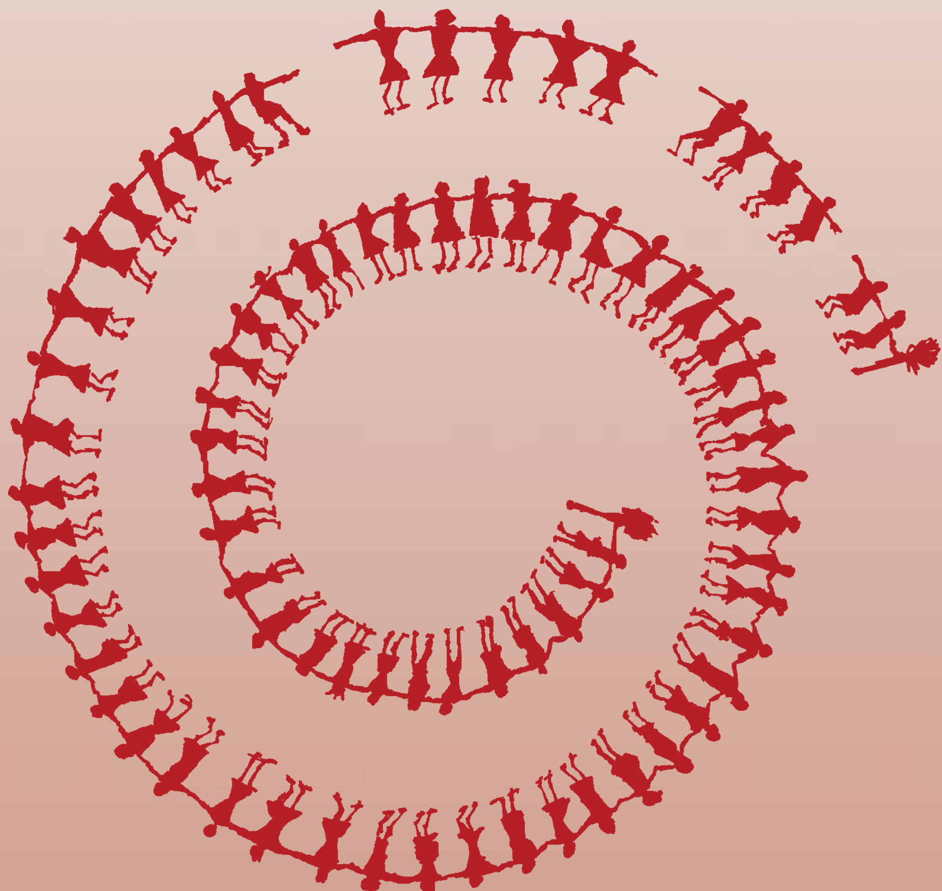
Report No. 50

South Asia Human Development Sector

Sri Lanka as an Education Hub for International Students: The Road Ahead

January 2012



Discussion Paper Series

Report No. 50

South Asia: Human Development Unit

Sri Lanka as an Education Hub for International Students:

The Road Ahead

January 2012

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List of Acronyms

BOI	Board of Investment
GOSL	Government of Sri Lanka
ICBT	International College of Business and Technology
IELTS	International English Language Testing System
MHE	Ministry of Higher Education
OECD	Organisation for Economic Co-operation and Development
SAARC	South Asia Association for Regional Co-operation
SETARA	MQA Rating System for Higher Education Institutions in Malaysia
SLIIT	Sri Lanka Institute of Information Technology
SWOT	Strengths, Weaknesses, Opportunities, Threats
TNE	Trans national Education
TOEFL	Test of English as a Foreign Language
UAE	United Arab Emirates
UNESCO	United Nations Educational Scientific and Cultural Organisation
USP	Unique Selling Point
WCU	World Class Universities

Executive Summary

Sri Lanka would like to promote itself as a knowledge and education hub in the region. One strand of this aim is the attraction of international students to study in Sri Lanka. This report shows how this may be done, drawing on international experience of other hubs.

The volume of students wishing to study outside their own country has grown steadily and now exceeds 3 million worldwide. In the last ten years the fastest growing host countries have been in Asia – Singapore, Malaysia, China and South Korea.

The strategies of many countries wishing to attract international students are also linked to programs for strengthening the research capacity of universities and retaining skilled graduates from abroad for the local labor market. The report describes how Malaysia, Singapore, Hong Kong, South Korea and the UAE have developed their plans to be regional hubs.

The lessons from these countries are that hubs cannot be developed without government funding upfront; that they need a concerted program by several government departments as supportive policies are needed on matters such as visas, the qualifications framework, quality assurance and work permits; and the overall objectives of the hub strategy must be clear.

Sri Lanka has many attractions for international students: the beauty of its scenery, its multi-cultural society, the possibility of education in the English medium, modest prices and positive government policies. However, there are weaknesses and threats; inadequate facilities on many public campuses, recurrent strikes, insufficient information on quality, and a limited reputation for academic research. This means that the national brand will require careful design. A persuasive answer has to be given to foreign students for the following question "Why should I study in Sri Lanka?"

There are six areas where government will need to act:

- Initiating an international marketing strategy that will require preliminary research on Sri Lanka's current image abroad, the selection of target countries, developing a brand, selecting and training recruiting agents, developing promotional materials and disseminating them through embassies and tourism offices.
- Developing student-friendly immigration policies that do not deter applicants and are transparent. At the same time they must protect the country from applications from people who are not genuine students.
- Develop policies with the Board of Investment for attracting foreign direct investment by providers of higher education that recognize the long lead time before such projects can reach break even. Support institutional marketing efforts by setting out a clear national strategy of internationalization in higher education.
- Extend the program of inwards scholarships to attract talented undergraduate and postgraduate students in strategic disciplines.

- Provide support for a national web portal for potential students, publish national rankings of Sri Lanka higher education institutions, and prepare a Code of Good Practice for the treatment of international students to which institutions should adhere.
- Ensure a level playing field for Sri Lankan and foreign students.

Each higher education institution will develop its own brand, marketing strategy and selection of recruitment methods. It will be essential to create a professional International Office to handle all the procedures relating to the marketing, selection and care of students once they are on campus. Attention must be given to upgrading accommodation and ICT facilities which international students will expect to be of a high standard.

The management and strategic direction of this initiative will rest with the Ministry of Higher Education (MHE). A Working Party of officials will be required to oversee implementation. It is important that professional marketing skills are deployed in crafting and operating the brand strategy within guidelines set by a Strategy Committee.

The initiative will require resources for the international marketing campaigns and for upgrading facilities within state funded institutions. A sound economic case needs to be made to the Treasury showing the economic and financial benefits that follow an inwards flow of international students. Within higher education institutions the ability to retain fees from students will help to finance further improvement of facilities and the marketing costs involved.

Background

Rationale: Global Trends

An increasing number of students are deciding to study abroad: UNESCO has estimated that in 2006 2.6m students were enrolled outside their country of origin and this number is now thought by the OECD to exceed 3.3 million[1]. Also, the number of importing countries is growing; more countries are seeking to host international students. Countries such as China, Malaysia, Singapore and New Zealand are actively marketing themselves at the expense of the traditional Big Three Host countries. Their success is shown in Table 1 below:

Table 1: Destinations for international students and numbers, 2000-2008.

	2000	**2008**	**% Increase**
USA	514,723	623,805	21%
UK	224.660	389,330	74%
Australia	138,381	230,635	67%
China	52,150	223,499	428%
Malaysia	28,872 (2002)	80,760 (2009)	278%
Singapore	11,000 (2002)	90,000	818%
New Zealand	16,586	59,636	359%
South Korea	12,314 (2003)	63,952	519%

Source: Macready and Tucker (2011)

Since all the major new hosts are in the East, the conclusions are clear: Asian students are seeking study locations closer to home and smaller proportions are travelling to the USA, the UK and Europe. Factors such as distance, culture and cost play their part in this decision. Overall the new entrants are taking market share from the old players and it is almost certain that this trend will continue.

The Emergence of Education Hubs

In parallel with this trend, and to some extent in consequence of it, the term "education hub" has come into use. This label is usually self generated and comes from governments keen to develop their country as a host for international academic staff, international researchers and students. Jane Knight has developed a working definition of an education hub as:

"an education hub is a planned effort to build a critical mass of local and international actors strategically engaged in cross border education, training, knowledge production and innovation initiatives."

[1] OECD (2010). Education at a Glance. OECD Indicators, 2010. Paris.

She has also suggested that education hubs can be classified in three ways as: those that build a critical mass of foreign students; those that help to build a skilled labor force: and those that help to create a vibrant research and innovation environment.[2] One question to be discussed below is which of these fits Sri Lanka's goals.

Many countries have declared their ambition to become regional (or international) higher education hubs. They include: Mauritius, Hong Kong, Botswana, South Korea, Malaysia, the UAE, Qatar and recently Bhutan. The experience of some of these is described below.

Organization of the Working Paper

The structure of the working paper is that: Section 2 describes the experience of 7 countries in setting up educations hubs with varying characteristics; Section 3 tries to answer the key questions: why do students travel? Why should students come to Sri Lanka? What is so special about its higher education? Section 4 sets out some recommendations on the tasks ahead for the various departments of GOSL that would have to be involved. Section 5 then looks at what the state and non state institutions must do if they are to prepare themselves to be effective recruiters and then retainers of international students in an increasingly competitive market. Finally Section 6 suggests some of the main tasks in implementing a marketing strategy for international students with proposals on how it could be managed and monitored.

[2] Knight, J (2011) "*Education hubs. A fad, a brand, an innovation?*" Journal for studies in international education. Vol. 15 (2)

Overview of other Education Hub Initiatives

This section sets the context for a hub in Sri Lanka by providing brief descriptions of how other countries are developing and implementing their strategies to be an education hub. It will be seen that in many cases the hub strategy contains activities related to recruitment of international students, talent and skills development, and the creation of world class research and innovation capacity.

Malaysia

Malaysia`s approach to education hub development has been innovative, effective and long term. In 1996, in an effort to increase access to higher education for both local and international students, Malaysia promoted the creation of domestic private colleges which were allowed to offer the first two years of a degree program. The last two years and the qualification had to be offered by a foreign institution through a twinning program arrangement. Fifteen years later, most of the original 2 plus 2 twinning programs have changed into 3 plus 1 or 4 plus 0. In addition, there is a still choice of 2+1 twinning degree programs (with Indonesia, USA, UK, Jordan, Poland, Australia and India), credit transfer programs for foreign bachelors' degrees (with UK, New Zealand, Australia, China, Canada, USA, Indonesia and Czech Republic), and 3+0 foreign bachelors degree programs (UK, USA, Australia, Switzerland, Canada and France). There are now 3,218 imported programs offered and quality assured. In addition there are five branch campuses and the number of international students has doubled in less than five years to 70,423 foreign students in 2008 and over 80,000 by 2010. The costs of the programs are significant, and are de facto a means of selecting students (both domestic and foreign). For instance, the estimated tuition fees per course for 3+0 degree programs at private colleges range from $13,400 to $ 23,400 (business),

The Malaysian Ministry of Education's mission is "to transform Malaysia as an international hub of higher education excellence by 2020", and indeed, "Intensifying internationalization" is one of the seven "strategic thrusts" to make this vision a reality. Building on solid foundations, several new initiatives are underway and indicate the seriousness with which Malaysia is working towards establishing itself as an education hub. The first is the development of Educity in Iskandar Malaysia, a new multi-dimensional economic free zone next to Singapore. The purpose of Educity is to provide high quality education and produce a skilled workforce to support foreign companies located in commercial zones of Iskandar in the State of Johor, Malaysia. Educity is planning to house 8 international branch campuses which will offer full degree programs in selected fields such as business/financial studies, creative multimedia, engineering, logistics, hospitality and medicine. It has just completed new facilities for the UK's University of Newcastle School of Medicine and the University of Southampton will follow suit in 2012. Educity is being developed by the Iskandar Investment Bhd, backed by the government's investment organization.

The second initiative is Kuala Lumpur Education City, another strategic education project incorporated into a new commercial and residential project involving branch campuses of both local and foreign institutions. To respond to the pressing need for more human capital necessary for the knowledge economy, the plan is to gain greater access to the regional education market especially India, China, and Indonesia. Secondly, the strategy includes the development of the necessary research infrastructure to position Malaysia as a regional centre of excellence and the central node for an international network of academic institutions, companies and services. The Multimedia University, nested in the Multimedia Super Corridor, is another example of an endeavor to attract foreign students with the perspective of working in an integrated environment combining academic excellence and private business.

The third element is a renewed international student recruitment plan to attract students from the region as well as from Islamic countries. All in all, Malaysia`s multi-faceted and long term plan to strengthen its position as a regional education hub is showing positive results thanks to a well considered national strategy and innovative public/private partnerships for local and international joint initiatives. With Malaysia`s new Global Reach Strategy, its efforts to be a student hub are expanding and moving towards becoming a knowledge and innovation education hub.

Singapore

The Global Schoolhouse is Singapore's wide ranging and ambitious initiative to establish itself as a knowledge/innovation type of education hub. First established in 2004, the three major goals driving this project include: 1)recruitment of 'foreign talent'; 2) economic development through foreign investment; and 3) attracting research and development firms as well as multinational companies specializing in the knowledge economy and service industries sector. Singapore is deeply committed to becoming a major player in the knowledge economy, and the Global Schoolhouse project is a part of an overall strategy to become a recognized and respected education hub. As of 2008, the education sector (all levels) contributed about 2% of Singapore's GDP and this is forecast to reach 5% by 2015.

The 2015 targets for the hub project are 1) recruiting 150,000 international students, 2) having 100,000 executive trainees 2) inviting and providing financial support for 15 'world class universities' to establish programs, research partnerships and a branch campus in Singapore and 3) modernizing the domestic higher education institutions through international partnerships with elite universities from around the world. These are ambitious targets but the country seems to be on a clear path to achieve them. The most recent statistics show that Singapore is estimated to have 86,000 international students, although the numbers in state-funded institutions will be capped at 15% of the student population. In 2009 it was home to 12 foreign branch campuses and in 2010 approximately 1,120 cross border education program arrangements were operational.

The Global Schoolhouse initiative also includes a strong research focus. The 2006-2010 national research and development agenda for Singapore was supported by a $US 8 billion fund. The establishment of a $US 600 million Campus for Research Excellence and Technological Enterprise (CREATE) is part of Singapore's long term approach to creating sustainable research expertise rather than relying on short-term commercially driven research and development projects. Singapore is well on the way to meeting its targets. It is the only education hub country which to date can be categorized as a Knowledge-Innovation Hub.

Hong Kong - Special Administrative Region

Attracting international students for study and work in Hong Kong is the main engine driving the development of Hong Kong as an education hub. Since the announcement of this policy in 2007, more scholarships have been provided for international students and immigration policies have been liberalized. A particularly interesting aspect of the immigration reform has been a change in regulations for international graduates who left Hong Kong after their studies, but who wish to return for employment purposes. This is particularly attractive for mainland graduates.

As of 2010, there were 1,120 different foreign programs being offered for local and internationalization students and 5 teaching centers of foreign universities. The current project is the development of a designated education area or zone for 6 invited foreign universities to set up a branch campus. This requires incentives in terms of providing land and rented buildings as well as other regulatory provisions such as tax incentives, profit repatriation, assistance with visa/work permits etc. Hong Kong has clearly set its goal as a student hub through targeted recruitment of students and some foreign institutions. But the change in the immigration and visa policies suggests that they may have visions of evolving to a talent hub in the future.

South Korea

Internationalization in Korea targets research. The Ministry of Education, Science and Technology has a vision for higher education which is to "nurture world-class research universities". The main vehicle to implement the World Class University (WCU) project is to lure away outstanding foreign scholars to teach and conduct research in Korea. The project, though, is not oblivious of domestic priorities, and the WCU is targeting areas related to national competitiveness (e.g. nano-/bio-/info-/cogno- technologies; energy, financial engineering) and R&D universities. "Brain Korea 21", the other project linked to international aspirations, provides financial support to doctoral students, junior and post-doctoral fellows and research professors in world class universities. Special conditions are offered to attract first class foreign scholars. The Global Research Laboratory program supports collaboration networks with overseas R&D centers.

Under the banner "education without borders", Seoul National University (SNU), one of the most prestigious higher education institutions in the country, runs 13 joint degrees programs and one double degree program in the areas of business administration (USA, China and France), natural sciences (USA and Germany), engineering (France, USA), and agriculture (USA). Most of the internationalization efforts are concentrated in the Government-Invested Research Institutions (GIRI) and the Korean Educational Development Institute (KEDI).

United Arab Emirates (UAE)

The UAE is in the process of moving from an oil-based economy to a knowledge/services oriented economy. This requires major investments to develop the necessary infrastructure and to attract businesses from the region and beyond. A key priority is having skilled and professional workers to support the growing knowledge economy. In 2009 UAE had the largest number of foreign branch campuses of any country in the world. While it may be home to 40 branch campuses, the enrolments are primarily local expatriate students as well as some regionally based foreign students.

However there is no national strategy in UAE and there is a complex arrangement of individual emirates developing plans to be an education hub without an explicit overall national vision or plan. Four of the seven emirates are establishing education and research partnerships with foreign HEIs and companies. It appears that more effort is directed to attracting branch campuses who in turn take the responsibility for recruiting the students, given that no national coordinating plan exists. As a general rule, the sponsoring body assumes responsibility for the construction of the buildings/facilities and the foreign HEIs rent the space.

Dubai, the most active emirate in education and training and home to Knowledge Village and Dubai International Academic City (DIAC), sees higher education as a critical sector in developing brain power for its new knowledge-based economy. Fundamental to the strategy is the recruitment of reputable international higher education institutions that can lend their brand equity, offer their academic programs, and provide experienced faculty to teach local expatriate and international students. The well-known Knowledge Village is home to an estimated 400 business partners oriented to short term training and professional development by private firms, while the newer Dubai International Academic City houses over 25 foreign institutions of higher learning.Total enrolment in 2008 was estimated at 11,000 students representing 102 nationalities, indicating small enrolment rates for most DIAC ‘tenant’ universities. Most programs are undergraduate level in engineering, computer science, finance, media, fashion and design, biotechnology, environmental studies, quality management and business management.

Using a different model to Dubai, the Emirate of Abu Dhabi has recruited the well-known Sorbonne and New York Universities and is trying to present itself as a cultural zone by attracting prestigious universities and museums. Yet, it is still interested in training international students as potential human capital for its economic aspirations. Abu Dhabi invests a considerable amount of public funds in its approach, while Dubai relies more on private investment.

Qatar

As of 2009, there were 9 branch campuses in Qatar. Seven of them are in the Qatar Education City (QEC) a 2,500 acre well-equipped complex fully functioning with 6 American universities and one British university. The critical factor for selection of foreign higher education institutions is an internationally recognized curriculum and expertise in disciplines which are central to broadening Qatar’s range of higher education programs. This model tries to avoid duplication of curricula, prevent unnecessary competition in student recruitment and provide a stable undergraduate- and graduate-level programming by ensuring that each university offers niche programs.

These seven institutions are co-located in the complex, each with their own state of the art building but sharing some common facilities, thus creating a campus-like setting for the students. All institutions maintain admission standards equal to their home campus which has presented some challenges to enrolling qualified Qatari students, especially males. At the current time, enrolments are half domestic students and half regional/international and are still relatively small.

In 2009, The Qatar Science and Technology Park (QSTP) was launched as a complementary initiative to Qatar Education City. It is anticipated that by 2012 it will be fully operational with tenant companies such as Microsoft, General Electric and Shell conducting commercially oriented research and development in collaboration with the academic institutions and researchers from QEC. It is estimated that Qatar has invested more than 800 million US dollars to date in the QSTP and over 2 billion US dollars in QEC. This illustrates the sizable commitment Qatar is making to transform itself into an education hub and grow the knowledge economy. Whether it is a sustainable model is yet to be seen, but it is doubtful that the approach can be replicated by other countries, given the enormous financial investment required.

Botswana

The government of Botswana positions education as one of the sectors that should play a meaningful role in economic diversification in an attempt to stem its over-reliance on diamond revenues. The Business Economic Advisory Council has developed a strategy, called the Botswana Excellence Strategy, which includes plans for preparing the country to be an education hub. Furthermore, the plan includes all levels of education from pre-primary through to tertiary and lifelong education. The education hub strategy coincides with the release of a tertiary education policy for Botswana making higher education a highlight of the hub.

An interesting feature of the Botswana situation is that the education hub plan is one of six so called economic diversification hubs: the other five are Health, Innovation, Agriculture, Diamonds and Transport. They differ in size, complexity and scope. For example the Innovation Hub is essentially a cluster of technology firms and knowledge-based institutions located in Gabarone, the capital city, while the Education Hub is more of a national strategy to make the whole of Botswana a regional centre recognized internationally as a preferred destination for international students, scholars and trainees. The rationale driving this vision for the education hub is its role in the promotion of economic diversification and sustainable growth. It has a strategic function of attracting international students, educating them and then supplying a skilled workforce to the other five hubs.

Botswana is in the very early stages of its plan to become an education hub. A number of new policies and initiatives are underway to promote its development. The first is capacity building of local institutions in terms of strengthening the quality of programs and absorptive capacity for more international students. All domestic institutions are encouraged to forge new partnerships with foreign universities for collaborative programs and student exchanges. A target of 5% regional/international students in domestic institutions by 2016 has been set and is accompanied by a revitalized promotion and recruitment program.

Summary and Key Issues

A clear message from this overview is that the hubs are at different stages of development, have different rationales, different priorities, different strategies, different sponsors, and different expectations. One model does not fit all, but for a country a clear set of rationales, objectives, strategies and identified outcomes is important. Positioning a country as an education hub is not an ad hoc or single activity enterprise. An education hub is more than an international student marketing campaign or an internationalization strategy. It involves a strategic approach to developing a critical mass of international and local actors who are engaged in cross border education, training or knowledge/innovation activities.

- Different education hub models exist but two approaches are prevalent. The first is developing a number of different initiatives to develop the country as an education hub. This can include elements such as a national level international student and human talent strategy; purpose built zones to co-locate a number of local and foreign HEIs as well as private training and R and D companies; new immigration and work visa/permit regulations; promotion of international collaborative program development between local and international HEIs for education and research purposes; and attraction of foreign branch campuses. This requires an explicit and well-coordinated strategy involving several sectors/government departments. This approach is common for countries who wish to go beyond the purposes of a student hub and work towards development of a 'talent' or skilled work force hub so as to diversify the economy. Both financial and regulatory incentives are common. A national level hub strategy of this kind helps to gain support, commitment and funding from public and private investors.

The second approach is not as comprehensive and can involve only one or two specific initiatives such as an international student recruitment campaign and attraction of foreign education and training providers to a designated education city/zone. This approach is often driven by the Ministry of Education and does not involve such a diversified number of actors. While this may eliminate layers of bureaucracy and complexity, the same level of national importance is often not attached to this type of education hub approach as it is not a key player in national level economic and innovation priorities.

- It is worth noting that countries that are attempting to launch an international student recruitment marketing and recruitment plan under the name of an education hub are open to the perception that the education hub plan is more of a branding exercise than a serious initiative worthy of substantial government and private sector support.

- All approaches to education hub development, regardless of the type of hub, require policy development or reform. For the recruitment of international students this can include setting admission standards, granting scholarships, quotas, visas and work permits. For foreign providers and programs the areas they will wish to see clarified are quality assurance, a national qualifications framework, partnership requirements, financial arrangements and student selection criteria. Investors in knowledge/ innovation production will be interested in policies involving international patents, trade law, foreign investment etc.

- Education hub development requires financial investment. Government funding, private investment and a combination of both are used.

- Attention needs to be given to the selection of education programs offered. This is to ensure alignment with identified labor needs, prevent significant duplication of programs, and avoid unnecessary competition between and among local and foreign providers.

- There are different types of education hub sponsors or organizers: Economic Development Board, foundations, private or public investment companies, Ministry of Education, University Grants Commission, or an Economic Free Zone Management company.

Sri Lanka's Opportunity

What kind of hub and why?

Table 2 shows very simply the benefits that are hoped for from the three types of education hub referred to above and what each of them requires. Since we understand that Sri Lanka's objectives in creating a hub have some elements of all three types, this analysis may help to clarify the policy and an implementation program.

Table 2: Types of education hub

Objective	**Benefits**	**Pre-requisites**
Increase in the numbers of international students and campus internationalization	Income to the local and national economies. Provision of a multi-cultural campus for home students. Increased number of international partnerships. Alumni return home and become economic and cultural ambassadors.	Attractive campuses comparable with rival destinations. Trouble free delivery of an internationally recognized quality education. Potential for graduates to stay on to do research or take up employment.
Skilled labor force	Direct gain to economy. Multiplier effect and job creation.	Flexible visa and work permit regulations allowing graduates to stay and work in Sri Lanka. Internationally competitive salaries.
Vibrant research environment	Strengthened national research capacity in key areas. Improved reputation and rankings of key universities.	A university research culture that is internationalized. Internationally acknowledged research strengths. Active international partnerships and research links. Attractive living and working conditions for foreign talented researchers

It is expected that, as the country's reputation for providing a quality higher education grows, more students will wish to stay on and work in Sri Lanka and more researchers will wish to collaborate with its national universities in leading edge research projects. This is in line with some of the recommendations in the World Bank Higher Education Sector Report (2009) and the Report of the National Education Commission (2008).[3]

[3] World Bank (2009) and National Education Commission (2008) See references for full details.

In view of the short term objective of being an education hub relating to attracting international students this report focuses on this aspect of a hub strategy and does not consider in any detail what is required to attract skilled workers or international research partners. Thus, the report is only looking at one aspect of an education hub in the terms used by Jane Knight in her definition. It does not for example cover international collaborative partnerships or branch campuses, although these could also be a part of the Government's strategy.

Why do students travel?

There are several reasons behind the growth of international student mobility:

- The shortage of university places in their home country leads students to seek higher education elsewhere. This is a key factor in those SAARC countries with low Gross Enrollment Ratios (GER) such as Bangladesh and Pakistan.

- The availability in other countries of lower cost alternatives to the private sector in their own country - or of providers offering degrees with a better reputation than domestic providers.

- The wish to acquire a degree that boosts employment prospects. Some students travel to developed country universities where, although the courses are expensive, the reputation of the institution and its degree will help to secure employment after graduation – either in their home country or in the institution's country.

- The wish of students from non-English speaking countries to study in an English speaking country in order to improve their language skills and subsequent employability.

- A few students travel in order to understand and live in another culture, but they only do this where they can be sure that the quality of the provider is good.

A number of forecasts and research studies have predicted a continuing rise in student mobility overall, although there will be substantial changes in the popularity of destination countries. As discussed above, all forecasts expect that the Big Three (USA, UK and Australia) will see their market shares decline. This will happen despite the contrary trend to many of these developed country institutions delivering transnational education (TNE) in students' home countries – either through the establishment of offshore campuses or through partnership arrangements with local institutions. Some developed country institutions (as in the UK) see the expansion in their TNE provision as an insurance against the fall off in international students coming to their campus.[4]

[4] Already there are more international students taking UK courses offshore than there are international students in the UK.

A SWOT of Sri Lanka's position in the international student market

A starting point for assessing the opportunity for Sri Lanka as a destination for international students is an objective analysis of its strengths, weaknesses, opportunities and threats (SWOT) compared with other countries.

A full SWOT analysis is given in Appendix I but it can be summarized as follows:

- Sri Lanka's **strengths** are its attractive scenery, friendly people and multi-cultural community. Its universities teach most programs in English to a Commonwealth model, at relatively low cost. Government policies favor internationalization and enhancement of quality and facilities.

- The **weaknesses** are the absence of any universities in the major league tables, the lack of information regarding teaching quality, absence (at present) of any support for international marketing, and the poor facilities on some campuses, particularly for residential accommodation. There are also uneven levels of English proficiency, and excessive unrest in many state funded campuses.

- The **opportunities** for Sri Lanka are mostly in the SAARC region where there is a large unmet demand and an ability among the middle classes to pay moderate fees. Increased numbers will not only bring financial benefit to the institutions and their communities, but will also offer social benefits to Sri Lankan students from having a wider range of nationalities on their campus.

- The **threats** are related to the very competitive market place, and the rival attractions of other countries as destinations. There is also a risk that in some institutions there will be politically inspired opposition to more international students; in addition any publicity for strikes or student ragging could damage the country's image in the market place. A failure of the government and the institutions to invest in upgrading facilities will lead over time to negative messages being fed to potential students.

A major task in the near future is to develop a brand that builds on the strengths and seeks to minimize the more obvious weaknesses. A related activity is the selection of target markets in the short term.

Why come to SL rather than…?

The key questions for the marketing strategy are "what is the Unique Selling Point (USP) of Sri Lanka? Why should students come to Sri Lanka rather than other countries? " The answers to these questions will help to identify the target markets and the marketing strategy.

One key factor is that there may be three products on offer from Sri Lanka for potential international students:

1. Enrolling on newly built international campuses that offer a degree from international universities.

2. Studying in a non-state higher education institution which will focus on teaching and have little research activity. In some of these the quality of the premises will match the first category and in most the award may be from an international university.

3. Studying in a publicly funded university to gain a Sri Lankan degree with potential for further postgraduate study or research (which may increasingly involve international research partnerships and collaborations).

Marketing the first two categories may be easier than the third, since they both have the attraction of gaining an international qualification (from a university that will have a international league table presence). Marketing undergraduate provision in the third category will be easier for those universities with a regional reputation and known disciplinary strengths. If it thought that a low price and a multi-cultural environment are the key strengths, then targeting students in the SAARC region may be important. The inadequate facilities on some public campuses, however, may be a deterrent.

Pre-requisites for success

The experience of other countries is that there are some simple critical success factors relating to the national position, which include:

- A clear strategy with targets and firm overall leadership. High level backing to the strategy in the UK, Singapore and Malaysia are good examples.

- The use of a national branding exercise: see for example "Education UK" which is managed by the British Council for all the UK governments or "Brain Korea 21" referred to above. A coordinated approach to implementing the strategy so that all the key government agencies are involved and work together. Appendix III describes the position in New Zealand which has just restructured the three units responsible for promoting and marketing higher education into one new Crown Agency.

- The provision of funding by government to strengthen and support universities' own activities in areas such as building capacity in the management of, and support for, international students .

- The use of professionals under sub-contract or outsourcing arrangements to provide the best level of marketing and promotional expertise at national level.

National Strategies and Actions

Marketing Sri Lanka to international students; the role of the state

The role of the state is to market Sri Lankan higher education as a whole (both public and non-state institutions) and to position the country as an attractive alternative to others. To achieve this other countries carry out the following:

- Commission market research on the country's image with potential students compared to other rival destinations.
- Use research to identify the most promising markets in which to promote the country.
- Devise the brand and the brand strategy.
- Set an overall market entry strategy – should it for example start at the low end via the promotion of study abroad and exchange schemes or start with the recruitment of full time undergraduates?
- Produce promotional and public relations material to distribute widely in embassies, high commissions, education fairs etc.
- Select, agree terms with and train recruiting agents in target countries.
- Train High Commission and Embassy staff to respond to educational enquiries from students.
- Establish recruitment offices overseas in key target countries (done by Malaysia, UK and Australia).
- Rent space in education fairs for universities.
- Develop linkages (and joint activities) with tourism promotion or sporting promotion agencies.
- Promote the country as a base for major international academic conferences.
- Promote higher education research and academic exchanges in one-to-one high level government meetings with other countries.
- Monitor and report on success in meeting targets set.
- Carry out research into areas such as pricing, competitor behavior, and student satisfaction.

The Government of Sri Lanka (GOSL) could undertake all these functions in due course, but it would be premature to open any overseas offices until the best country markets had been identified and proved to be worth tapping.

Immigration, visas and work permits after study

Some of the developed countries are now implementing restrictive or complex visa and immigration policies that conflict with their government's aim to increase international student numbers. It was predicted, for example, that as a result of policy changes in this area the numbers of international students coming to Australia could fall by as much as 60% in 2011-12.[5] However a subsequent change in the government's policy may now avert this. Falls are also widely anticipated in the UK due to negative publicity after the 2011 riots, new visa regulations and misunderstandings about increases in tuition fees.

The conflict between the mind sets of immigration officials and higher education recruiters of international students is a world-wide phenomenon. On the one hand there is a wish to restrict individuals who might be a burden or a threat to the state, while on the other there is the wish to offer a service to individuals who might well become valued members of a national knowledge economy. From the point of view of a recruitment strategy for international students the key requirements from immigration are:

- That any visa application process should not deter applications and should be among the least complex among competitor nations.

- That it should give applicants quick decisions and some confidence that it will not be cancelled during their period of study.

- That regulations allow international students to work a limited number of hours part time and earn income.

- That students can work in industrial or hospital placements during their study in order to gain work experience.

- That graduates in selected disciplines are able to apply (with some hope of success) to work in the country after their studies. Where this is possible, the country can add to its skills base. It has been estimated that over 50% of international postgraduate students leaving US universities stay on to work in America.

In return for these freedoms international recruiters should be willing to concede the need for certain controls over the international students' entry process. In some countries for example it is a requirement that incoming students must have a certain level of English proficiency (in IELTS or TOEFL tests) and that they must show ownership of enough money to pay their tuition fees and living costs. Another common requirement is the monitoring of those institutions where international

[5]Marginson, S. International education in Australia: a long way down. *International Higher Education* Issue 63. Spring 2011.

students wish to study so that only those reaching a certain standard in terms of their ability to vet and then monitor the attendance of students are authorized to take in international students. The UK's Tier 4 sponsorship system is an example of this.

The significance of these visa and immigration issues is that they are often the first contact that a student has with the bureaucracy of the destination country. First impressions count; and negative ones may drive the student to another embassy. This emphasizes the importance of working with immigration officials during the planning phase of any hub campaign so that appropriate, student-friendly and transparent policies are in place.

Inwards investment from international providers

In the last year Sri Lanka's policy towards non state and international providers has changed dramatically. Both the Ministry of Higher Education and the Board of Investment (BOI) are now keen to encourage inwards investment from reputable universities overseas. As a result a number of international organizations from Australia, the USA, UK, India and China are contemplating investment and have held meetings with either the BOI or MHE.

Interested investors are encouraged to believe that if they build new campuses in Sri Lanka, these will be very attractive to students from the region with the country as a regional hub. It is a general fact that the campuses of international providers always attract students from outside the host country. For example the University of Nottingham's two campuses in China and Malaysia recruit actively in other countries and have well-developed International Offices.

The BOI has stated that it will offer its usual tax incentives to foreign universities[6] and the MHE has undertaken to find appropriate sites outside Colombo.

Financial support for students

Sri Lanka has already adopted the principle of offering talented international students scholarships to study in the country and this will be a key element in attracting the best talent. This is a standard strategy related to the objective of strengthening a nation's human capacity and skills in selected areas. Many countries restrict these scholarships to key national disciplines or research strengths and hope to retain the best individuals within the country after they graduate. Until the global recession there was a bidding war between the developed countries with each outbidding each other in the generosity of the terms they were offering to attract the best research postgraduates and post doctoral students. Sri Lanka cannot compete on these terms and can only focus on those areas where there are virgin or unique research areas of interest to specialists.

Since one of the objectives of having a large international student population is to generate economic benefit, it would be counter intuitive to invest excessive funds in individual students directly. However the government might consider underwriting some insurance to help international students in the event of personal or family tragedy.

[6]These incentives offer tax breaks up to five, six or seven years depending on the scale of investment. However, HEIs starting offshore operations rarely make any profits in their first five years and some now accept that the benefits from such operations will be reputational and related to research rather than repatriation of income.

Incentives/support for an international student recruitment strategy

A key success factor is the relationship between what the state does and what institutions do. They have to work together in promoting the higher education system and must not send contradictory messages to potential students. Apart from marketing activities such as developing and promoting the national brand (described above), the other things that the MHE can do to help are:

- Publishing a clear internationalization strategy for higher education that will set out the government's expectations regarding the extent to which public and non state institutions are international in what they do. This should embrace all aspects of internationalization and provide a framework that enables institutions to develop their own internationalization strategies to fit their own vision and mission. For example some will see their priority as being the creation of international partnerships with collaborative research in mind, while others (such as the non-state institutions) will hope to generate extra revenue from increased numbers of foreign students.

- Coordinating, within the overall framework of the national policies on hubs, the work of other ministries and agencies as regards higher education partnerships and international students.

- Encouraging the University Grants Commission (UGC) and the new accreditation and quality assurance agencies to be established under the Bill before Parliament to publish comprehensive information on all Sri Lankan university institutions in both public and non state sectors so as to give potential students the information they need on which to base a decision to apply for a place. One long term model could be the UK's suggestion that each institution should produce a Key Information Set (KIS) for each program it offers, showing the information that students want to know.[7]

- In the absence of international rankings as a guide to the quality of Sri Lankan institutions, developing a national ranking system for all public and non state institutions. A model for this could be the SETARA ranking developed by the Malaysian Quality Assurance Agency or the ranking of Pakistani universities initiated by their Higher Education Commission.[8]

- Requiring the UGC to work together with the non state institutions to develop a national higher education web portal offering a gateway to courses at all recognized institutions and relevant information on studying in Sri Lanka. A version of this has already been produced by a private sector organization.[9]

- Preparing and publishing a Code of Good Practice relating to the recruitment and care of international students in Sri Lanka (and cross border provision by Sri Lankan institutions), to which all public and non state institutions must adhere.

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[7] See http://www.hefce.ac.uk/learning/infohe/mock_kis.pdf for a mock up of a possible KIS

[8] For the SETARA ranking see http://www.mqa.gov.my/SETARA09/result_en.cfmIt should be noted that 11/17 of the institutions ranked as Excellent were private.

[9] See Study in Sri Lanka at http://www.studyinsrilanka.com/

- Providing financial support to the international student recruitment policy by:
  - Funding the construction of hostels for international students and visiting academic staff – to international standards. The construction and operation of these could, as in other countries, be outsourced to non-state construction or hotel companies under long term lease arrangements.
  - Funding the general upgrading of university facilities so that they are in line with those in peer institutions in Malaysia or Singapore.
  - Pump priming of international linkages for teaching and research partnerships so that finding the initial exploratory costs before a partnership is established is not a barrier for institutions.
  - Funding Sri Lankan institutions' participation in the International Student Barometer surveys so that institutions have reliable data on international student satisfaction and how they compare with other countries.[10]

[10] See http://www.i-graduate.org/services/student_barometer.html

Institutional Strategies and Actions

Institutions are the main players in recruiting international students and the success of any national strategy depends on their effectiveness. Already there has been some innovative activity, for example:

- The University of Colombo has been recruiting students to its medical faculty from China and Vietnam and has plans to increase this significantly and to encourage all faculties to do the same. It has created an International Unit which manages student exchanges to/from universities in the UK, USA, Australia and Slovenia.

- ICBT is an active recruiter of certificate and diploma level students in The Maldives, China and Pakistan and now has over 300 international students, as well as campuses in the Gulf.

- SLIIT has been recruiting in Bangladesh and has internationalization as one of its key priorities in its ten year plan.

The key questions for each university relates to its marketing strategy. How will it brand itself? What are its Unique Selling Points? Which countries in the region will these appeal to? How should it then go about marketing itself? What is the most relevant mix of methods – the university website, social networks, use of recruitment agents or direct recruiting through visits and participation in education fairs?

There are also many preparatory tasks on campus. Appendix II lists the issues that will concern potential international students. This is taken from student feedback given to the International Student Barometer and to the British Council as a result of market research studies it has recently undertaken in Asia.[11]

One of the key findings of the British Council research was that potential international students placed a high weighting on the quality of the university's facilities and its ICT infrastructure. This is an area where many public Sri Lankan universities are not particularly strong, as the SWOT analysis in Appendix I recognizes. It is instructive that the University of Colombo is planning a very major infrastructure program with eight major new building projects. The funding made available to the six potential World Class Universities identified by GOSL will help to upgrade their facilities in line with international standards and strengthen their appeal in the international market.

[11]For the British Council research see http://www.britishcouncil.org/eumd-information-research.htm

Within each institution there are various staffing and curricular implications of becoming internationalized. The most important is that a fully professional International Office will be required. This can bring together all the functions within an internationalization strategy or focus simply on the recruitment of international students. Fielden (2008) has summarized the functions that an International Office can undertake as being either Core, Core Plus or Comprehensive, as in the Table 3 below.[12]

Table 3: The functions of an International Office

Core	International marketing and liaison with recruiting agents Handling international enquiries Managing the international admissions process Providing student support, before, during and after their arrival Compliance with legislation and any relevant codes of good practice or conduct
Core Plus	Managing study abroad students and all student mobility Support for incoming international staff and their families Managing staff travel and research secondments overseas Analysis and due diligence checks on possible international partners Support for academic exchanges and teaching partnerships English language support for international students and staff Financial and welfare advice for international students Advice on available scholarships for incoming and outgoing students Management of the university's offshore offices
Comprehensive	Overall responsibility (to the VC) for the internationalization strategy Looking after all incoming international visitors International market intelligence Managing relationships with international alumni Organizing cross-cultural events for both domestic and international students Managing inwards and outwards student international volunteering

Most of the functions shown above will have to be provided if the university is to internationalize itself fully. The organizational questions are where the functions are located within the existing administrative support services and whether the funding is available to make the necessary appointments. This is an area where we understand that the UGC is willing to provide training and staff development.

One function which already exists in most public universities but which may need to be strengthened is the English Language Teaching Unit. The scale of extra support required will depend on the TOEFL or IELTS level scores that are set as a minimum for entry to the university.

[12]Fielden, J (2008). The Practice of Internationalisation: Managing international activities in UK universities. UK HE International Unit, Research Series no 1. See http://www.international.ac.uk/resources/The%20Practice%20of%20Internationalisation.%20Managing%20International%20Activities%20in%20UK%20Universities.pdf

In western universities a policy of internationalization usually includes plans for internationalizing the curriculum. This means ensuring that the content and methods of learning are adaptable to different style of learning and cultures and that they enable western students to become more aware of how other cultures operate. In Sri Lanka the reverse of this policy might be considered for those disciplines where a greater understanding of other environments is a valuable asset for graduates. Thus curricula could be reviewed at intervals to assess their international coverage and content. For example, are the case studies in the management programs all based on Sri Lankan experience or do they draw on Far Eastern or European management practices?

Next Steps/Action Plan

In this section we summarize the next steps that GOSL might consider as an Action Plan for implementing the development of the country as an attractive destination for international students. Suggested future activities are grouped under five headings.

MHE sets the framework of an internationalization policy for HEIs

The Ministry of Higher Education develops a national strategy for the internationalization of all universities. This is agreed with the public and non-state parts of the sector and provides a strategic framework for policies relating to the education hub, such as the promotion of world class universities, recruitment of international students, and the attraction of international scholars and researchers through international collaboration and partnerships. The policy would expect each higher education institution to develop its own internationalization strategy setting out how it would work to achieve the national objectives.

Management role for the MHE.

The Ministry of Higher Education coordinates actions relating to implementing an education hub and the marketing of Sri Lanka as a student destination. This requires the MHE to set up some mechanisms for working with the UGC, the Sri Lankan Board of Investment, the Immigration section of the Ministry of Foreign Affairs, and the Sri Lankan Tourism Development Authority. The MHE will need to enable these departments to adopt policies that favor the recruitment and retention of international students as part of the nation's labor force. It will be necessary to establish an Education Hub Working Party of officials and representatives of public and non-state institutions.

Marketing Sri Lanka as a destination for students

There are two options for the MHE to consider:

a) Create an independent marketing agency that is able to recruit marketing professionals from outside the civil service and ask it to commission research on SL's image, brand and then to manage campaigns in agreed target countries.

b) Invite tenders from private providers for undertaking the national brand management and marketing service. The contract would be let and then monitored by the education hub working party.

The operational direction of the hub strategy would involve representatives from both the public and non state institutions, as both parts of the sector would be working together overseas in their promotion of the country as a desirable destination. The senior person responsible for implementation under the chosen option (e.g. the Head of the independent marketing agency or the CEO of the external marketing contractor) would be a member of the Education Hub Working Party.

Funding provided from GOSL for upgraded facilities.

As the case studies in section 2 showed, the promotion of a country as a hub requires substantial funding. One of the first steps of the Education Hub Working Party overseeing the hub strategy will be for it to produce a costed bid for long term funding from the Treasury. Such a bid should set out the funds required and then show the economic rate of return on this investment that a flow of international students can bring the national economy; there are many international examples of such calculations, as well as examples of the financial benefits that international students in a university can bring to local cities or regions. The MHE will need to work with the UGC in developing estimates of the sums required for the following:

- Upgrading facilities in the state sector.
- Financial incentives for new international providers.
- Possible incentives to encourage the existing non-state sector to market itself overseas.
- The cost of scholarships for talented international students.

The MHE and the UGC work with public universities to strengthen their capacity to attract and retain international students.

Appendix II shows the expectations that international students have of their host institution in an increasingly competitive market for their recruitment. Many of these services or facilities will be lacking in Sri Lankan public institutions at present and the government will need to provide funds for the necessary staffing, training or facilities development. Once there is a flow of income from international students' tuition fees, the enterprise may become self- financing, but in the initial stages GOSL investment will be needed.

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Appendix 1

SWOT analysis of Sri Lanka as a destination for international students

Strengths:

Attractive image – tourism, climate, people etc

2,600 years of history and a rich cultural heritage

Commonwealth model for the curriculum and organization of universities

Some institutions are well regarded internationally

A low cost alternative (often with a British-based award)

A growing non-state sector is keen to expand

MHE is emerging as champion for the initiative

Weaknesses:

Lack of universal English language delivery in all disciplines

Poor quality of some campus facilities and residential accommodation

No clear national strategy favoring global orientation or internationalization in HE

Few universities have a strong reputation (or international league table position)

Lack of information about comparative teaching quality

No national support for marketing HE internationally

Absence of any national agency or sector coordinating body

Opportunities:

Unmet demand for HE in many neighboring countries, e.g. India, Bangladesh

Growing middle classes in SAARC countries with the ability to pay

High costs and growing visa barriers in many competitor countries

Example of the market growth in The Maldives without any state support

Enthusiastic non state institutions – some already active

Potential for significant economic benefit from international students

Potential for social benefits from multi-cultural campuses

The hub project links naturally to World Class Universities project

Threats:

Political/social opposition to more international students in the state sector

Strong market competition from other emerging countries in the region

Strikes, ragging, unrest or politicization on campuses damage Sri Lanka’s image abroad

Failure to invest adequately in infrastructure or International Office professionals

Appendix 2

Topics that potential international students will ask about

Language capacity – academic and administrative staff.

Language ability of teaching staff

Availability of printed material and e-resources in English

Campus logistics

Support for disabilities

Transport access

Security

Living in the city

Facilities and resources

Quality of student accommodation

Quality of the learning spaces

Sports facilities

Suitability and range of food

Wi-fi and internet access

Student amenities, clubs, societies

Student support services

Handling of applications by the international admissions office

Visa advice

Health and welfare support

Counselling on campus

Multi-faith provision

Language support to allow upgrading of IELTS English scores
Financial advice and support

Social activities (airport meeting, cultural visits etc)

Careers advice and support with obtaining employment at home

Academic matters

Academic reputation of the department

Employment record of graduates

Departmental support for students

Tutorial and pastoral care

Contact time with academic staff

Internationalization of the curriculum

Language content of the curricula

Libraries – extent of facilities and opening hours

ICT and e-resources relevant to the subject.

International partnerships

Status and location of partner universities

Opportunities for study abroad for short or long periods

Appendix 3

The reorganization of international student recruitment in New Zealand

Until now, NZ has had three entities involved in promotion of NZ as an international study destination.

Education NZ, a private member organization, owned by institutions including universities, but with some government funding.

NZ Ministry of Education, with representatives overseas handling government to government matters, but not promoting universities specifically.

NZ Trade and Enterprise, with Trade Commissioners promoting some aspects, with focus more on promoting training, rather than education, leaving Education NZ to focus on promoting education internationally.

The government decided to bring all activities together in a new Crown Agency which was formed in September 2011. The new international education agency will start operations with a budget of NZ$84m over four years, nearly double the budget of its predecessors, and with most of the increase directed to marketing.

Functions that will be included under the new agency include the training and accreditation of education agents in New Zealand and overseas through the New Zealand Specialist Agent programme; generic promotion of New Zealand as an education destination including education fairs in key locations; commissioning research in the international education field; qualification recognition; professional development; and industry development projects.