

**3rd NORDIC COUNTRIES
INTERNATIONAL EDUCATION
STRATEGIC OUTLOOK SESSION**

EAIE 2012 Conference

- **The presentation was delivered by ICG at the 2012 EAIE conference in Dublin on 13 September 2012.**
- **The presentation shall be considered incomplete without oral clarification.**
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Housekeeping

Welcome by the Chair

Conditions: The Nordic Region's Socio-Economic Landscape

Trends: International Education Trends in the Nordic Region

Positioning: The Nordic Region's Competitive Position

Discussion

- **The session will be introduced and thematically framed by Bjørn Einar Aas (University of Bergen and former EAIE President).**
- **The ICG presentation section is geared for about 35 minutes.**
- **About 25 minutes are allocated for discussion.**

- **This is the third Nordic Strategic Outlook Session, following previous sessions at the 2011 EAIE and 2012 NAFSA conferences.**
- **The sessions were conceived by ICG as a reflection on research on and advisory work undertaken in the Nordic region.**
- **The purpose is to share information and analysis on international recruiting, policy, and competition trends.**
- **The approach of this session is to be fact-based but also to challenge the audience to consider the their respective international education landscape 5 to 10 years from now.**

Housekeeping

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Conditions: The Nordic Region's Socio-Economic Landscape

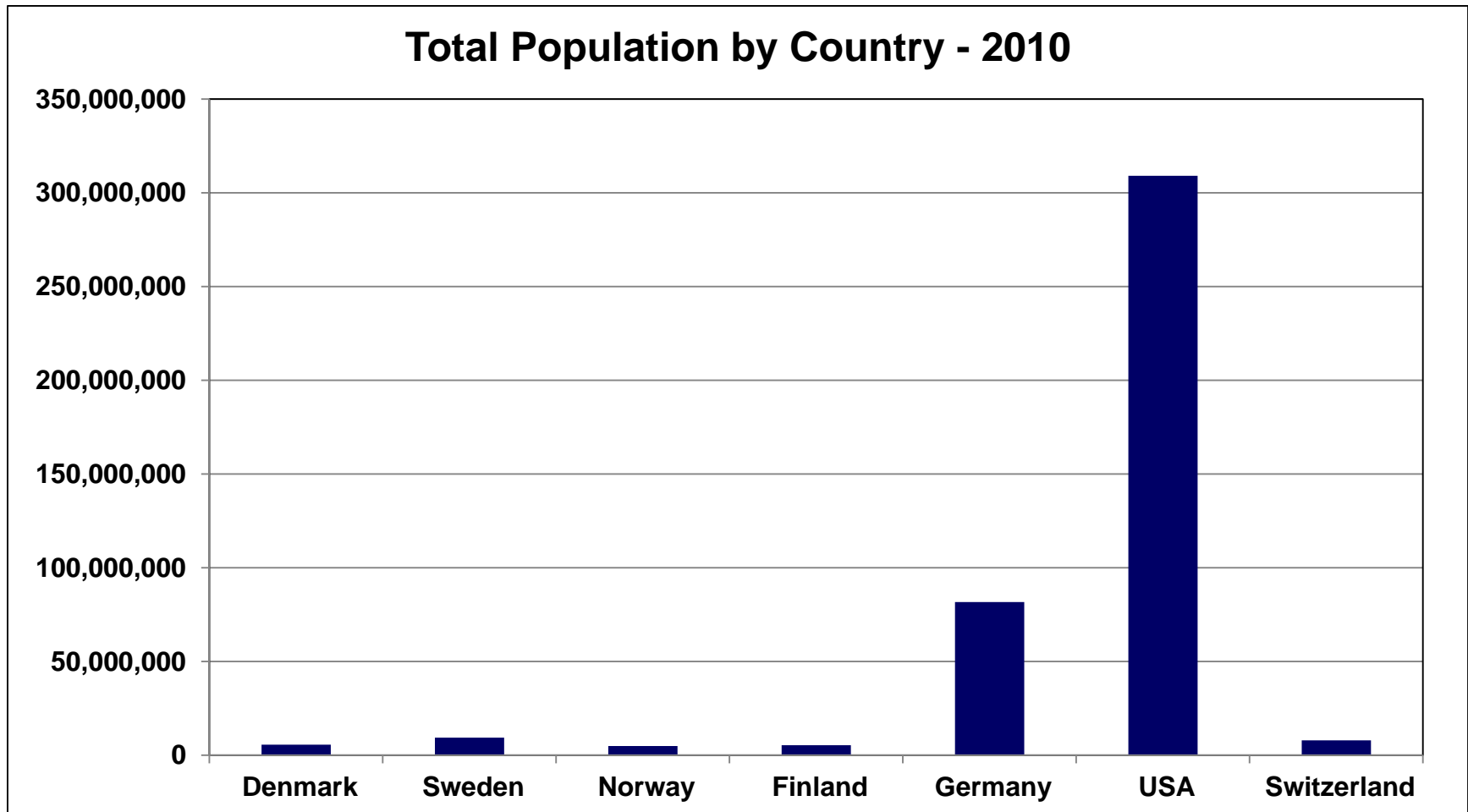
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SOCIO-ECONOMIC LANDSCAPE IN THE NORDIC REGION

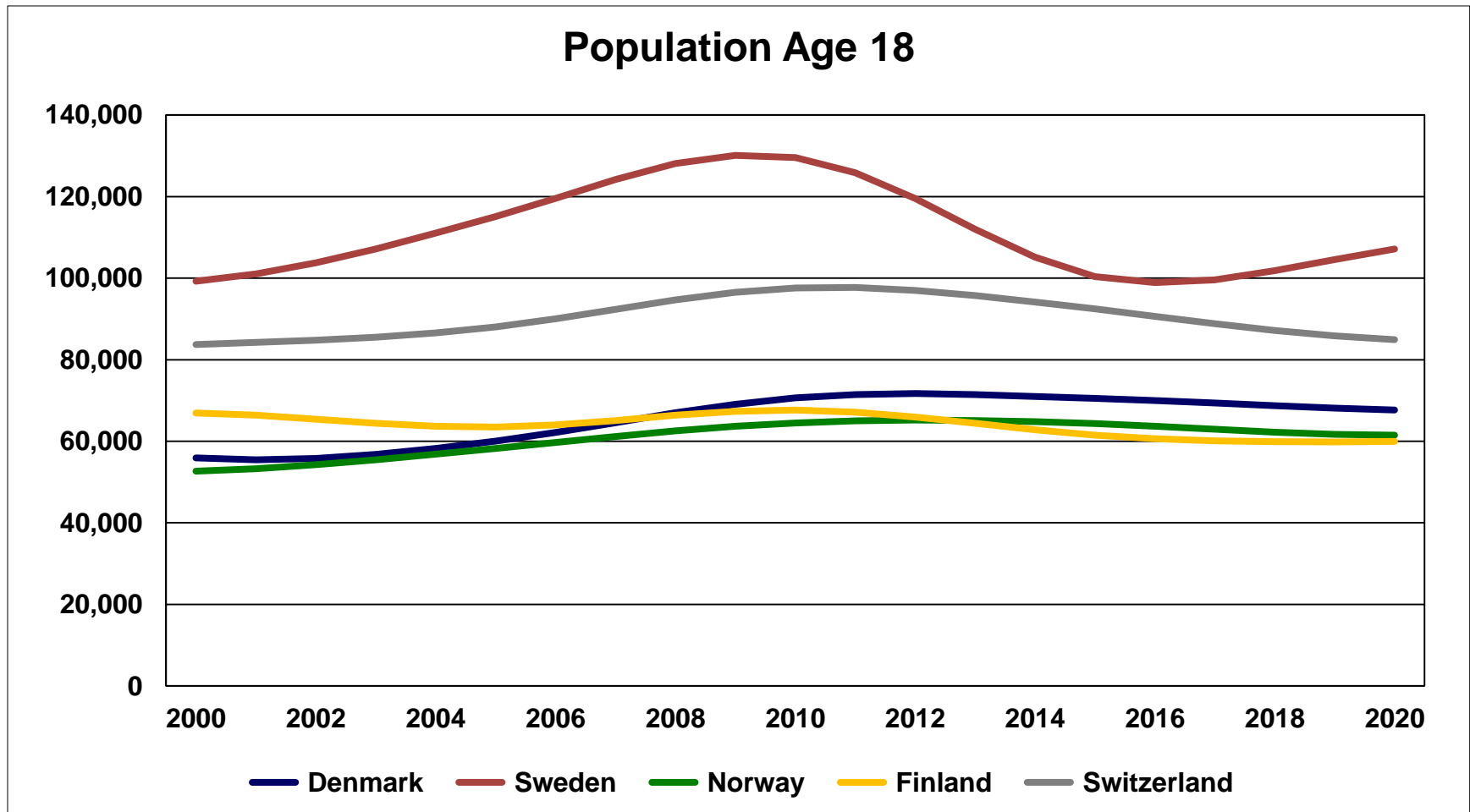
Demographic Context



What is the role of population size in the education and innovation race?

SOCIO-ECONOMIC LANDSCAPE IN THE NORDIC REGION

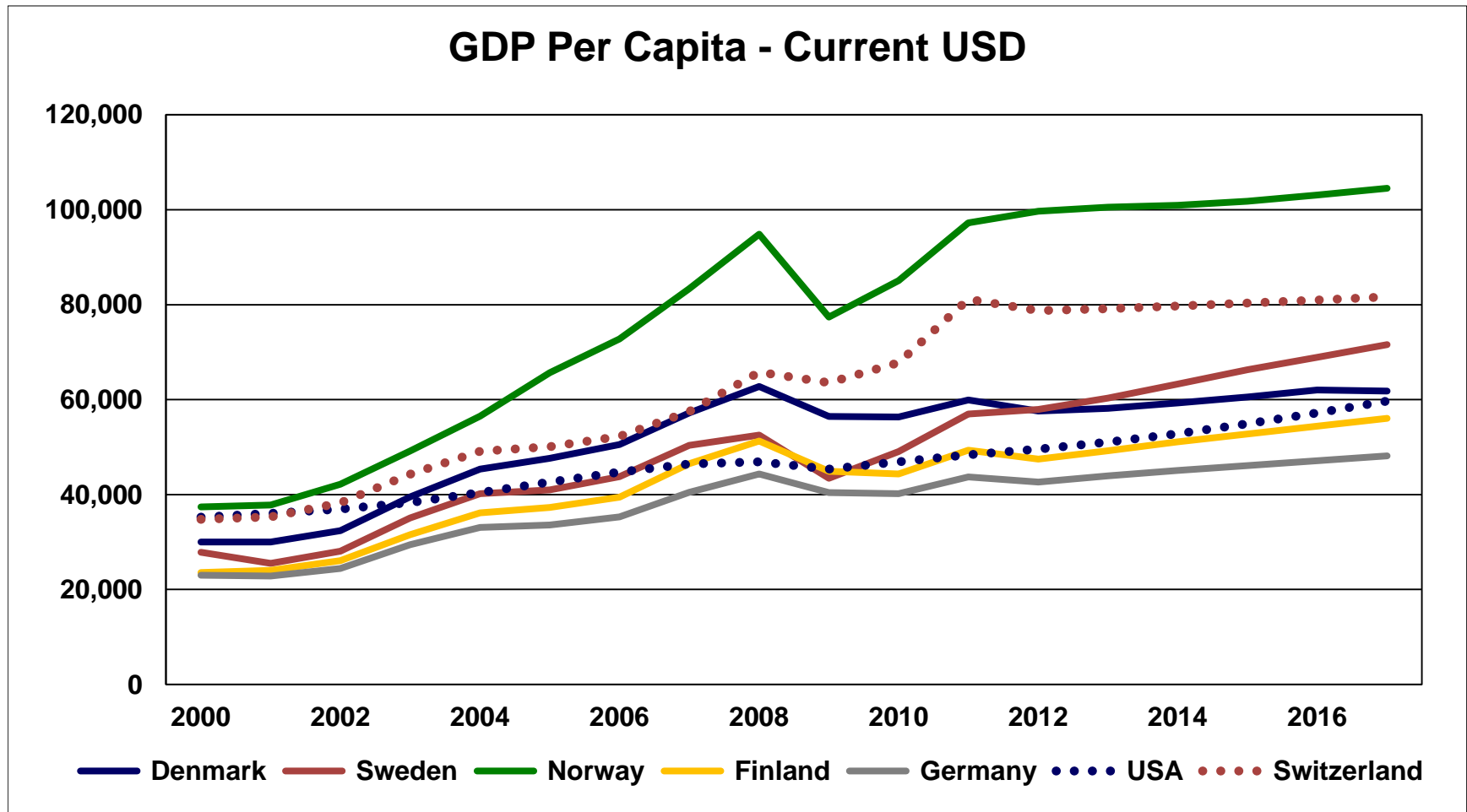
Demographic Context – Secondary School Leavers



In-coming domestic cohorts are going to decline in the next few years

SOCIO-ECONOMIC LANDSCAPE IN THE NORDIC REGION

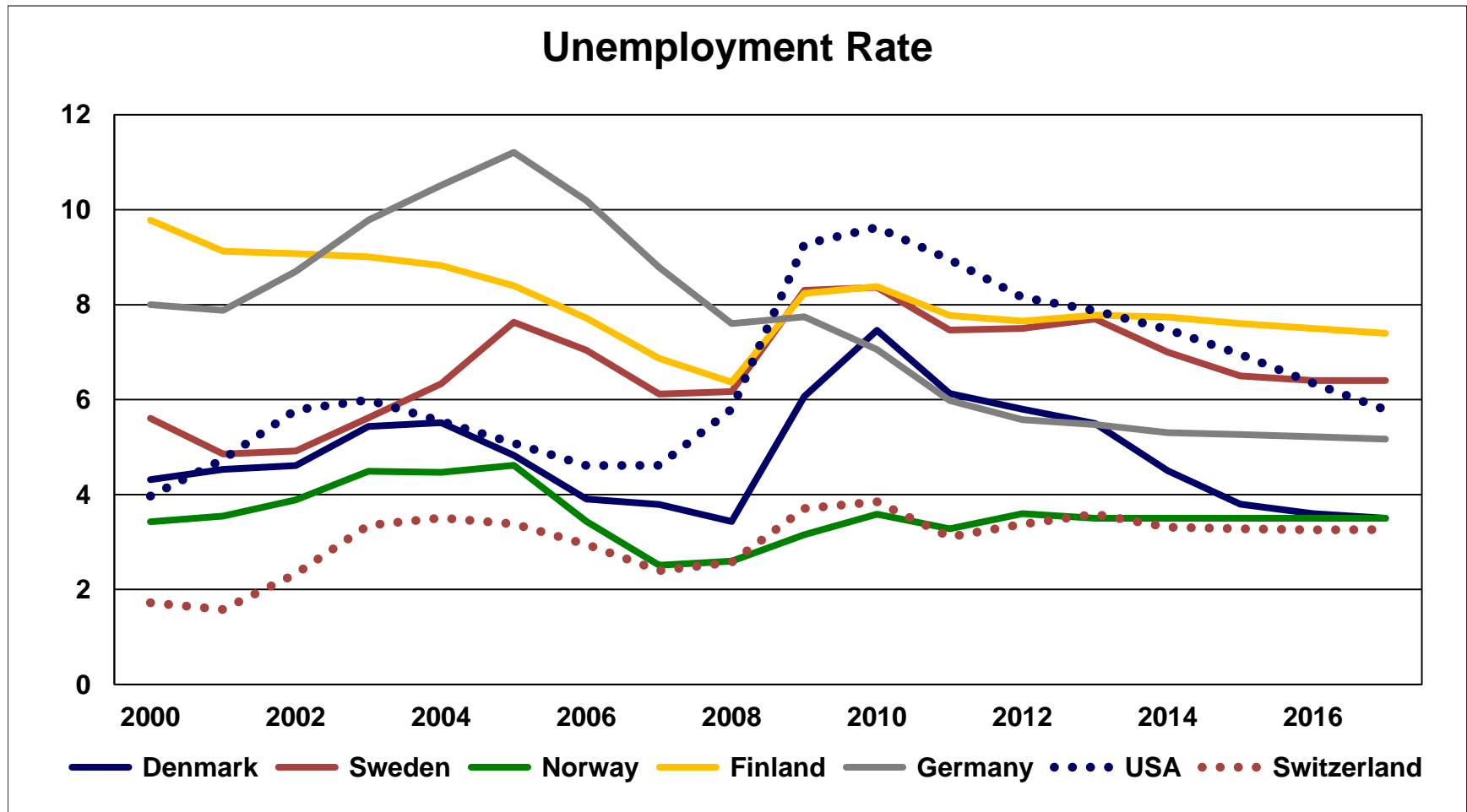
Economic Growth Trends – GDP Per Capita in Current USD



The near-term economic outlook for the Nordic countries is still strong

SOCIO-ECONOMIC LANDSCAPE IN THE NORDIC REGION

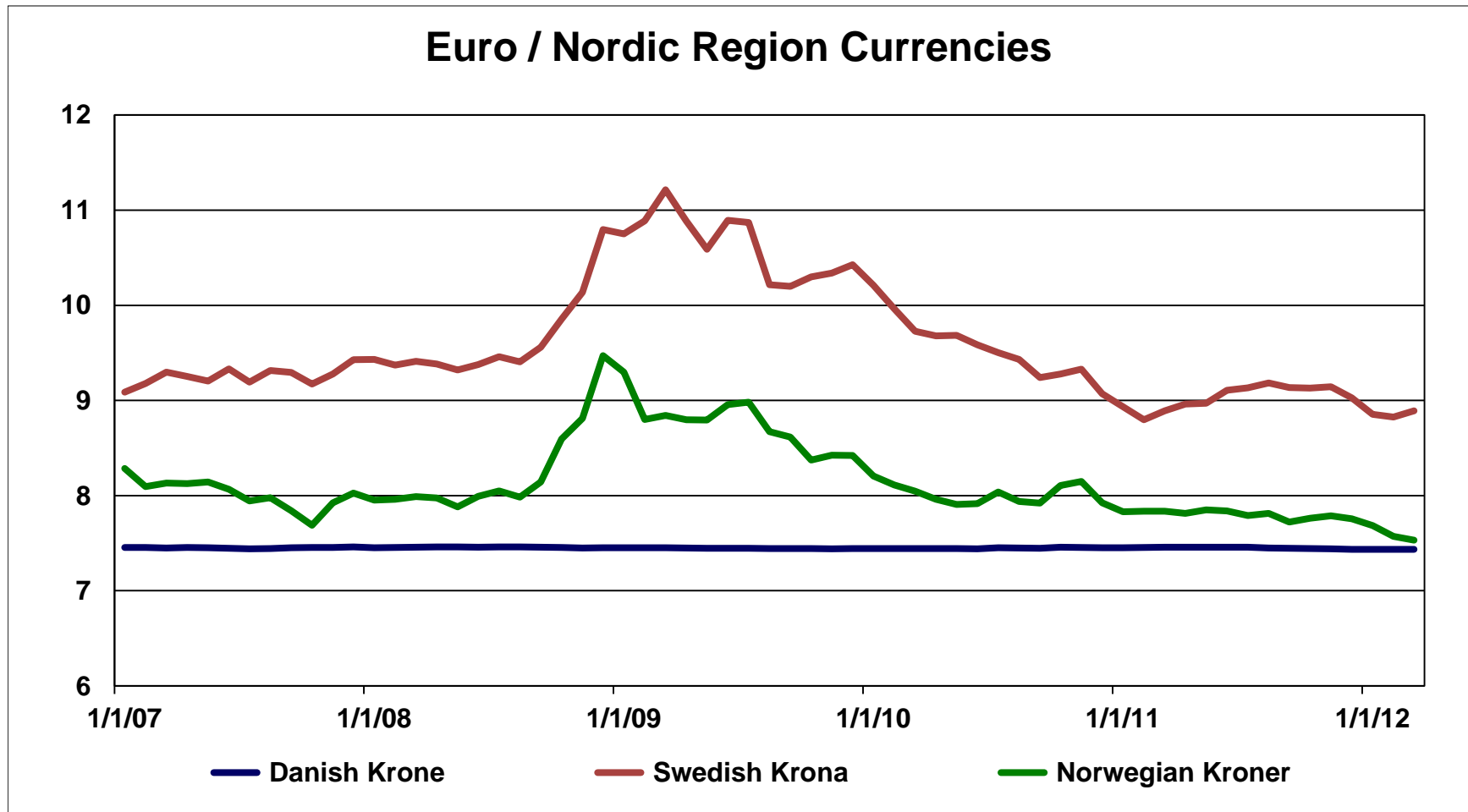
Economic Growth Trends – Unemployment Rate



Denmark & Norway are forecast to run lower unemployment rates than Sweden & Finland

SOCIO-ECONOMIC LANDSCAPE IN THE NORDIC REGION

Currency and Global Economic Competitiveness

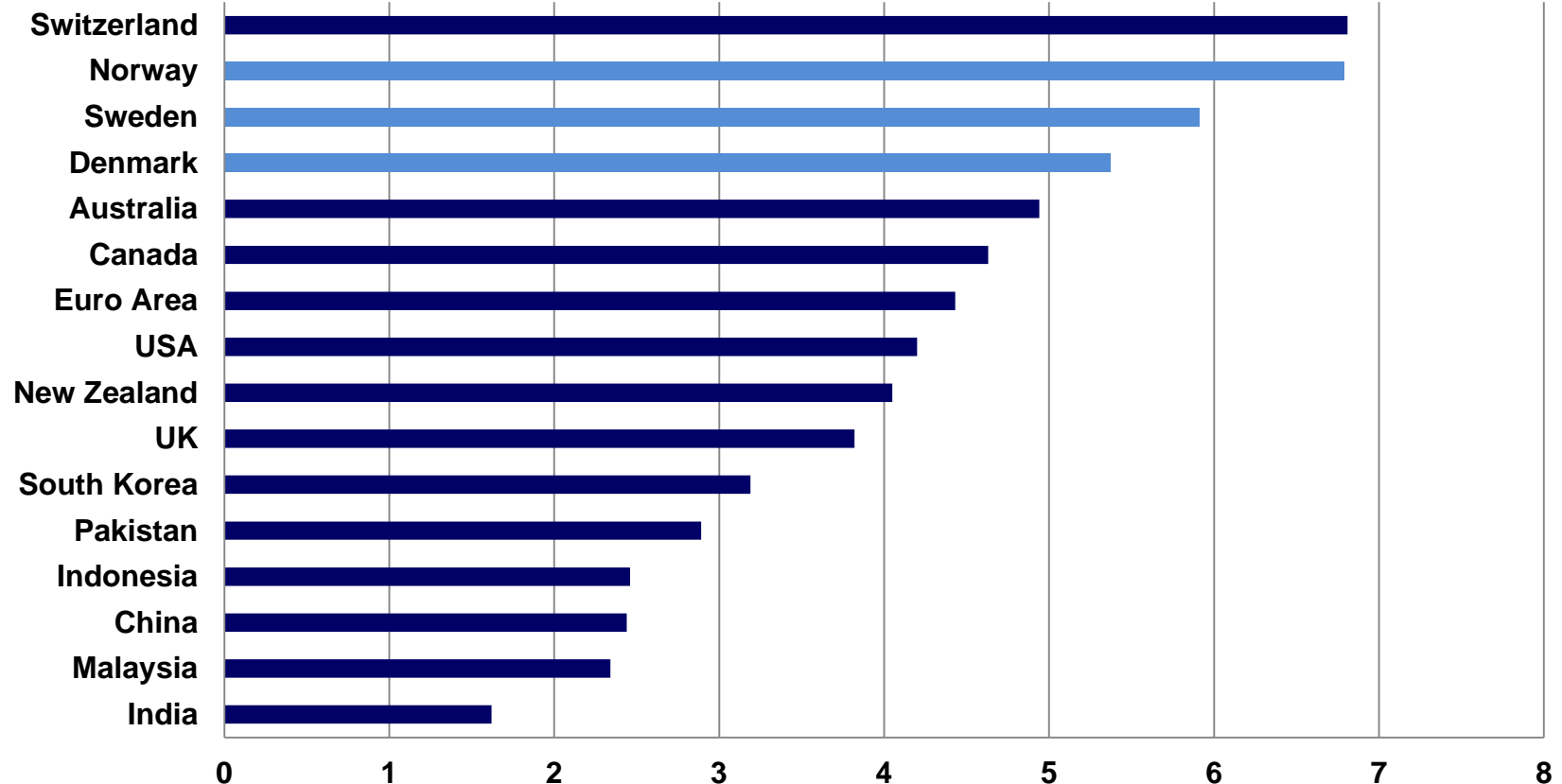


Swedish and Norwegian currencies have strengthened since 2009

SOCIO-ECONOMIC LANDSCAPE IN THE NORDIC REGION

Currency and Global Economic Competitiveness – The Big Mac Index

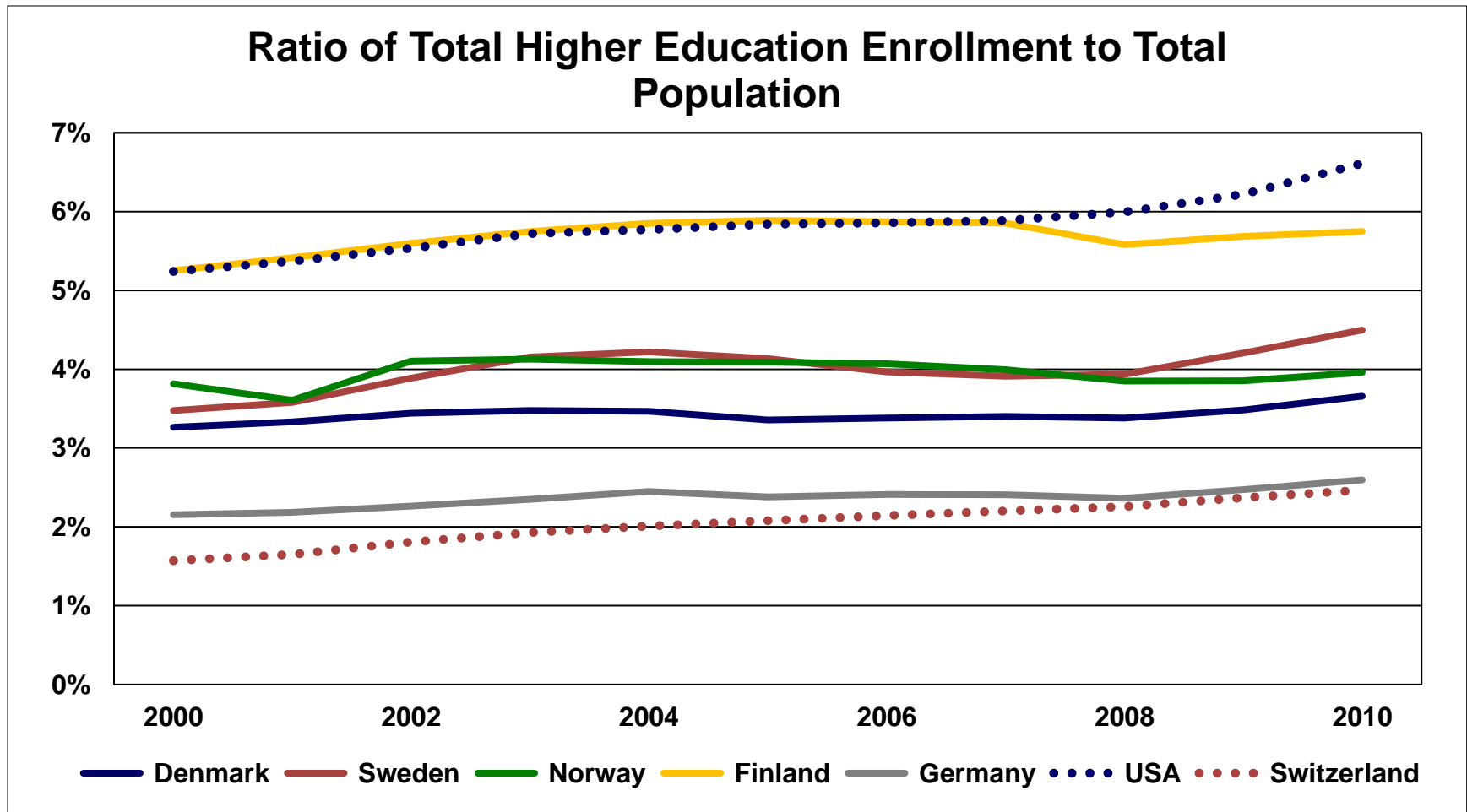
Big Mac Index - Big Mac Price in USD (January 2012)



It is not cheap to eat a Burger in the Nordic countries...

INTERNATIONAL EDUCATION TRENDS IN THE NORDIC REGION

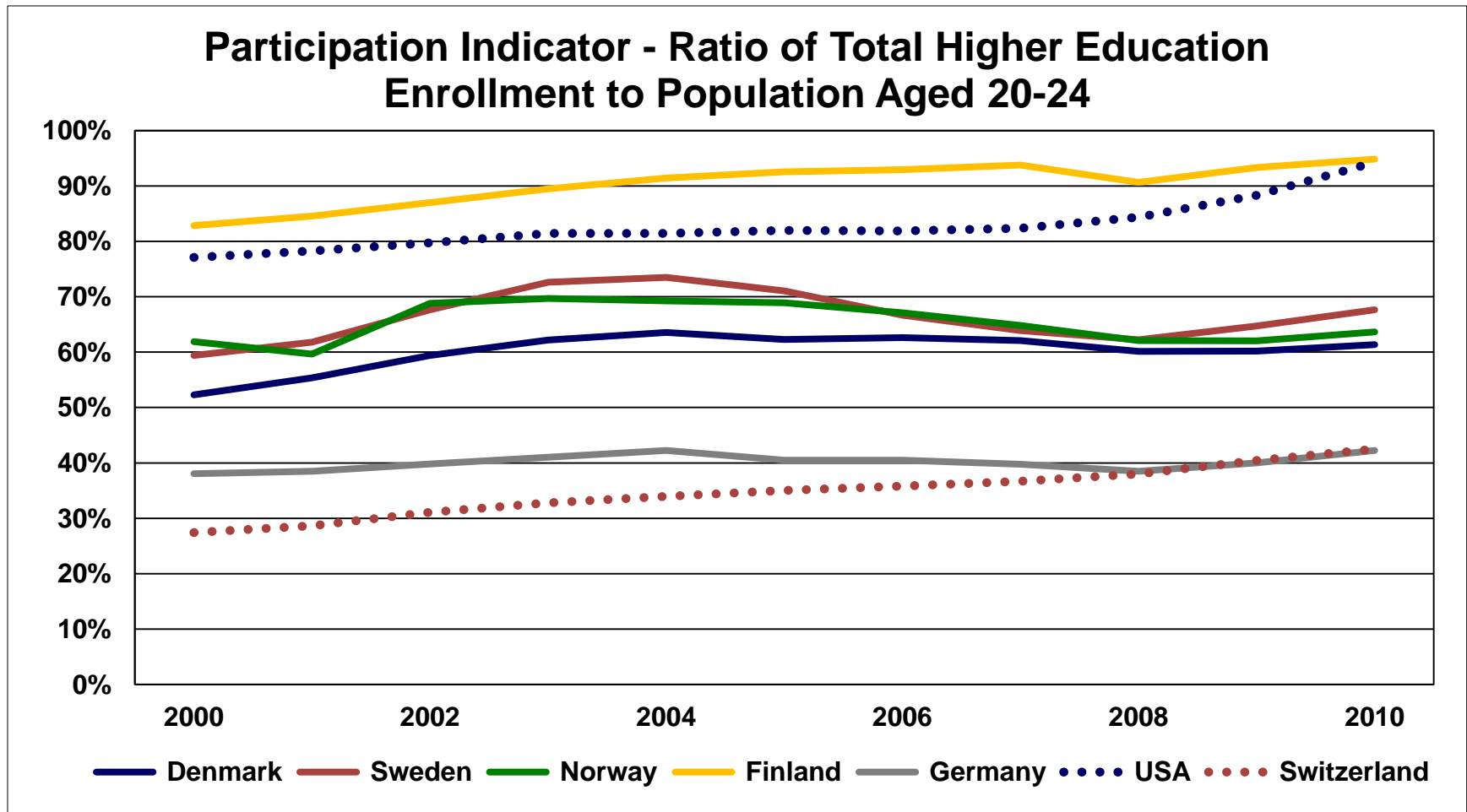
Higher Education Population Group to Total Population



Nordic countries are education-intensive

INTERNATIONAL EDUCATION TRENDS IN THE NORDIC REGION

Higher Education Participation



Education participation is hitting ceilings

SOCIO-ECONOMIC LANDSCAPE IN THE NORDIC REGION

Key Insights

- **The small population bases of countries in the Nordic Region will pose challenges in terms of supplying their respective economies with enough highly skilled workers.**
- **All Nordic countries will face continued high innovation pressures to sustain their high performance but also high cost economies.**
- **Recruiting talented international students with an intermediate work or long-term migration option will shift from a possibility to an outright need.**
- **Given global competition dynamics, existing brand and destination perceptions, cultural change needs, policy-making cycles, and institutional capability requirements, any talent attraction approach will require years of lead time.**

Housekeeping

Welcome by the Chair

Conditions: The Nordic Region's Socio-Economic Landscape

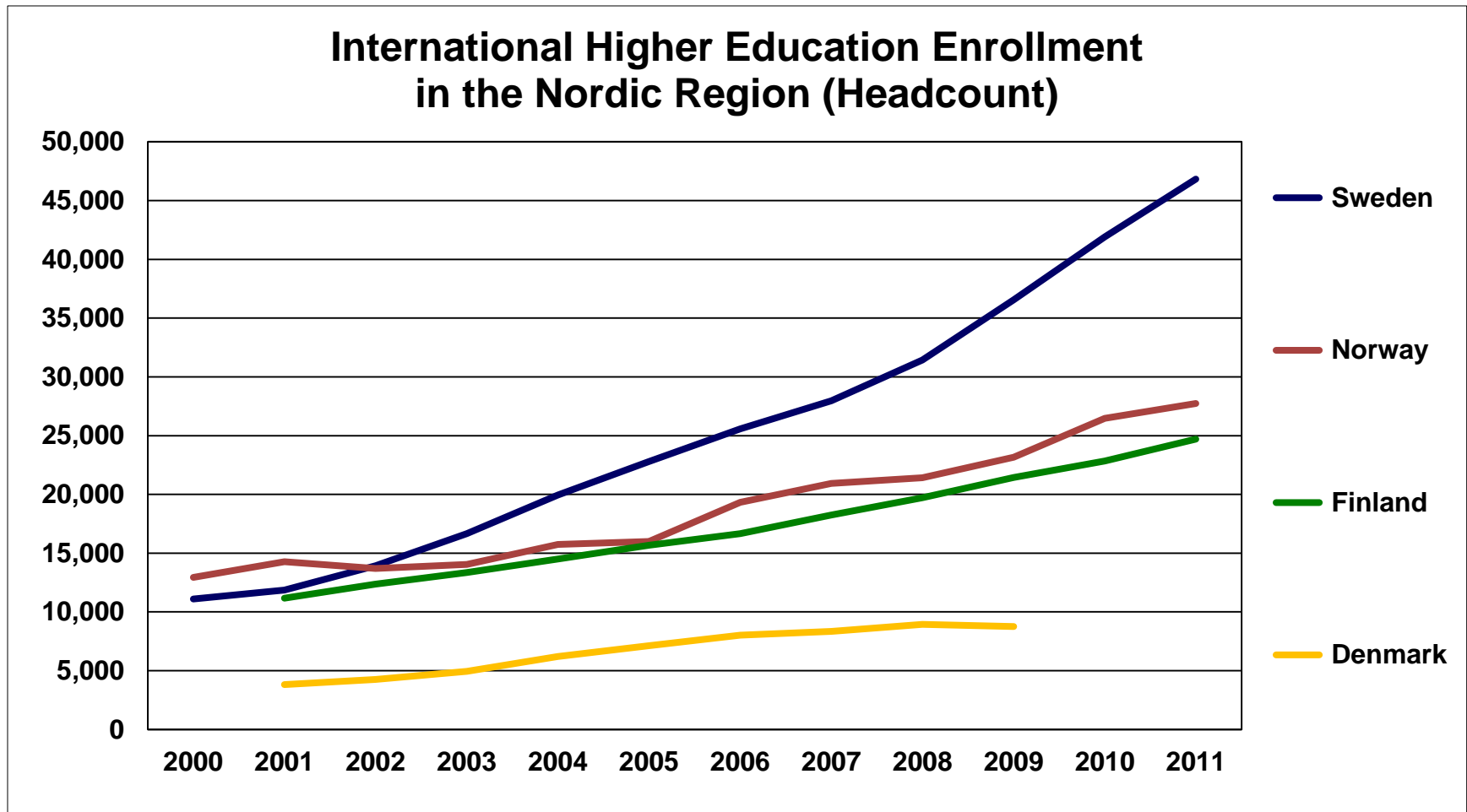
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INTERNATIONAL EDUCATION TRENDS IN THE NORDIC REGION

International Student Enrollment in the Nordic Region (I)



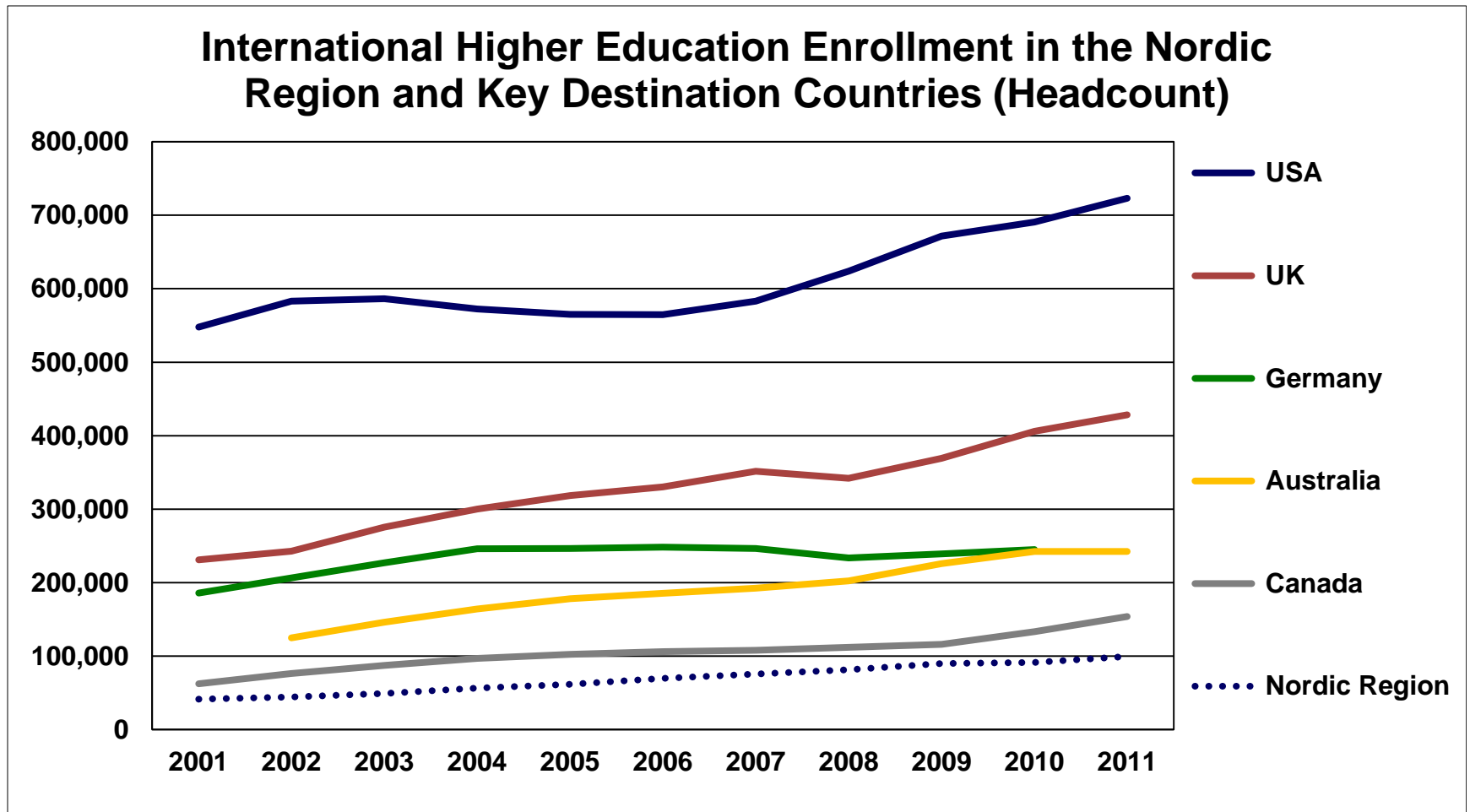
Strong international higher education enrollment growth (all modes)...

Notes: Data for Denmark are incomplete.

Sources: IU, HSV, NSD, CIMO.

INTERNATIONAL EDUCATION TRENDS IN THE NORDIC REGION

International Student Enrollment in the Nordic Region (III)



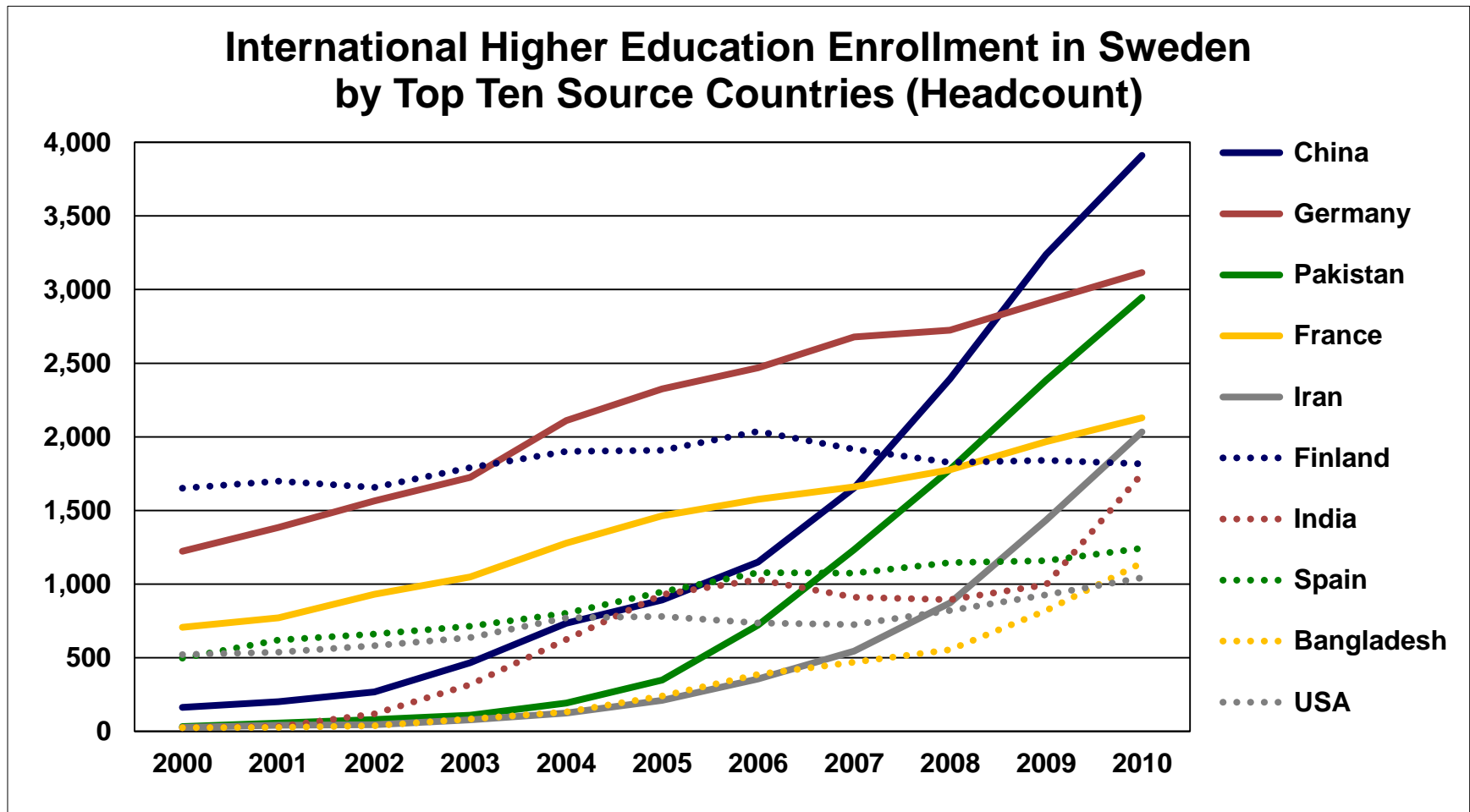
...but the Nordic Region remains a relatively small destination

Notes: Data for Denmark and Germany are incomplete.

Sources: IIE, HSV, NSD, CIMO, IU, HESA, AEI, CIC, HIS.

INTERNATIONAL EDUCATION TRENDS IN THE NORDIC REGION

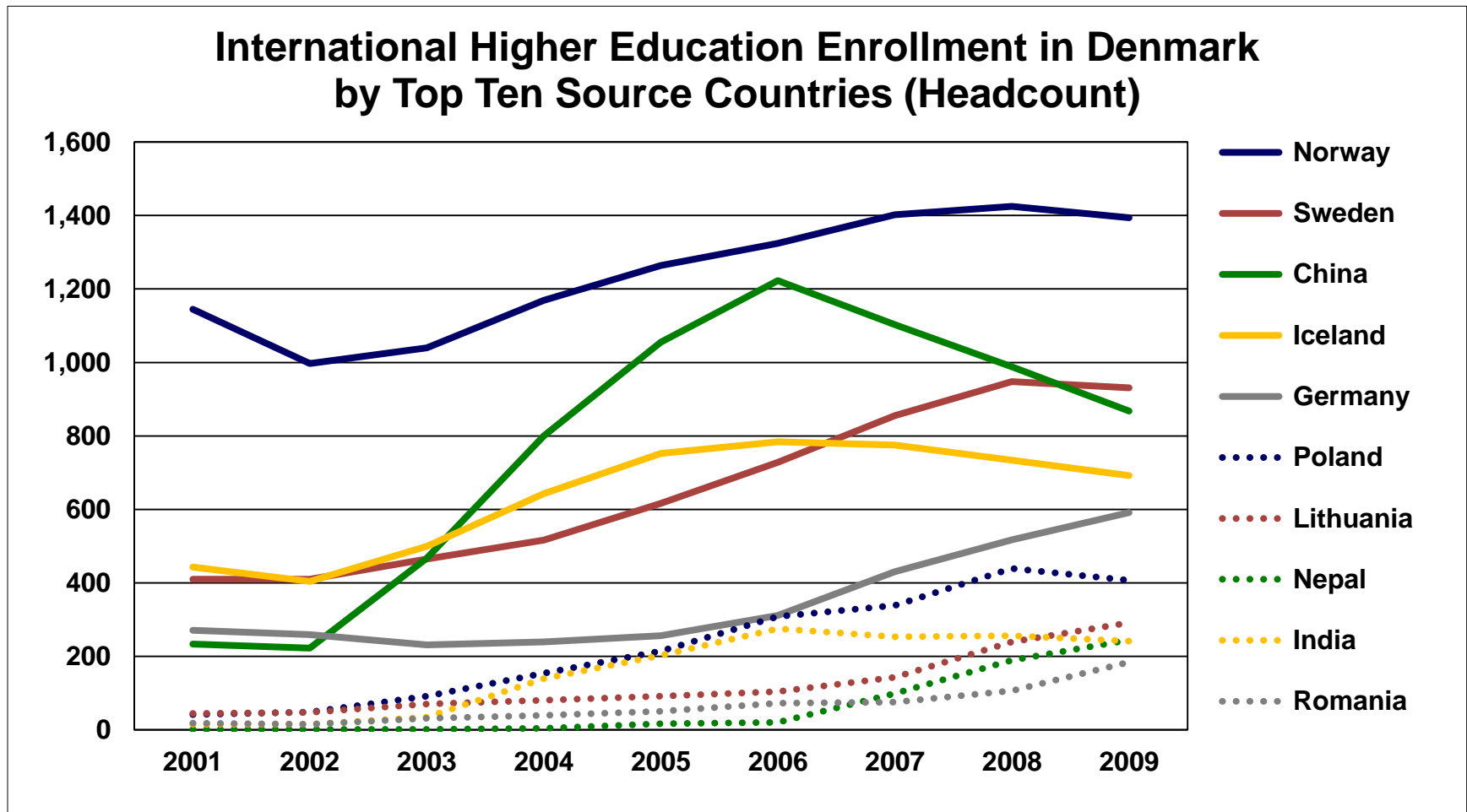
International Student Enrollment in Sweden by Source Country



Prior to tuition fees, strong gains by China, Pakistan, and Iran

INTERNATIONAL EDUCATION TRENDS IN THE NORDIC REGION

International Student Enrollment in Denmark by Source Country



Lead countries are stalling, small sending countries are inching up

Notes: Data refer to degree-seeking students only.

Source: IU.

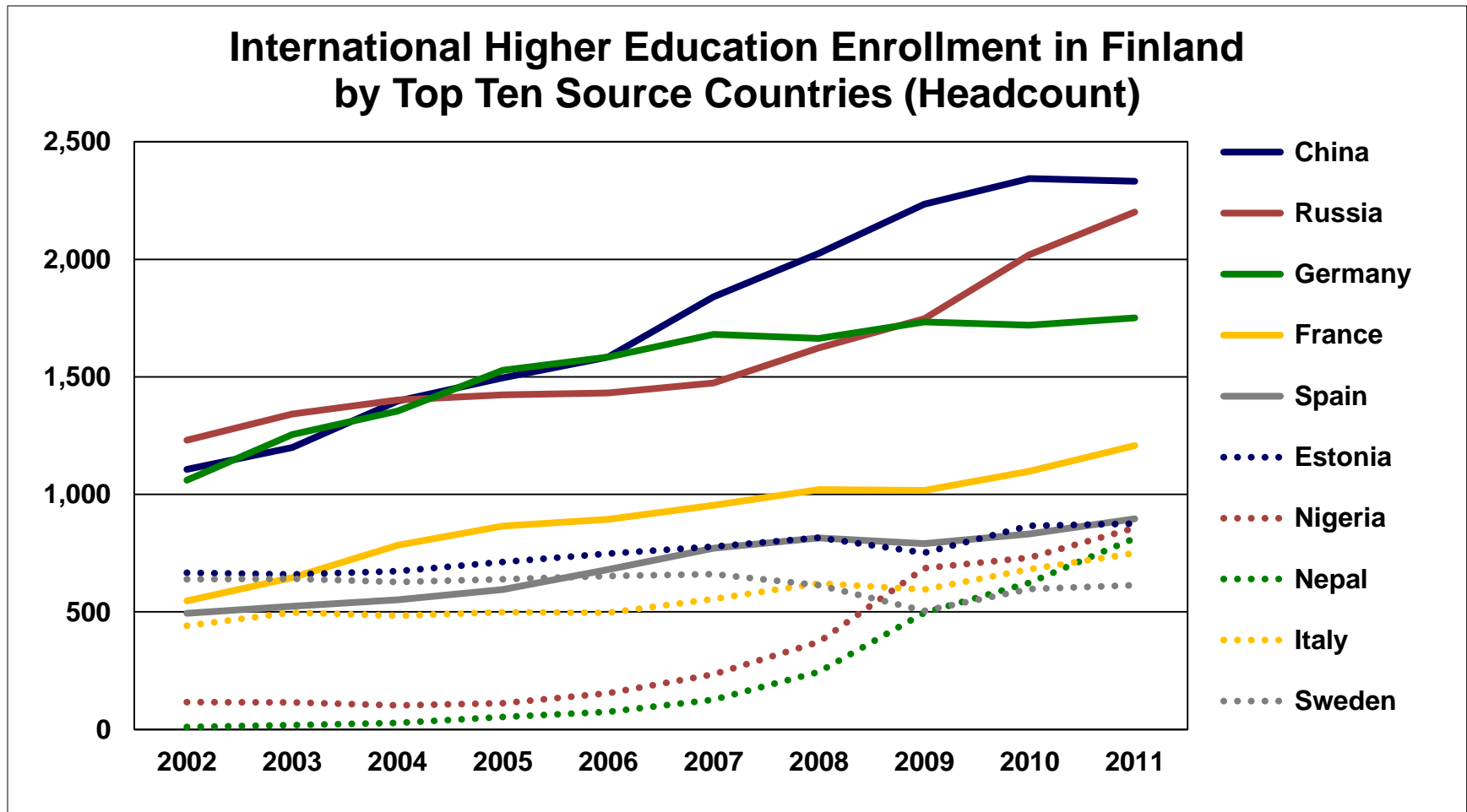
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INTERNATIONAL EDUCATION TRENDS IN THE NORDIC REGION

International Student Enrollment in Finland by Source Country



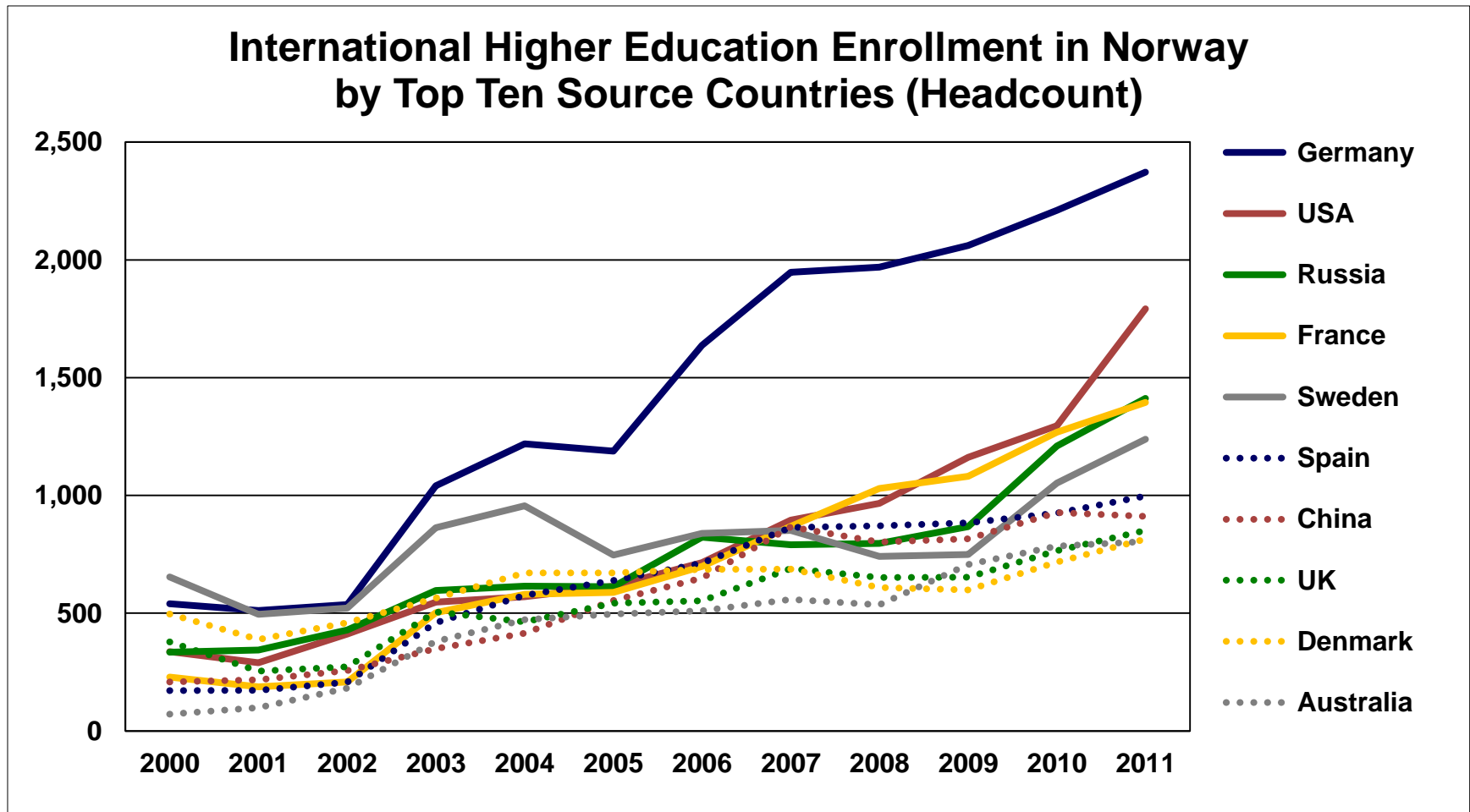
Sustained growth – except for Sweden

Notes: Data for Spain and France refer to exchange students only.

Sources: CIMO.

INTERNATIONAL EDUCATION TRENDS IN THE NORDIC REGION

International Student Enrollment in Norway by Source Country



Sustained growth – led by Germany and the USA

INTERNATIONAL EDUCATION TRENDS IN THE NORDIC REGION

Key Insights

- **The Nordic region is a niche player in international student recruiting – which reflects the overall higher education enrollment footprint of Nordic countries.**
- **This niche has been fairly strong, however. Growth dynamics over the last decade were leading other destination countries/region.**
- **China has become a leading student source country. Germany always had a notable footprint. Neither fact is surprising.**
- **Intra-Nordic mobility is showing disparate trends and dynamics.**
- **2011 and 2012 data are bound to show sustained changes in enrollment patterns in Sweden (post tuition fee introduction).**

Housekeeping

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Conditions: The Nordic Region's Socio-Economic Landscape

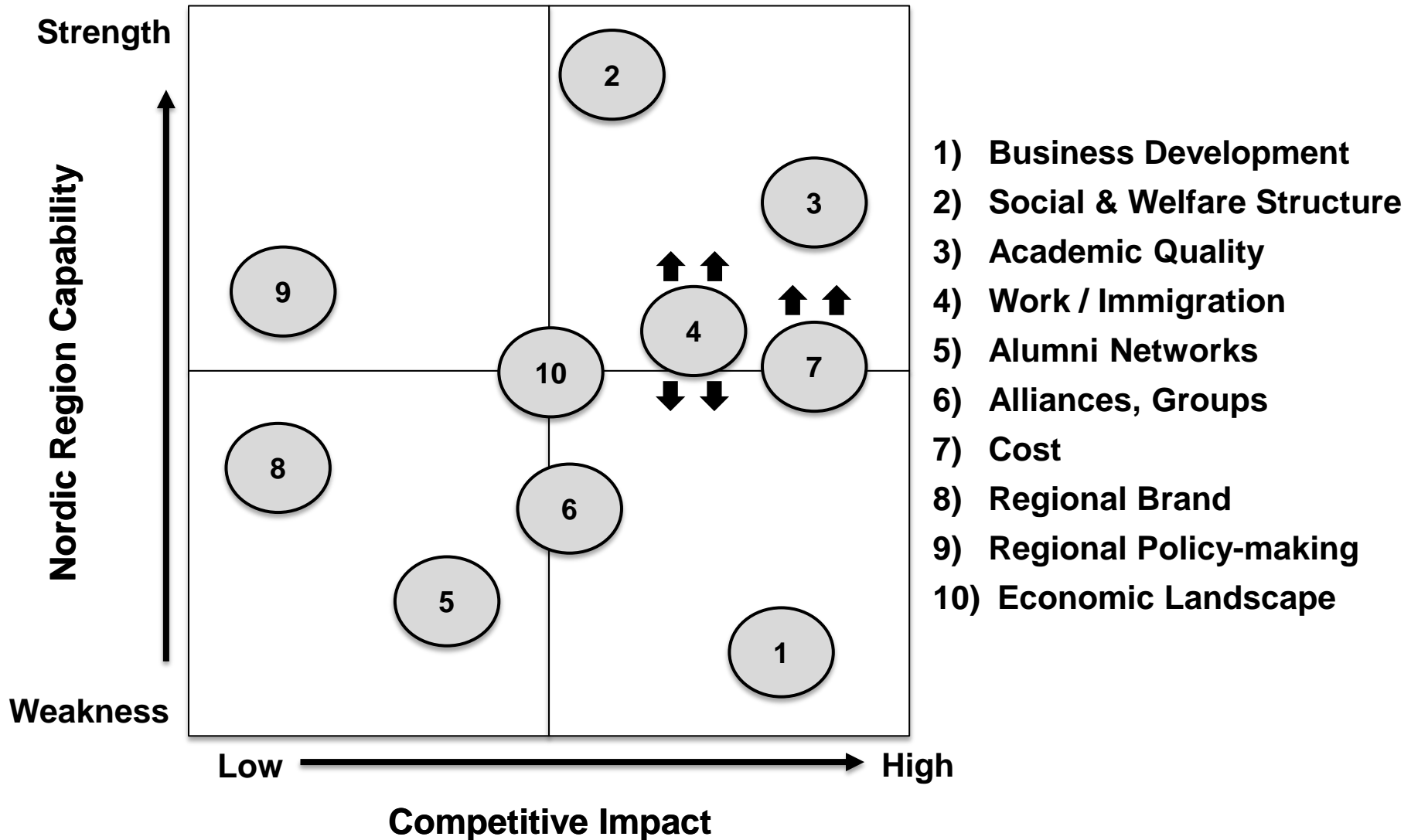
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THE NORDIC REGION'S COMPETITIVE POSITION

Capability over Competitiveness Matrix



- **Unclear policy direction at the government level regarding international education regulations (e.g. exchange/fee-paying students).**
- **Lack of investment into branding (i.e. no more IU funding).**
- **Mix of flagship universities and entrepreneurial teaching-oriented institutions should serve Denmark well.**
- **Number of fee-paying students remains very small.**
- **The connection of recruiting-to-workforce remains underdeveloped.**
- **There is a need for a cohesive, comprehensive, talent-focused recruiting strategy.**

- **Unclear policy direction at the government level on strategic higher education planning.**
- **Lack of clarity around tuition fee policies.**
- **Research and innovation needs cannot be filled by domestic students.**
- **Nokia is not enough to support country-wide innovation – what is next?**
- **Finnish institutions need to articulate a compelling story to attract more international students.**
- **Finland will face a number of watershed decisions (tuition fees, economic trajectory, immigration options) in the near future.**

- **Norwegian institutions remain well funded.**
- **The surge of international students is going to pose processing and capacity issues on some levels.**
- **Many Norwegian universities center their internationalization strategies on rather traditional parameters/behavior.**
- **A discernible lack of innovation and entrepreneurship at an institutional level can be detected.**
- **Norway needs to prepare shifting away from a “resource extraction” thinking now to avoid cultural capture issues.**
- **Norway should focus on pushing deep international talent pipeline ties in a time of plenty.**

- **Regulatory changes (e.g. introduction of tuition fees for master's-level non-EU students) unsettled the higher education landscape.**
- **The Swedish university landscape is beginning to differentiate itself which is not always an easy process.**
- **The – very necessary – shift towards recruiting models which reflect the new tuition regime is taking place in differentiated and occasionally haphazard fashion.**
- **Sweden offers one of the more liberal work placement schemes; bringing industry more actively into institutional recruiting efforts should be quite beneficial.**
- **Swedish universities are facing a number of strategic challenges – from recruiting modes to partnering options – which are playing out right now.**

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Dr. Daniel J. Guhr
Managing Director

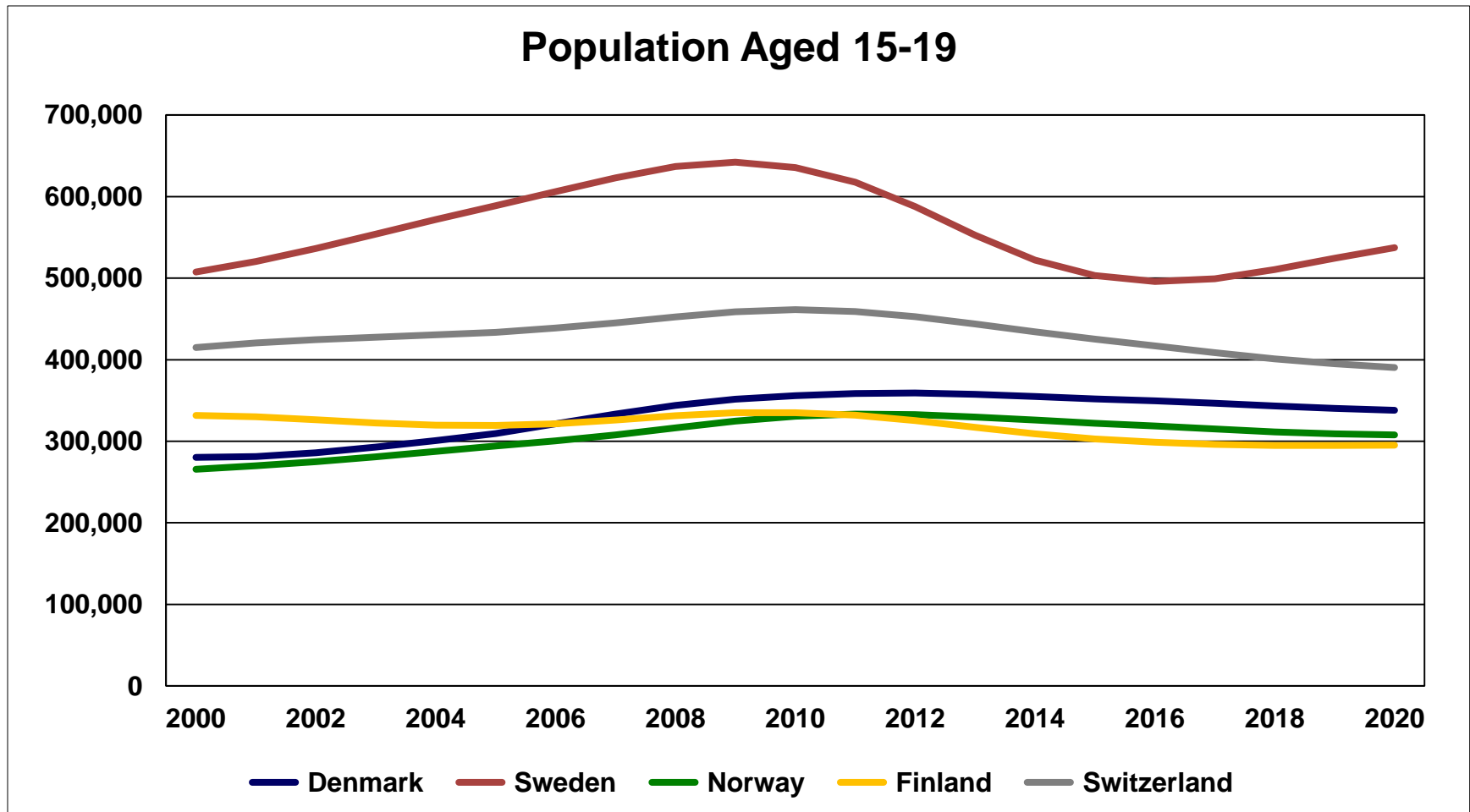
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SOCIO-ECONOMIC LANDSCAPE IN THE NORDIC REGION

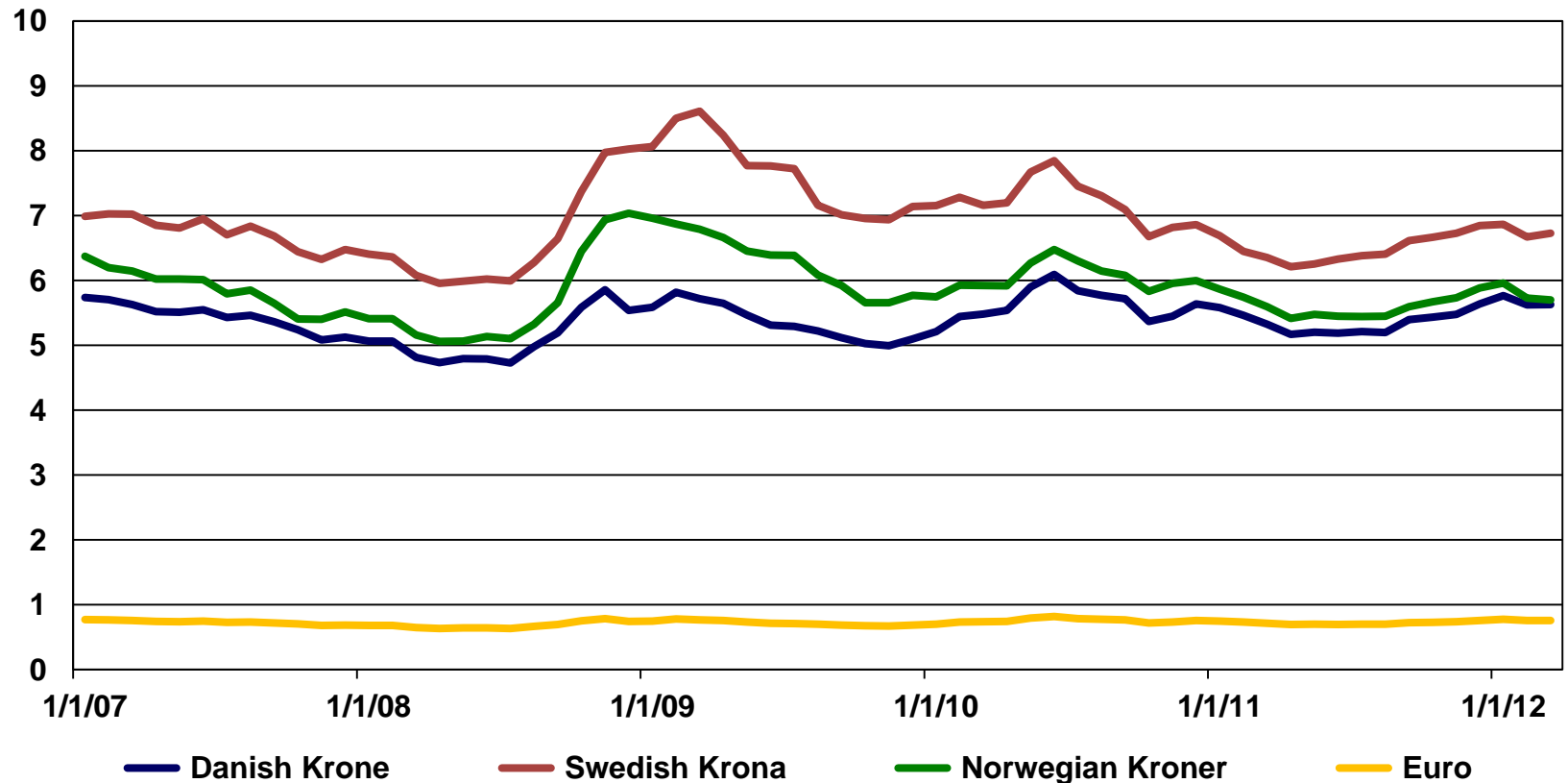
Demographic Context – Secondary Education Target Age Group



SOCIO-ECONOMIC LANDSCAPE IN THE NORDIC REGION

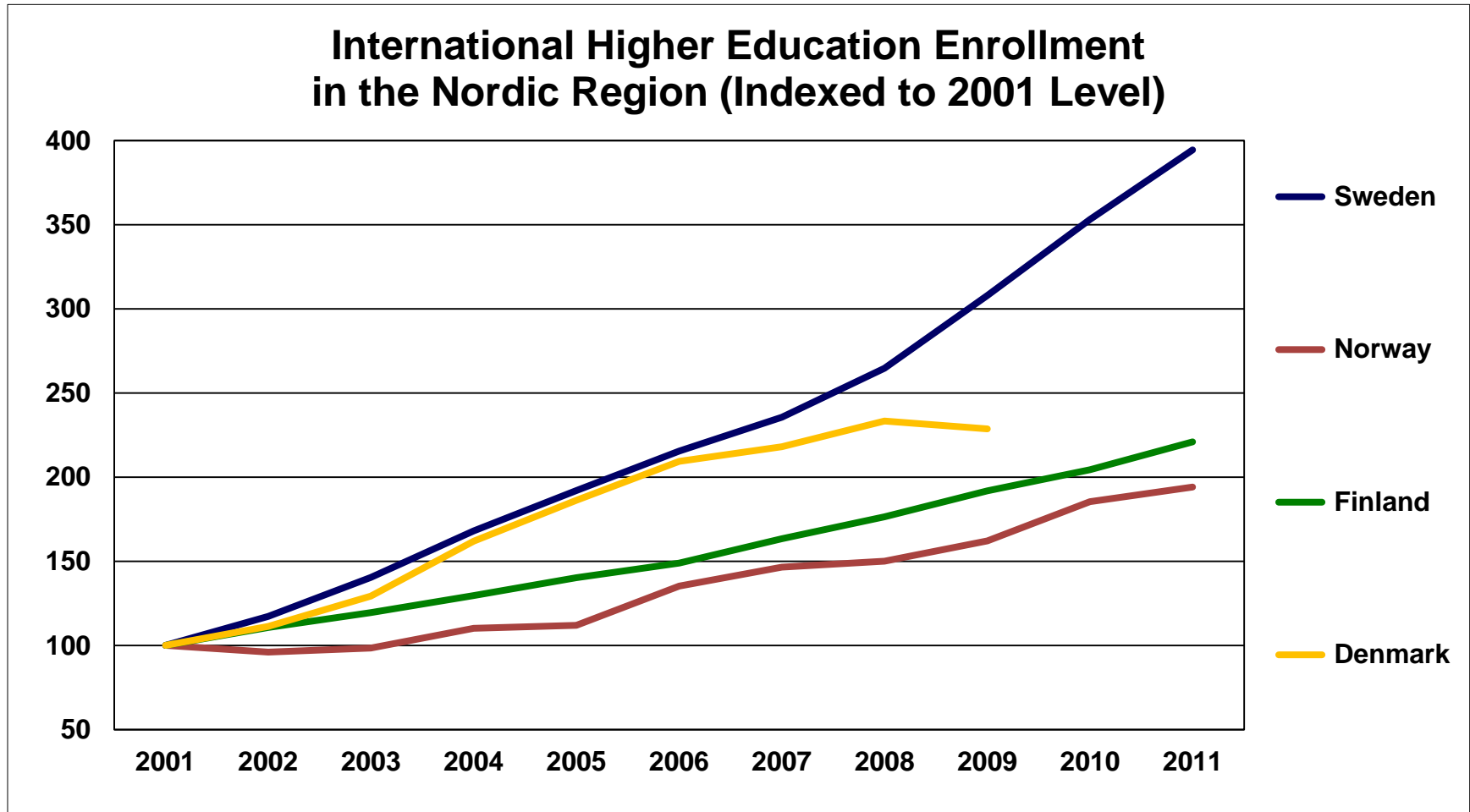
Currency and Global Economic Competitiveness

US Dollar / Nordic Region Currencies and Euro



INTERNATIONAL EDUCATION TRENDS IN THE NORDIC REGION

International Student Enrollment in the Nordic Region (II)



Notes: Data for Denmark are incomplete.

Sources: IU, HSV, NSD, CIMO.

- **Social structure** +++
- **External focus / trade** +++
- **Language capabilities** ++
- **Innovation** ++
- **Educational quality** ++
- **Labor market dynamics** +
- **Migration policies** +
- **Strategic alignment** ?
- **Institutional entrepreneurship** missing...

For Education Institutions

- Educational quality is not enough to truly compete
- Strong value proposition and migration pathways are key assets
- Old recruitment models won't work anymore
- Institutional entrepreneurship is crucial to long-term survival

For Policy Makers

- Cross-country formalized cooperation is justified by location and size
- Government's role has (must) shifted from prime actor to facilitator
- If coordinated effort is unattainable, institutional entrepreneurship should be encouraged (not stifled)