

**4th NORDIC COUNTRIES
INTERNATIONAL EDUCATION
STRATEGIC OUTLOOK SESSION**

NAFSA 2013 Conference

DISCLAIMER

- **The presentation was delivered by ICG at the 2013 NAFSA conference in St Louis on 29 May 2013.**
- **The presentation shall be considered incomplete without oral clarification.**
- **The opinions expressed in this presentation are those of the authors alone.**
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AGENDA

Housekeeping

Conditions: The Nordic Region's Socio-Economic Landscape

Trends: International Education Trends in the Nordic Region

Positioning: The Nordic Region's Competitive Position

Co-Chairs: Nordic Perspectives

Discussion

HOUSEKEEPING

- **The session will be Co-Chaired by Markus Laitinen (University of Helsinki) and Niklas Tranaeus (Swedish Institute).**
- **The ICG presentation section is geared for about 20 minutes.**
- **The Co-Chairs will share their perspectives for about 30 minutes.**
- **About 20 minutes are allocated for discussion.**

THE PURPOSE OF THIS SESSION

- **This is the fourth Nordic Strategic Outlook Session, following previous sessions at the 2011 EAIE, 2012 NAFSA, and 2012 EAIE 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.**

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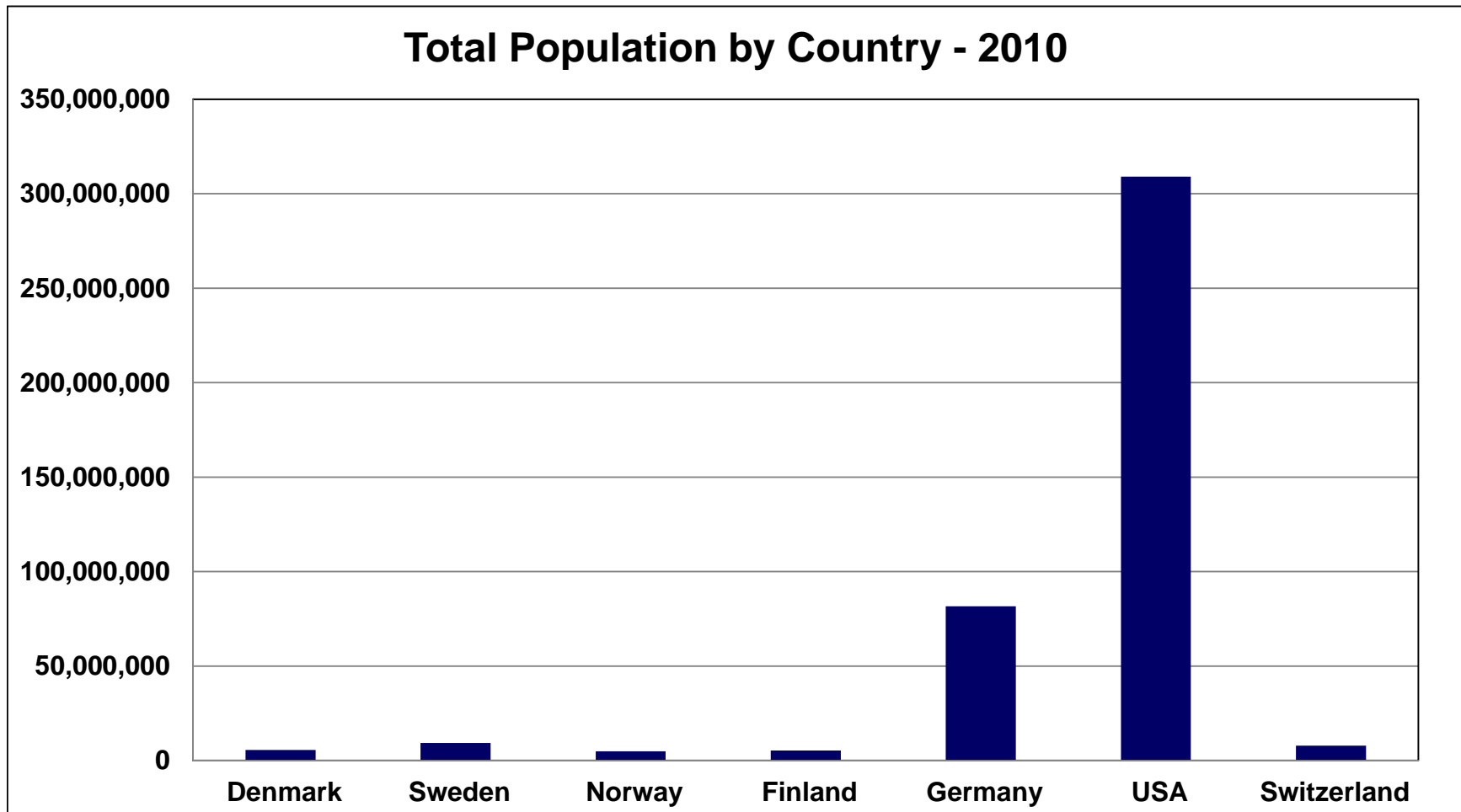
Positioning: The Nordic Region's Competitive Position

Co-Chairs: Nordic Perspectives

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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?

Source: UNPD.

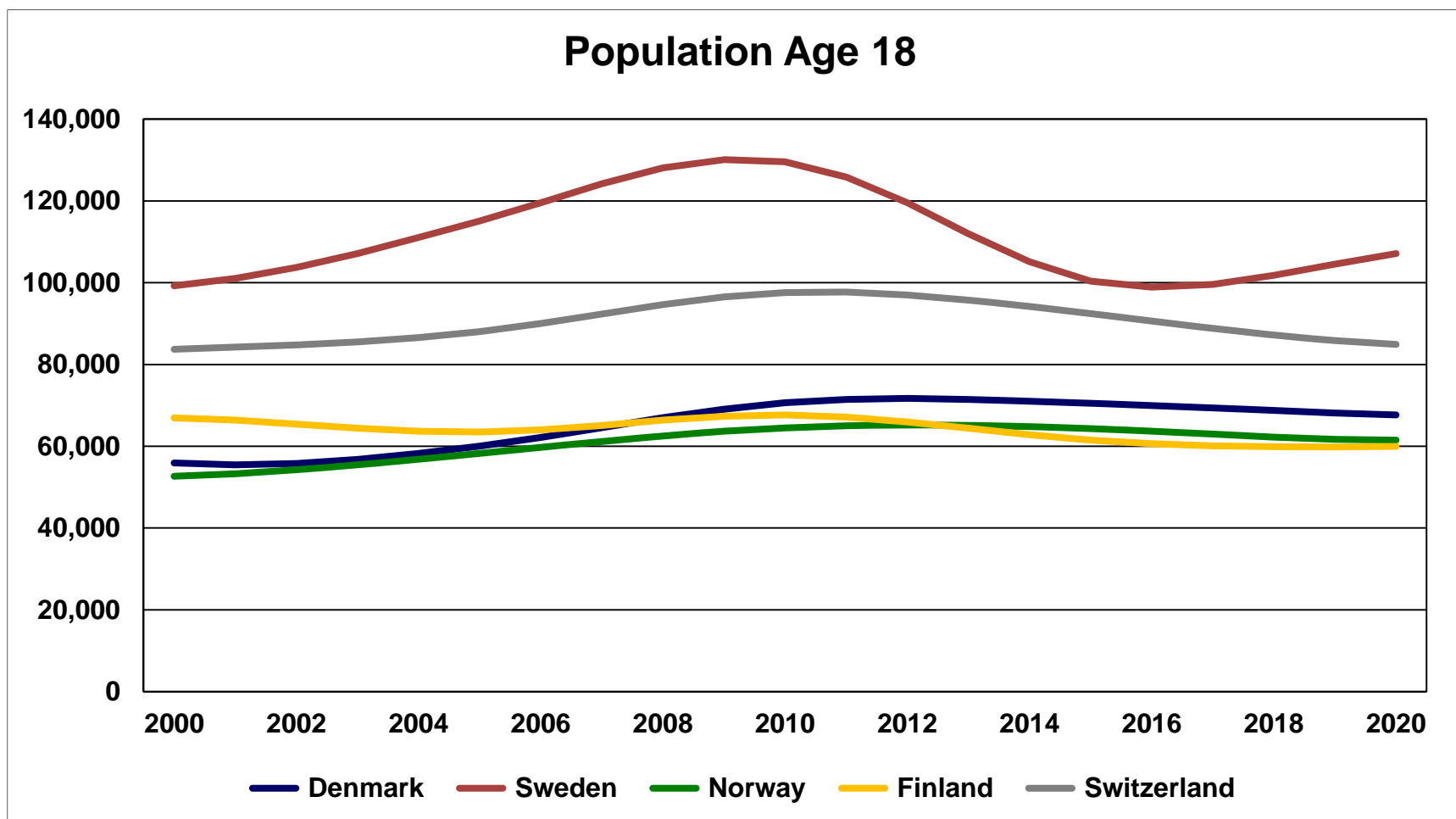
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SOCIO-ECONOMIC LANDSCAPE IN THE NORDIC REGION

Demographic Context – Secondary School Leavers



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

Source: UNPD.

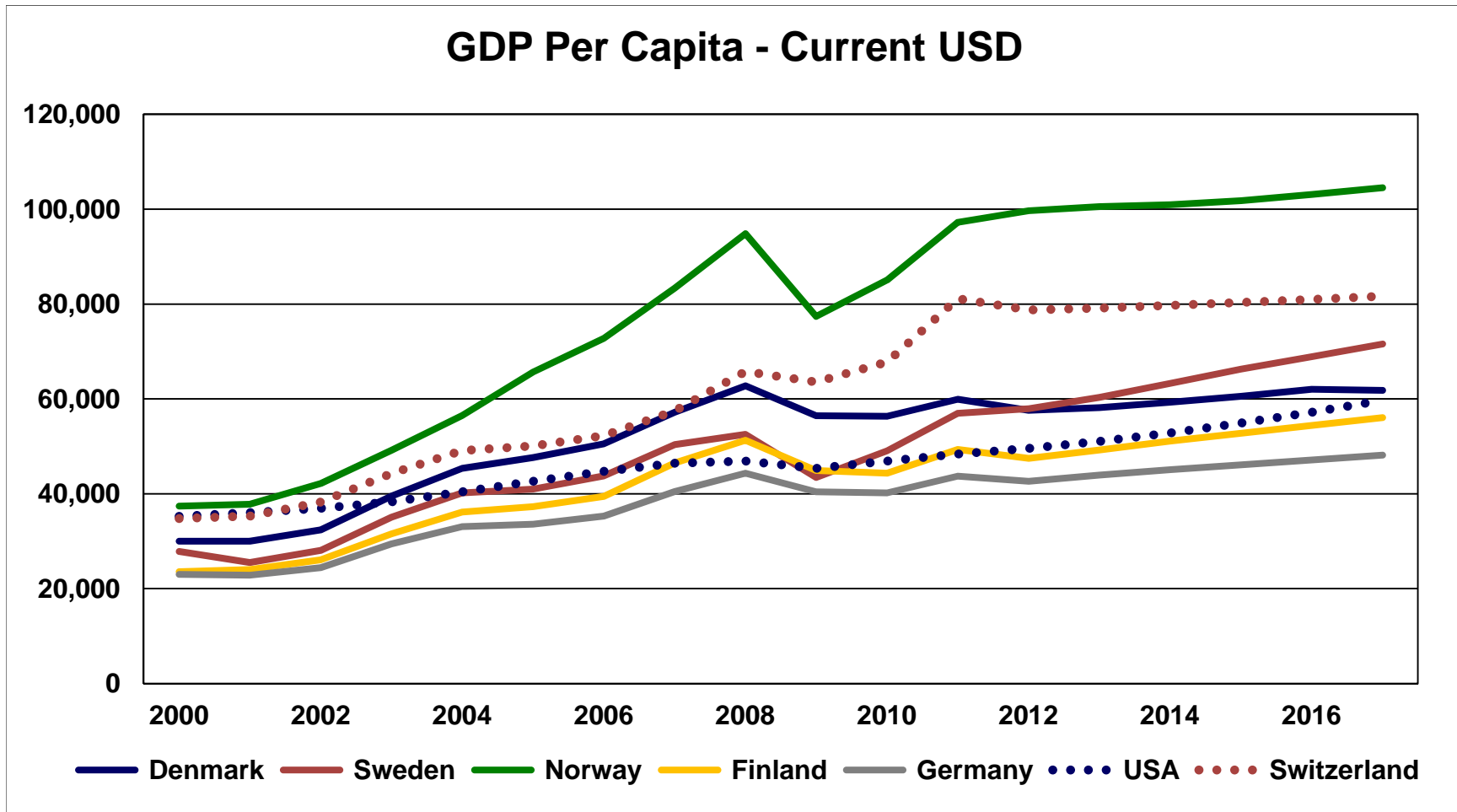
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SOCIO-ECONOMIC LANDSCAPE IN THE NORDIC REGION

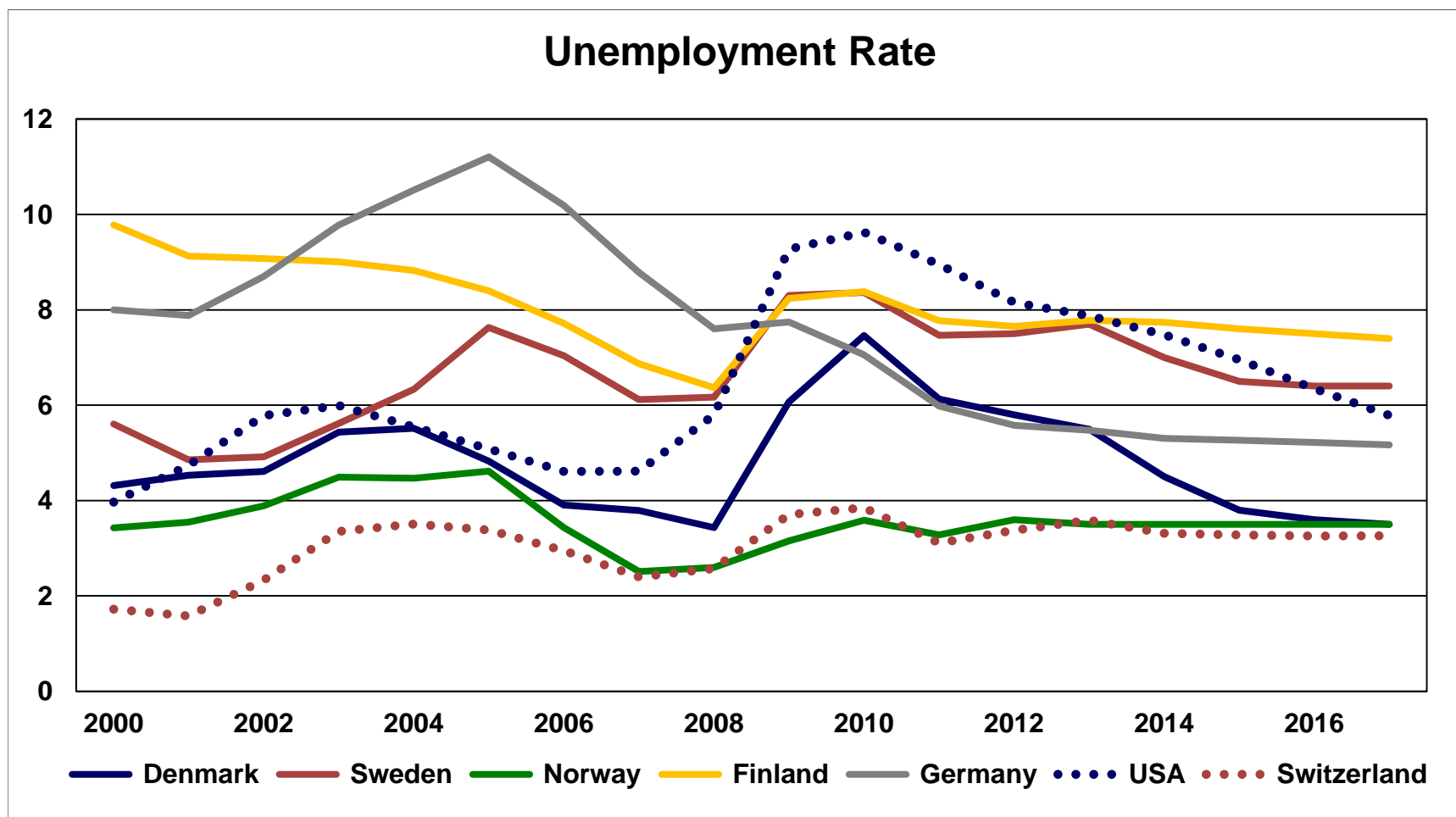
Economic Growth Trends – GDP Per Capita in Current USD



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

SOCIO-ECONOMIC LANDSCAPE IN THE NORDIC REGION

Economic Growth Trends – Unemployment Rate

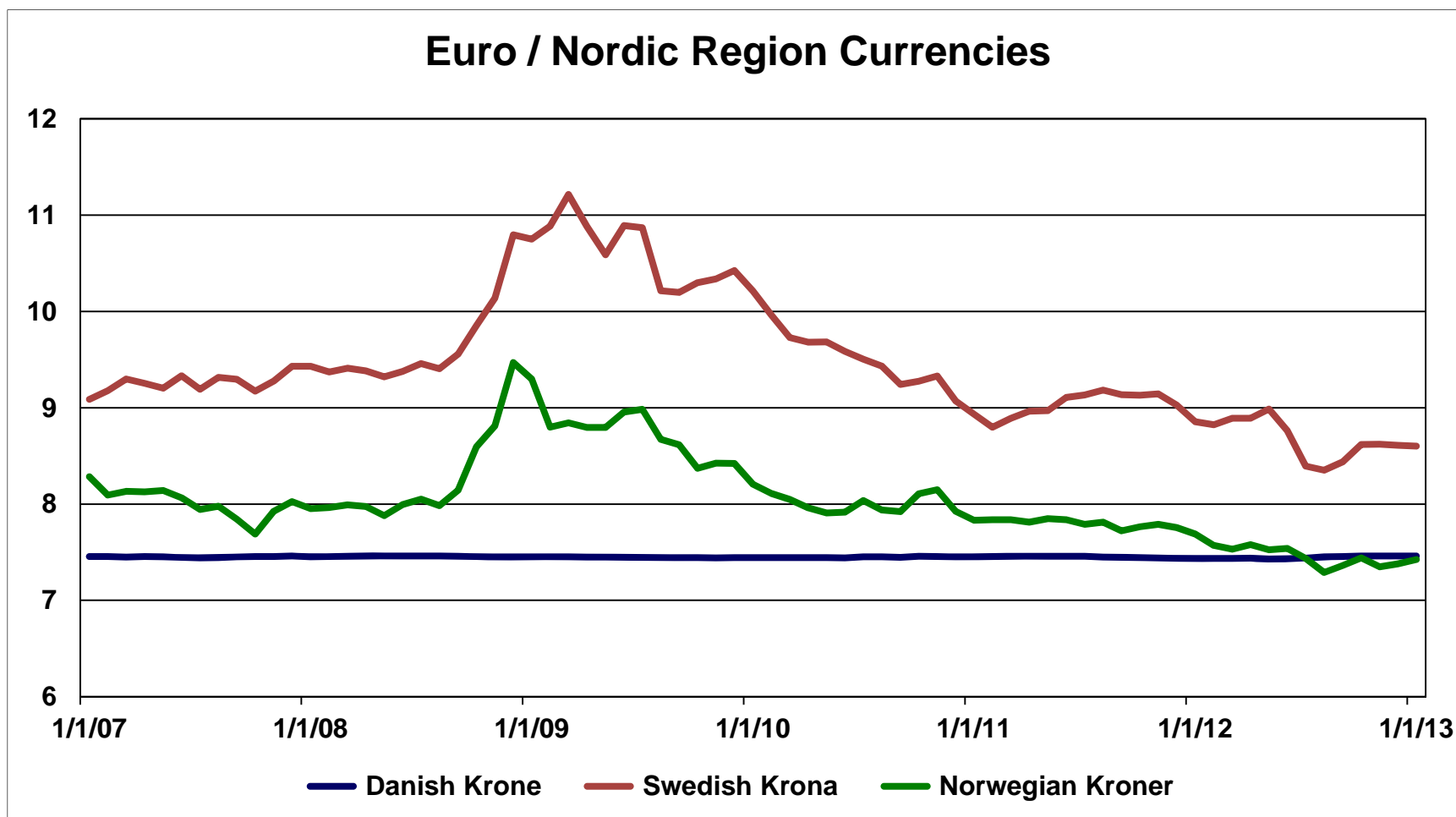


Denmark & Norway are forecast to run lower unemployment rates than Sweden & Finland

Sources: IMF.

SOCIO-ECONOMIC LANDSCAPE IN THE NORDIC REGION

Currency and Global Economic Competitiveness



Swedish and Norwegian currencies have strengthened since 2009

Source: OANDA.

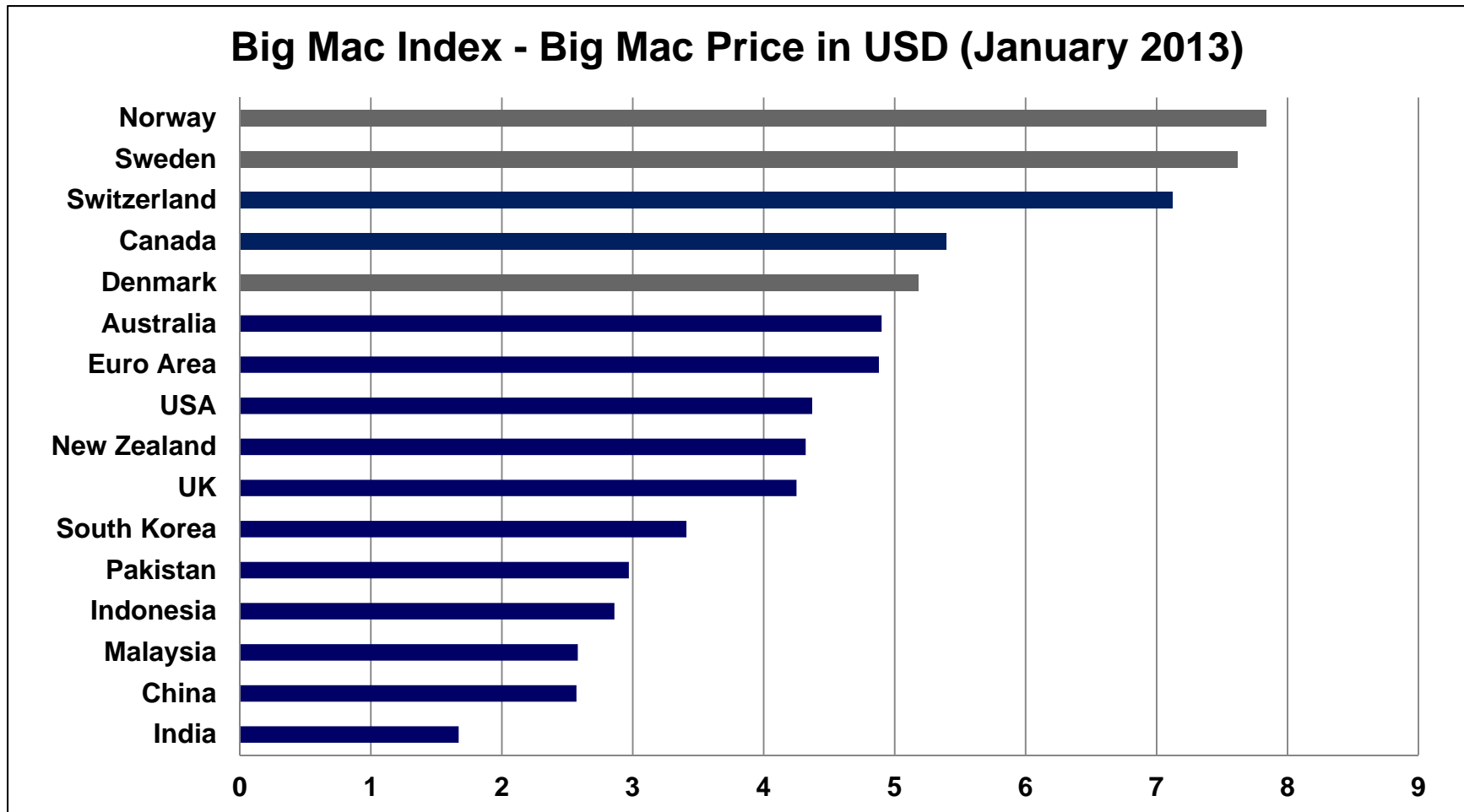
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SOCIO-ECONOMIC LANDSCAPE IN THE NORDIC REGION

Currency and Global Economic Competitiveness – The Big Mac Index

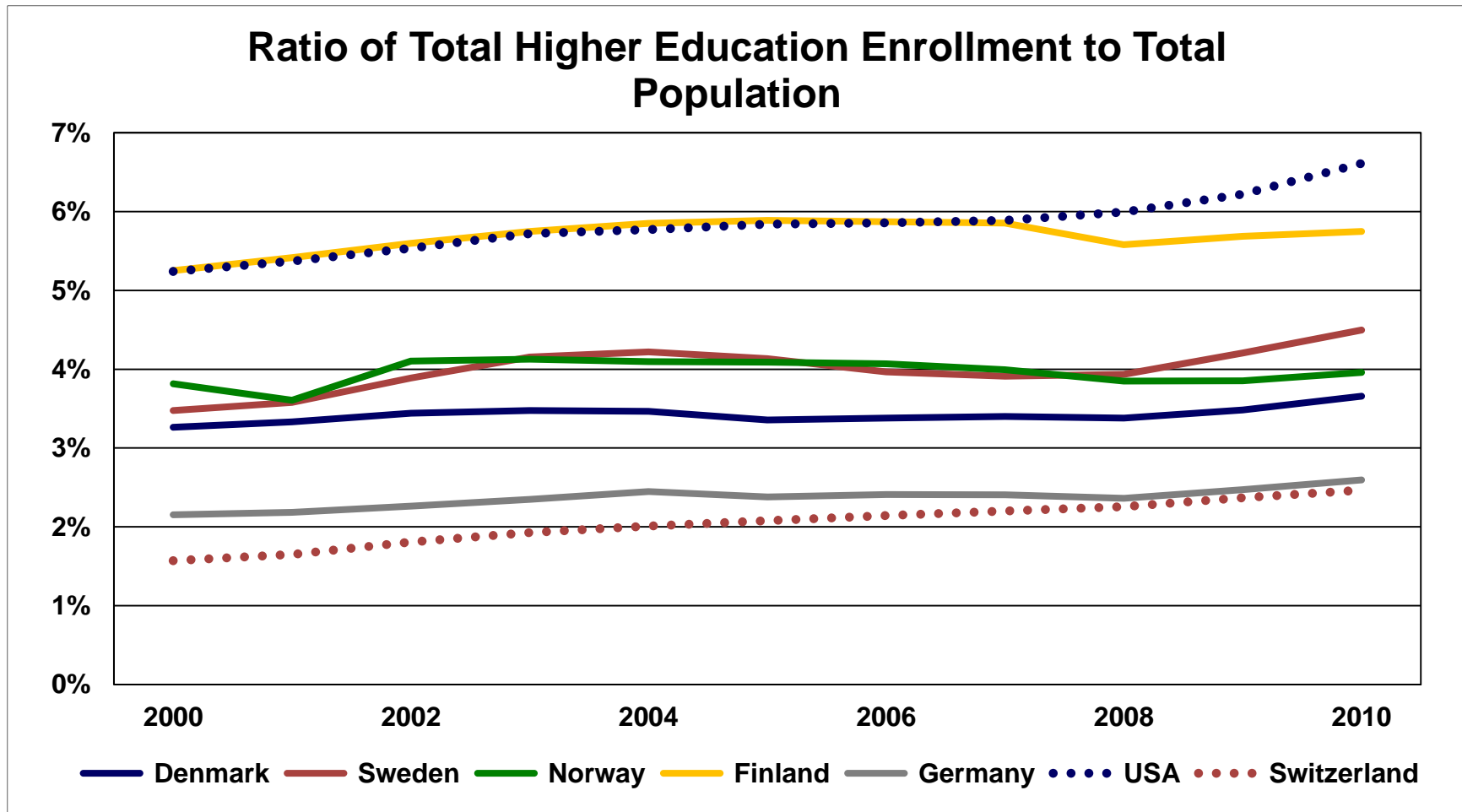


It is not cheap to eat a Burger in the Nordic countries...

Source: The Economist.

INTERNATIONAL EDUCATION TRENDS IN THE NORDIC REGION

Higher Education Population Group to Total Population

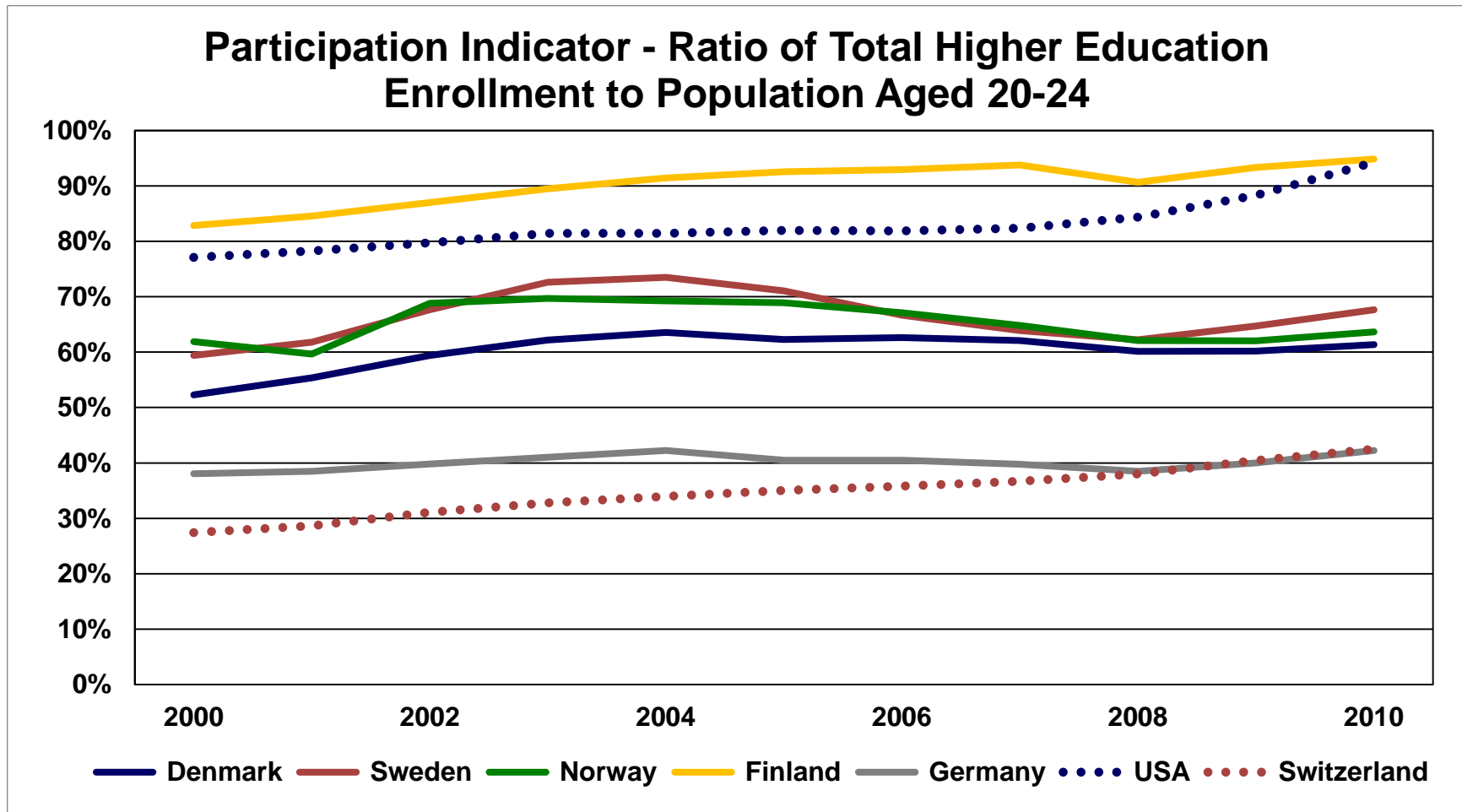


Nordic countries are education-intensive

Sources: Stats Denmark, HSV, NSD, Statistics Finland, Destatis, NCES, BFS.

INTERNATIONAL EDUCATION TRENDS IN THE NORDIC REGION

Higher Education Participation



Education participation is hitting ceilings

Sources: Stats Denmark, HSV, NSD, Statistics Finland, Destatis, NCES, BFS.

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.**

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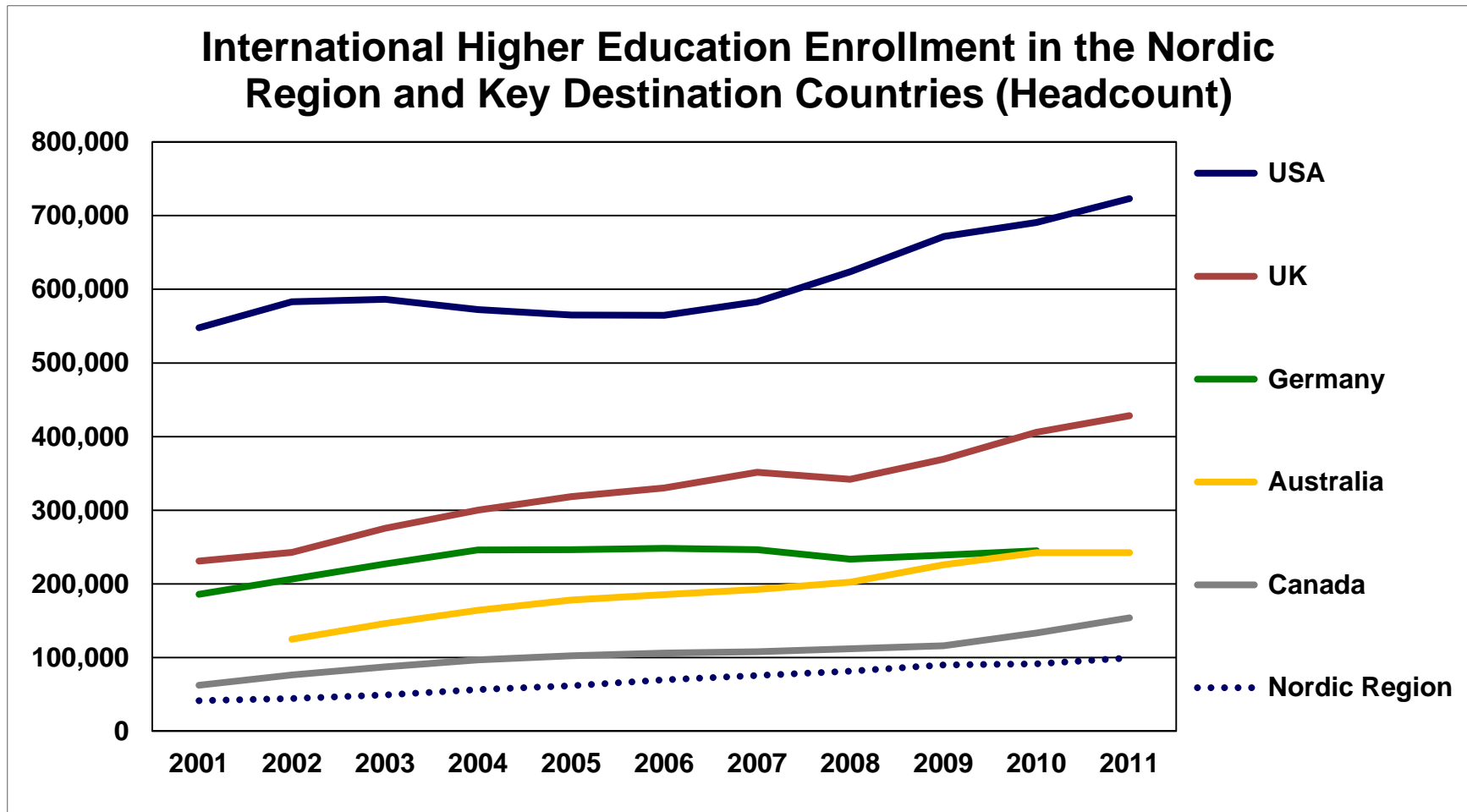
Positioning: The Nordic Region's Competitive Position

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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.

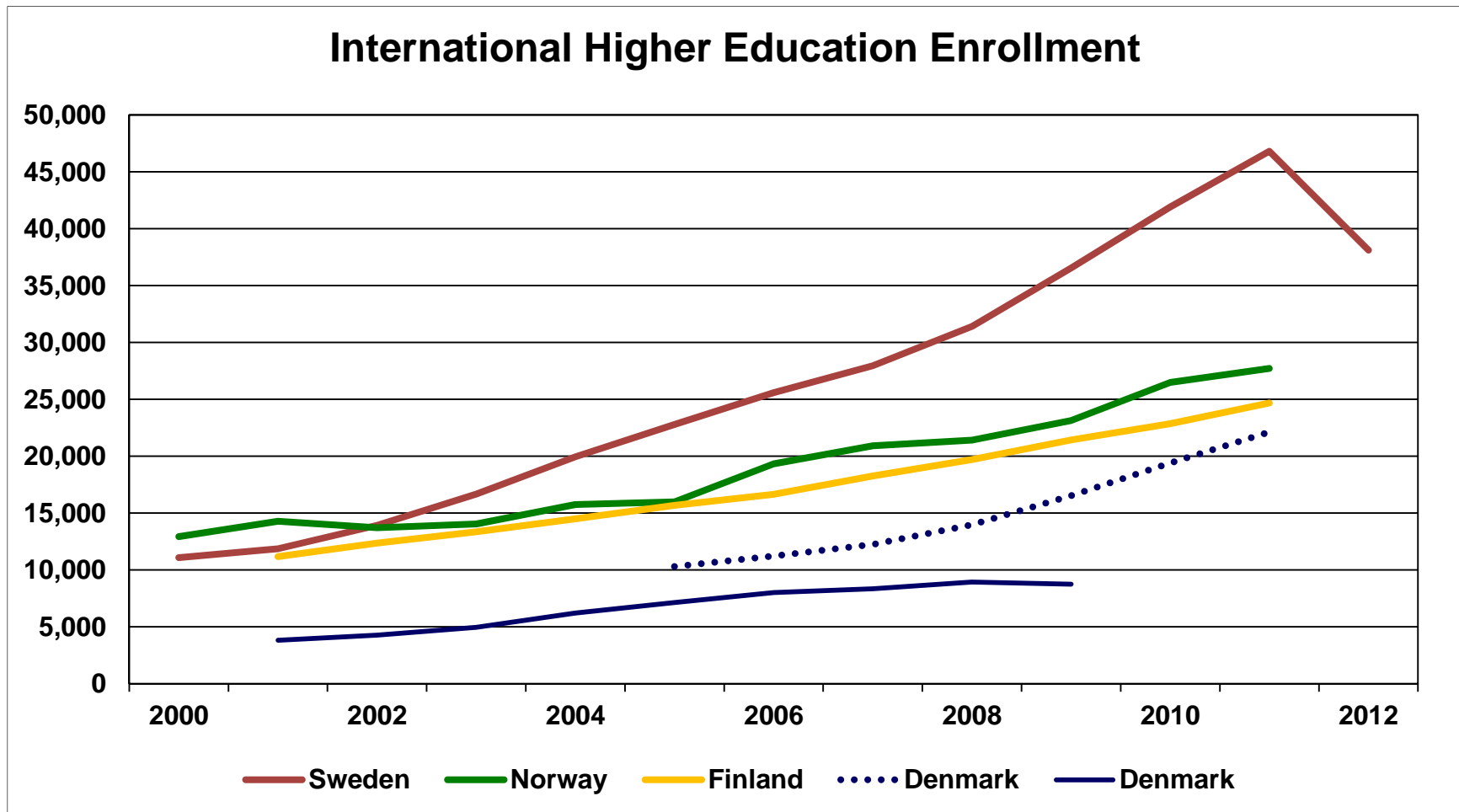
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INTERNATIONAL EDUCATION TRENDS IN THE NORDIC REGION

International Student Enrollment in the Nordic Region (I)



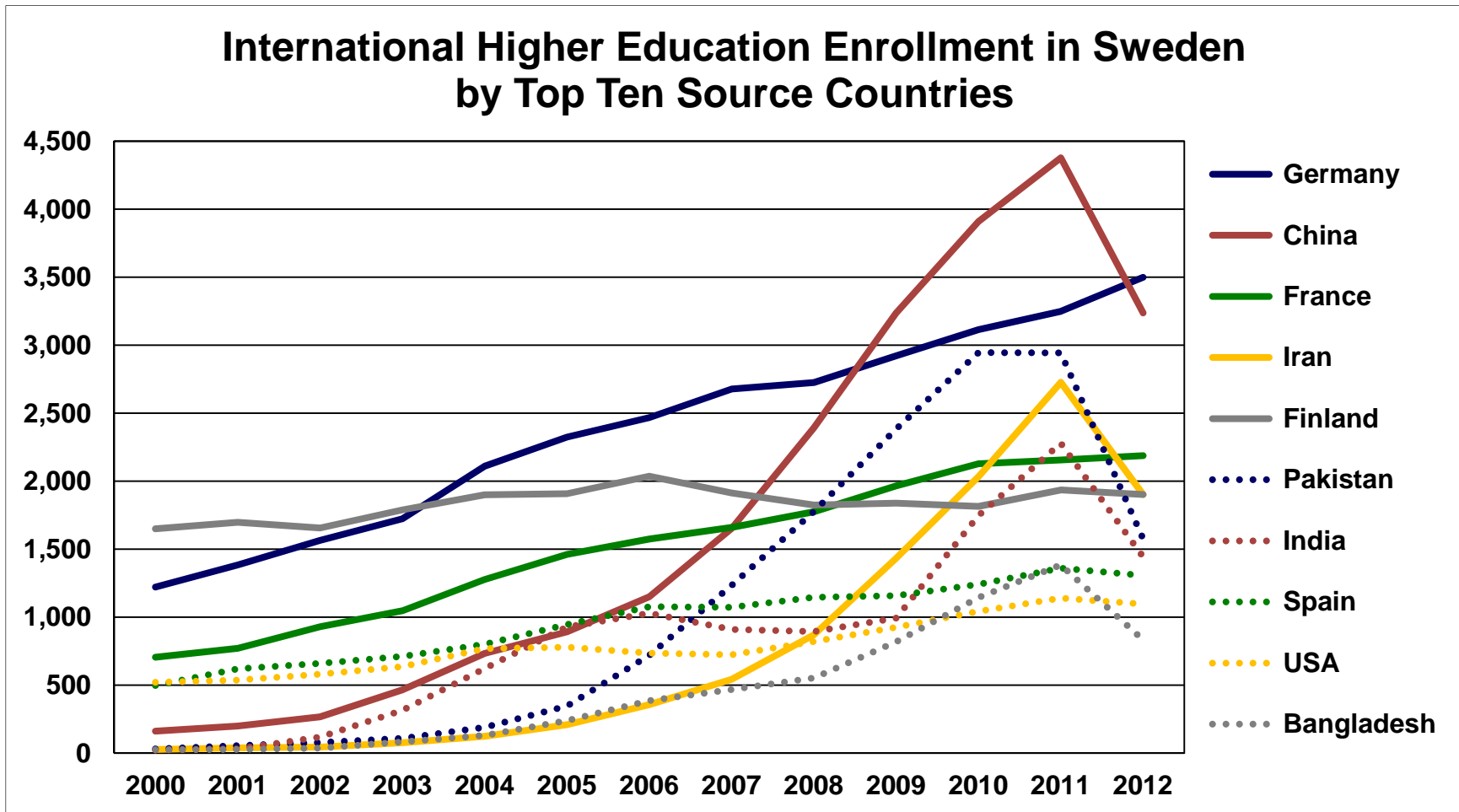
Contraction in Sweden after the introduction of tuition fees.

Notes: Data for Denmark are incomplete.

Sources: IU, HSV, NSD, CIMO.

INTERNATIONAL EDUCATION TRENDS IN THE NORDIC REGION

International Student Enrollment in Sweden by Source Country



Decline from most sending countries after the introduction of tuition fees.

Source: HSV.

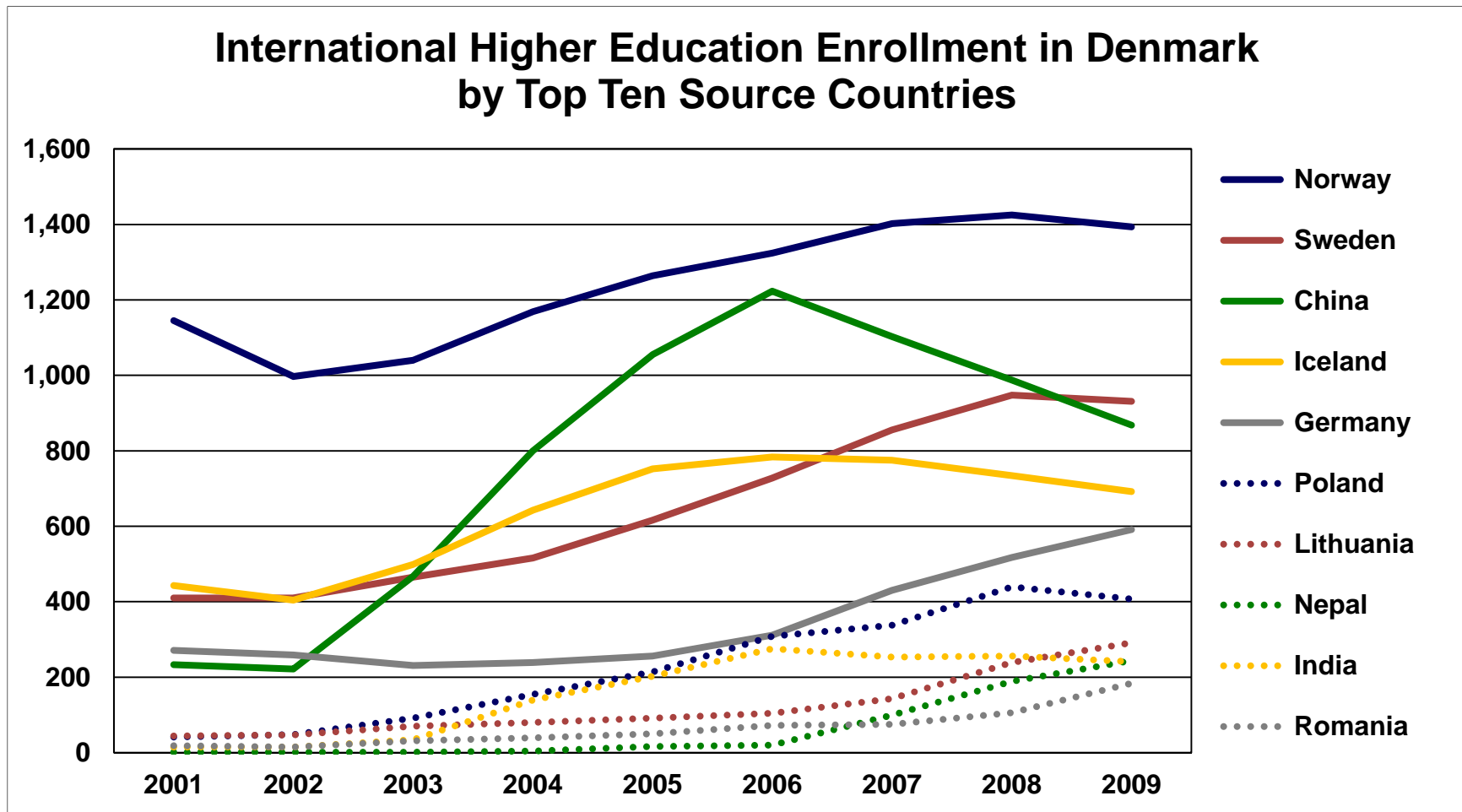
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INTERNATIONAL EDUCATION TRENDS IN THE NORDIC REGION

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.

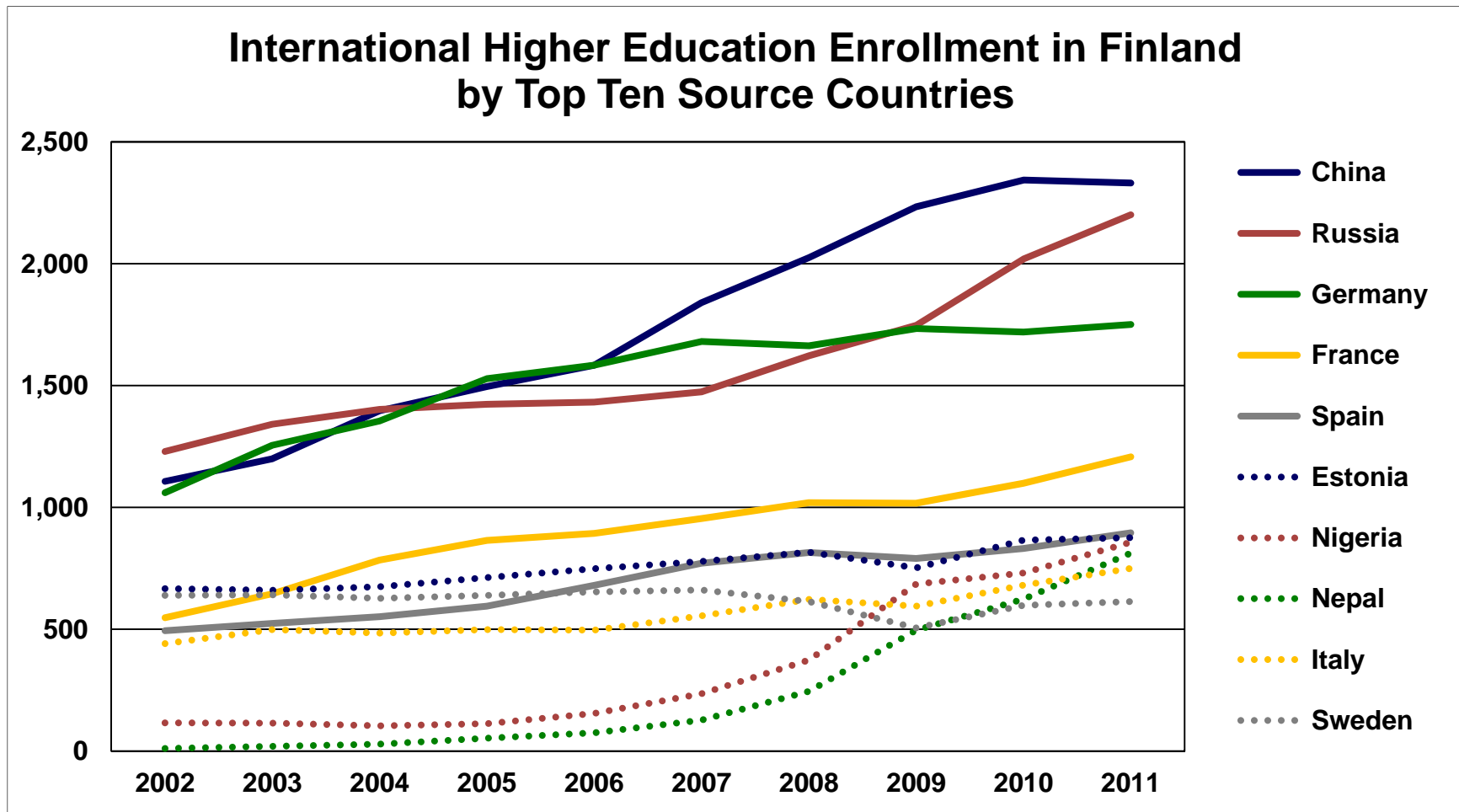
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INTERNATIONAL EDUCATION TRENDS IN THE NORDIC REGION

International Student Enrollment in Finland by Source Country



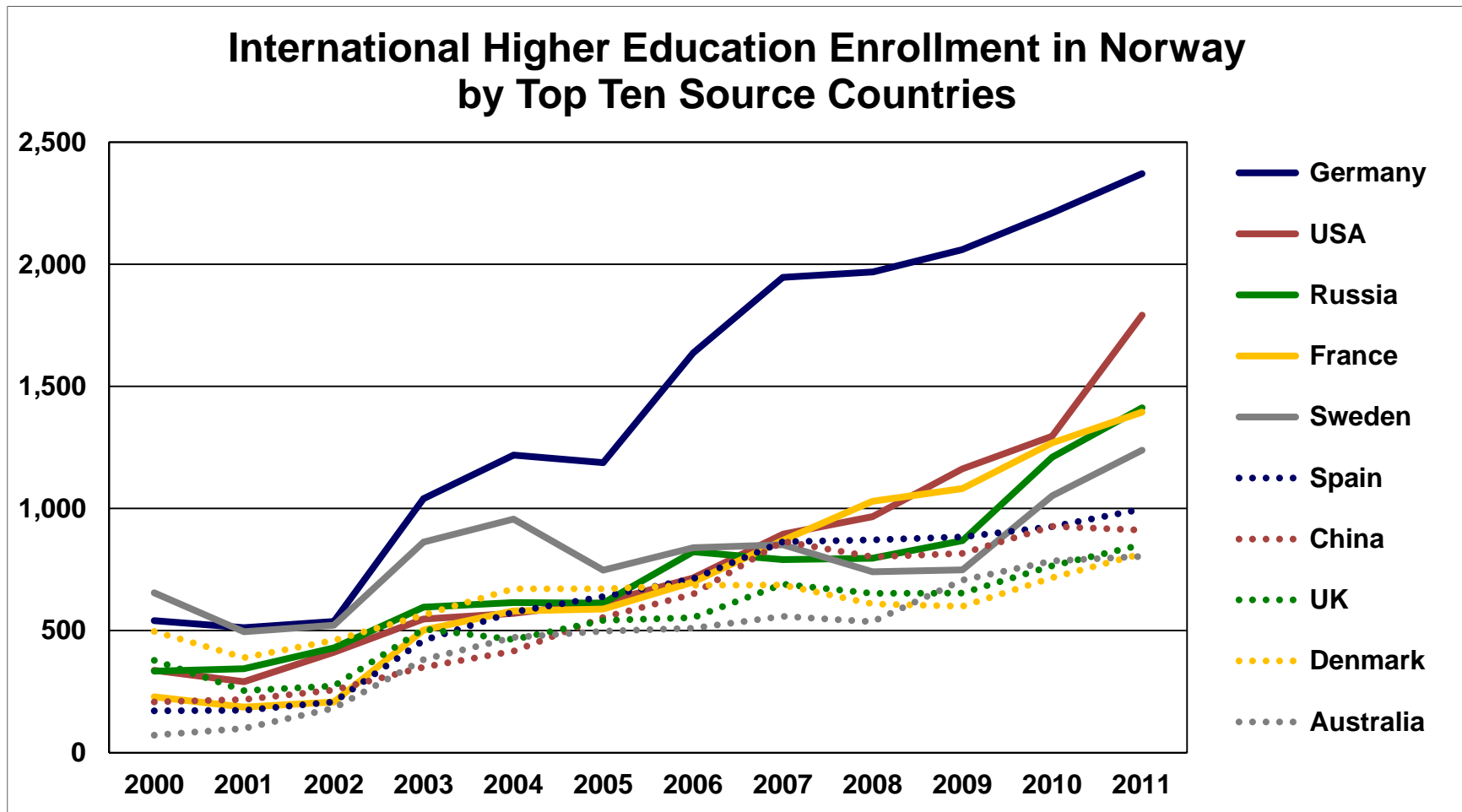
Sustained growth – except for Sweden

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

Sources: NSD.

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).**

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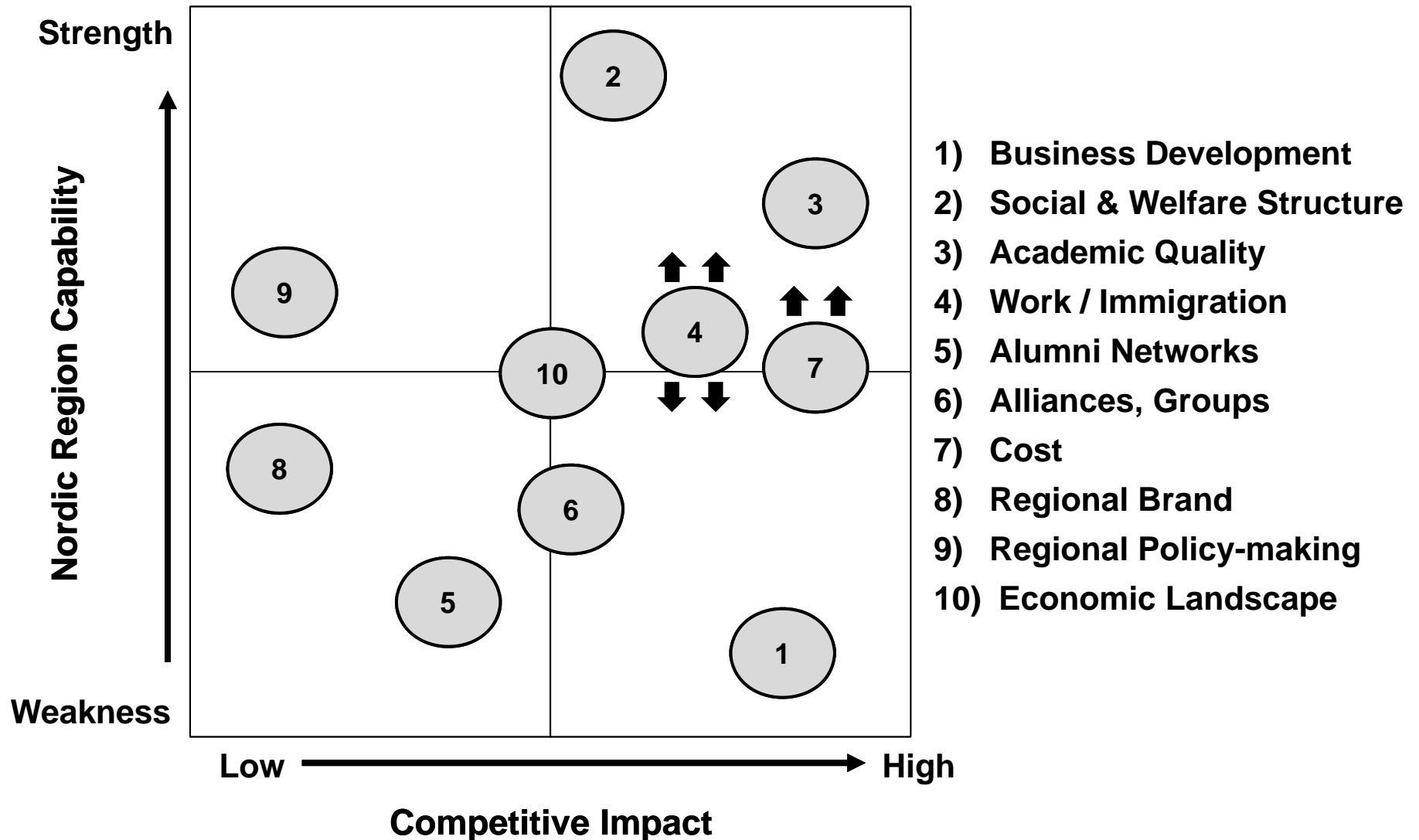
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THE NORDIC REGION'S COMPETITIVE POSITION

Capability / Competitiveness Matrix



THE OUTLOOK FOR DENMARK

- **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.**

THE OUTLOOK FOR FINLAND

- **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.**

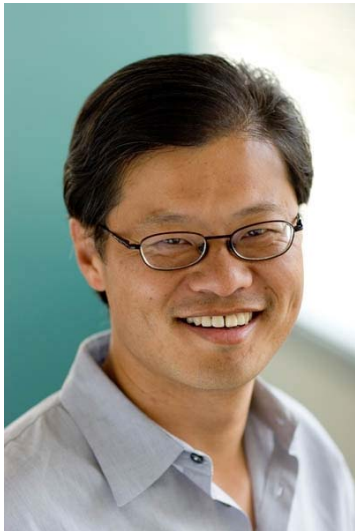
THE OUTLOOK FOR NORWAY

- **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.**

THE OUTLOOK FOR SWEDEN

- **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.**

FROM INTERNATIONALIZATION TO INNOVATION TO IMMIGRATION



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Yahoo!

Stanford University

Taiwan



David Filo

Yahoo!

Stanford University

United States

Larry Page

Google

Stanford University

United States



COURTESY: GOOGLE

Sergey Brin

Google

Stanford University

Russia



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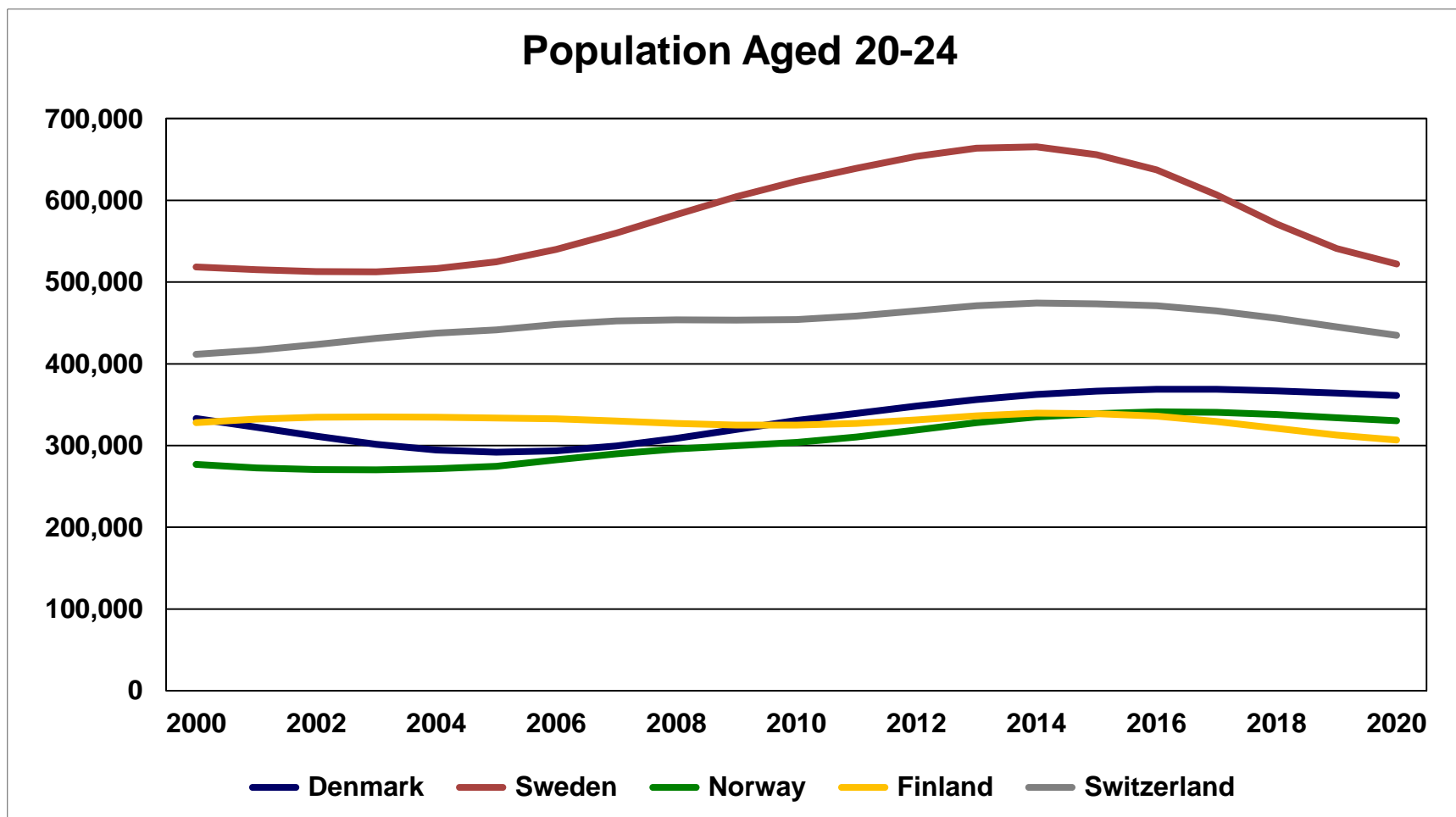
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SOCIO-ECONOMIC LANDSCAPE IN THE NORDIC REGION

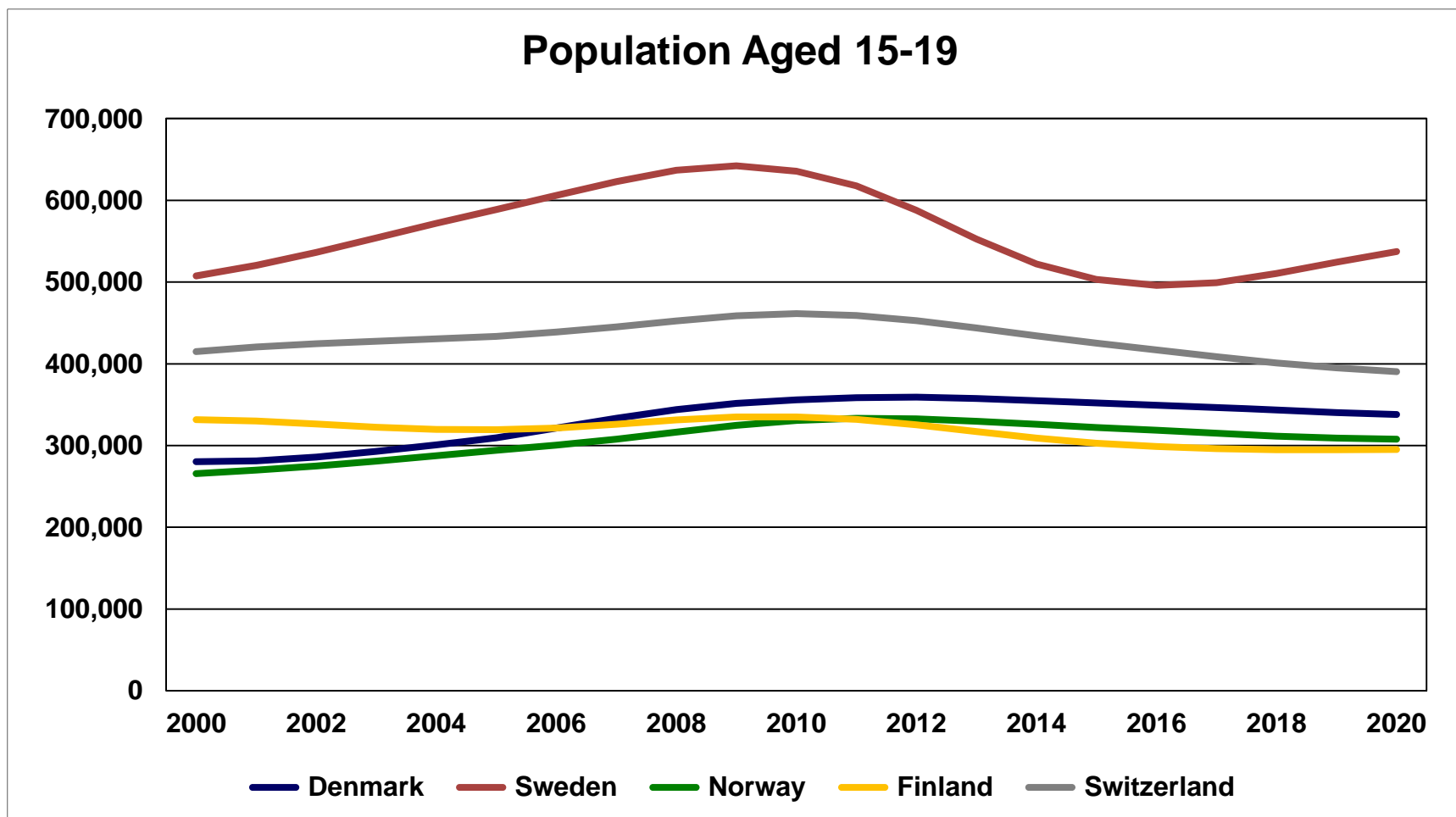
Demographic Context – Higher Education Target Age Group



Sources: UNPD.

SOCIO-ECONOMIC LANDSCAPE IN THE NORDIC REGION

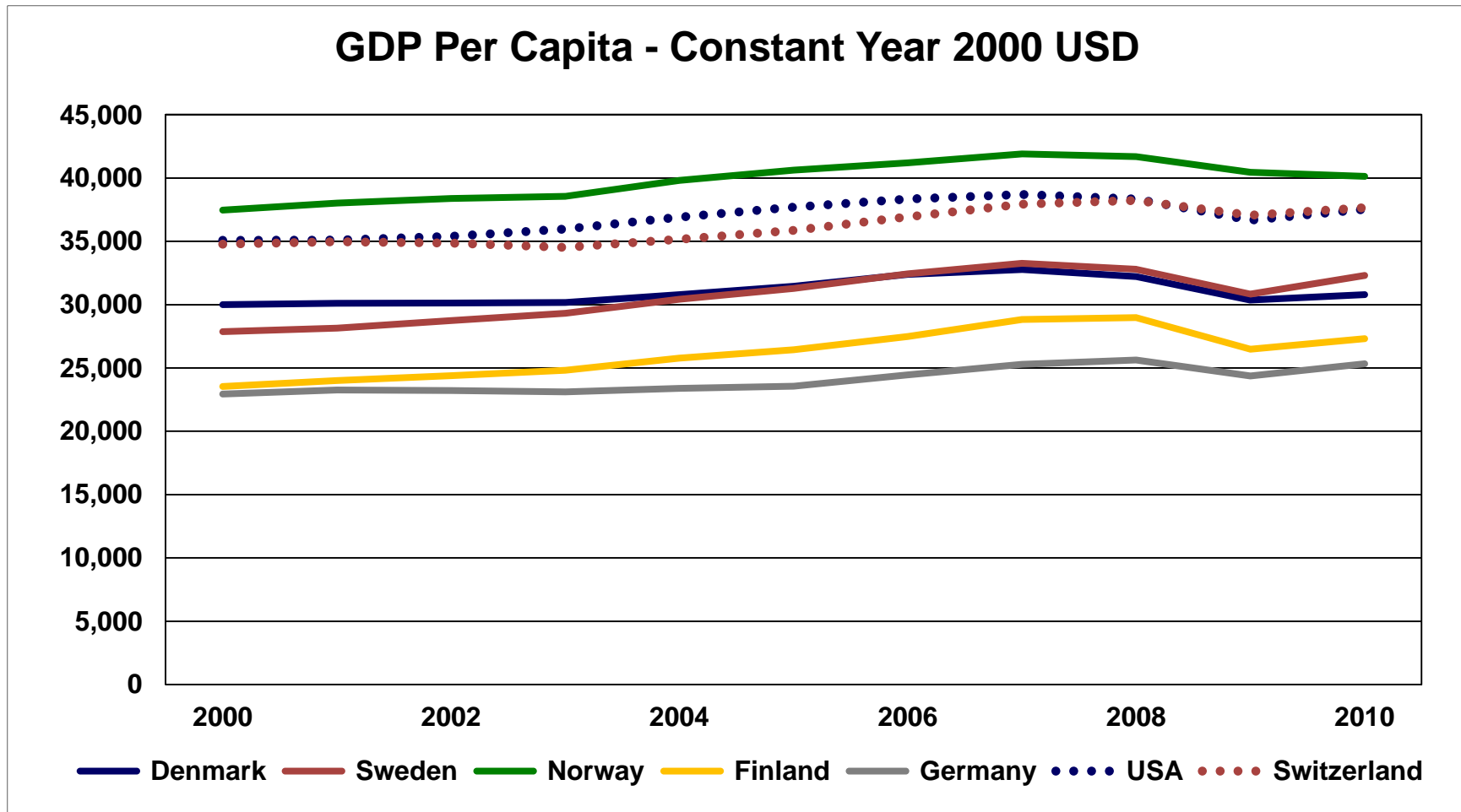
Demographic Context – Secondary Education Target Age Group



Sources: UNPD.

SOCIO-ECONOMIC LANDSCAPE IN THE NORDIC REGION

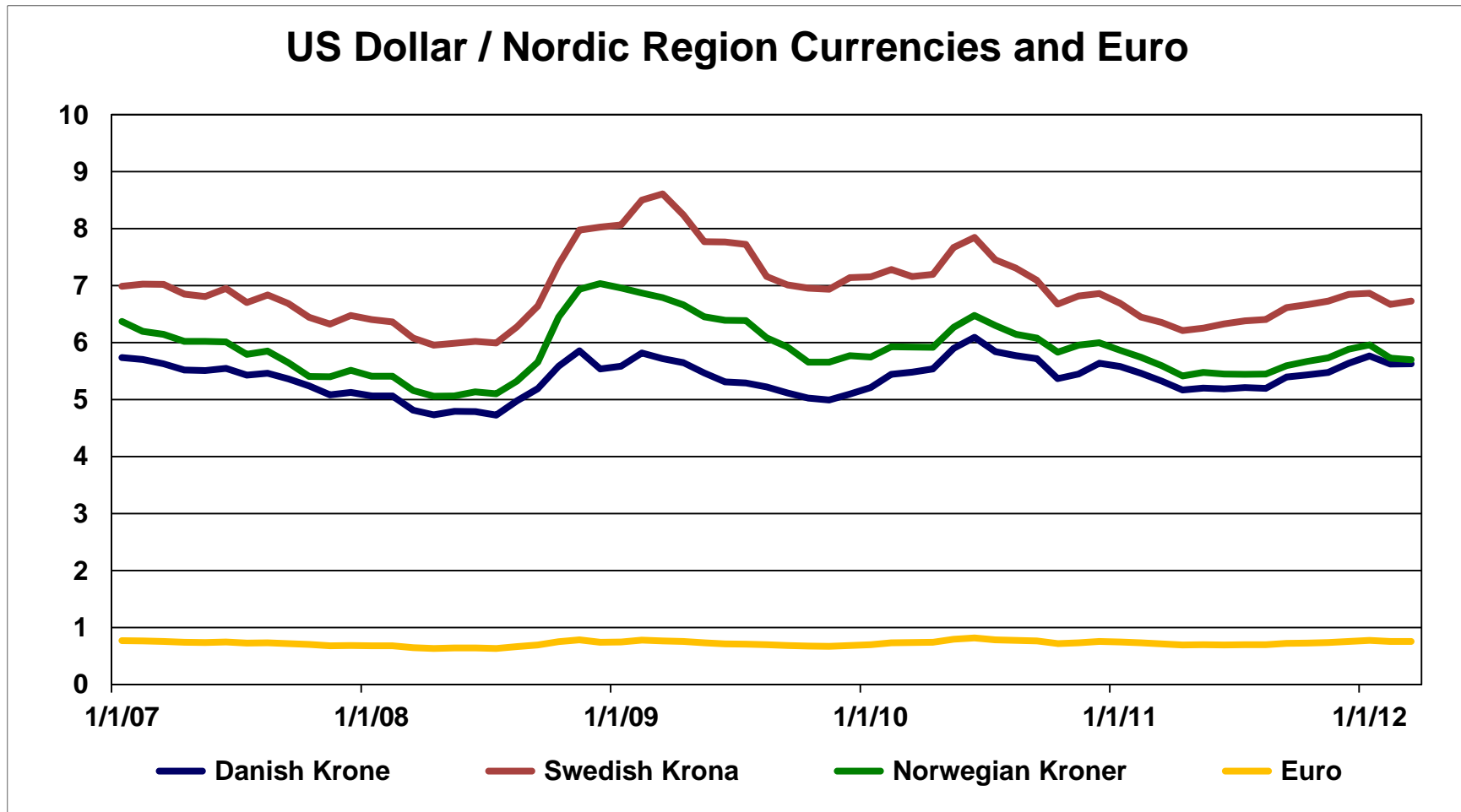
Economic Growth Trends – GDP Per Capita in Constant 2000 USD



Source: World Bank.

SOCIO-ECONOMIC LANDSCAPE IN THE NORDIC REGION

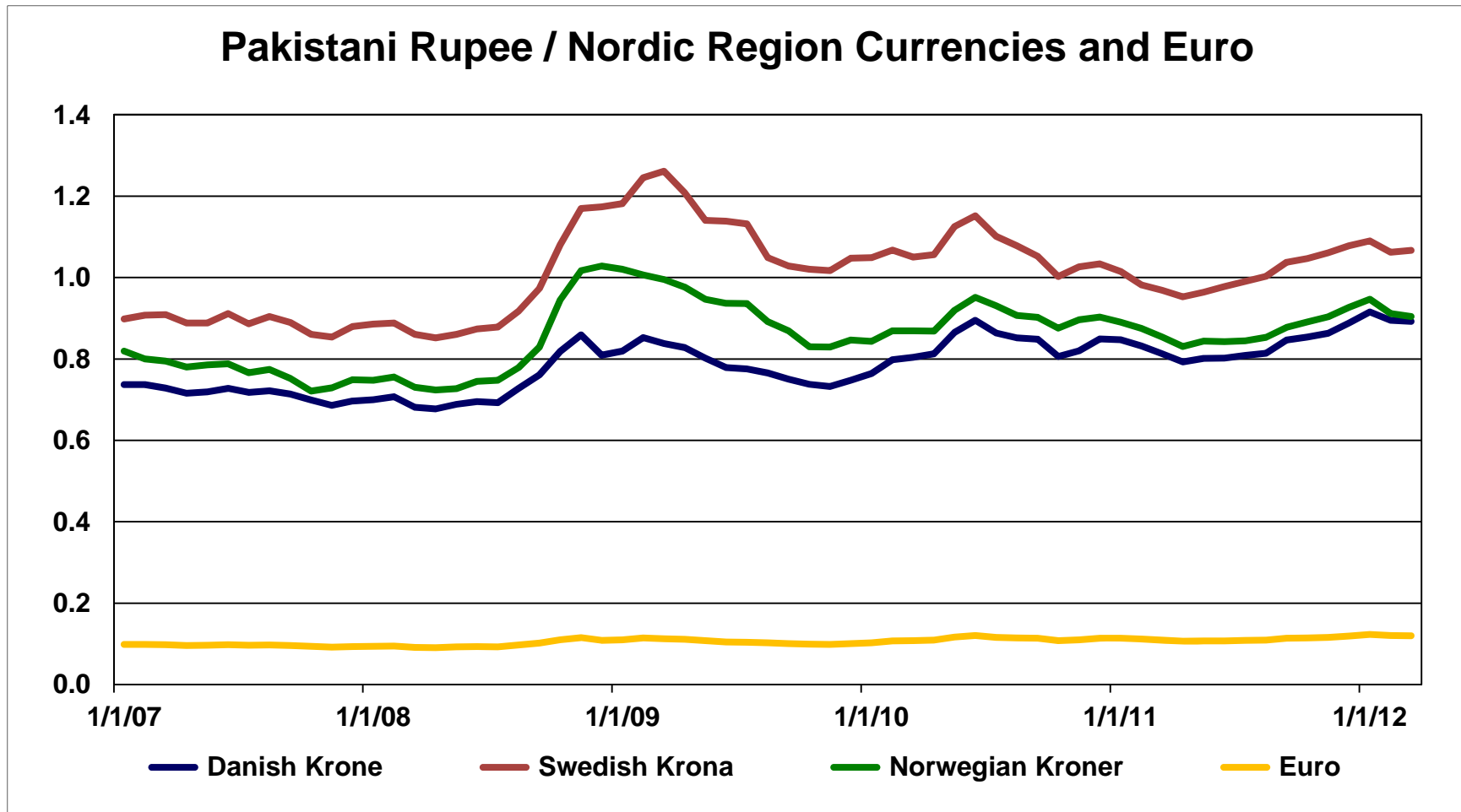
Currency and Global Economic Competitiveness



Sources: OANDA.

SOCIO-ECONOMIC LANDSCAPE IN THE NORDIC REGION

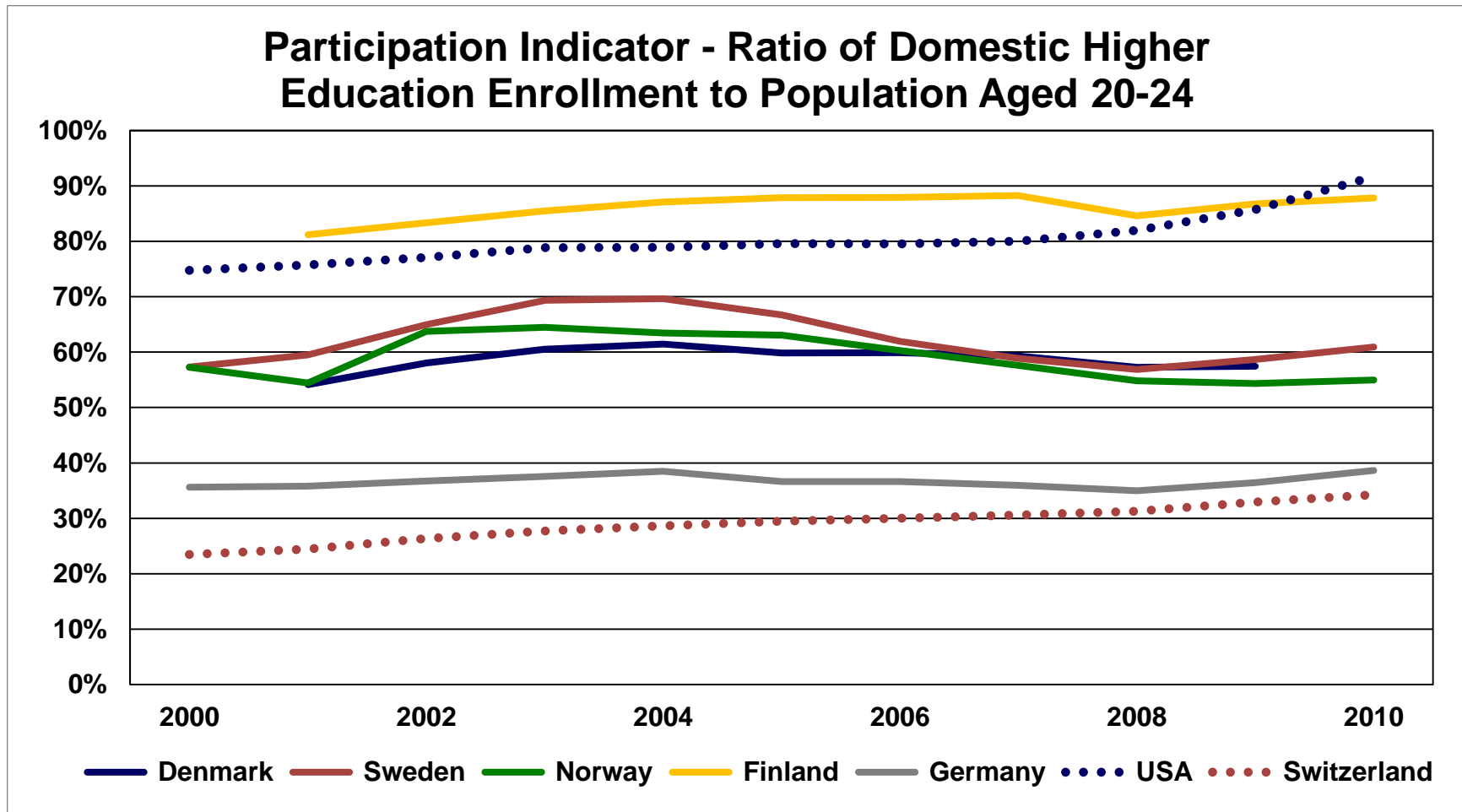
Currency and Global Economic Competitiveness



Sources: OANDA.

INTERNATIONAL EDUCATION TRENDS IN THE NORDIC REGION

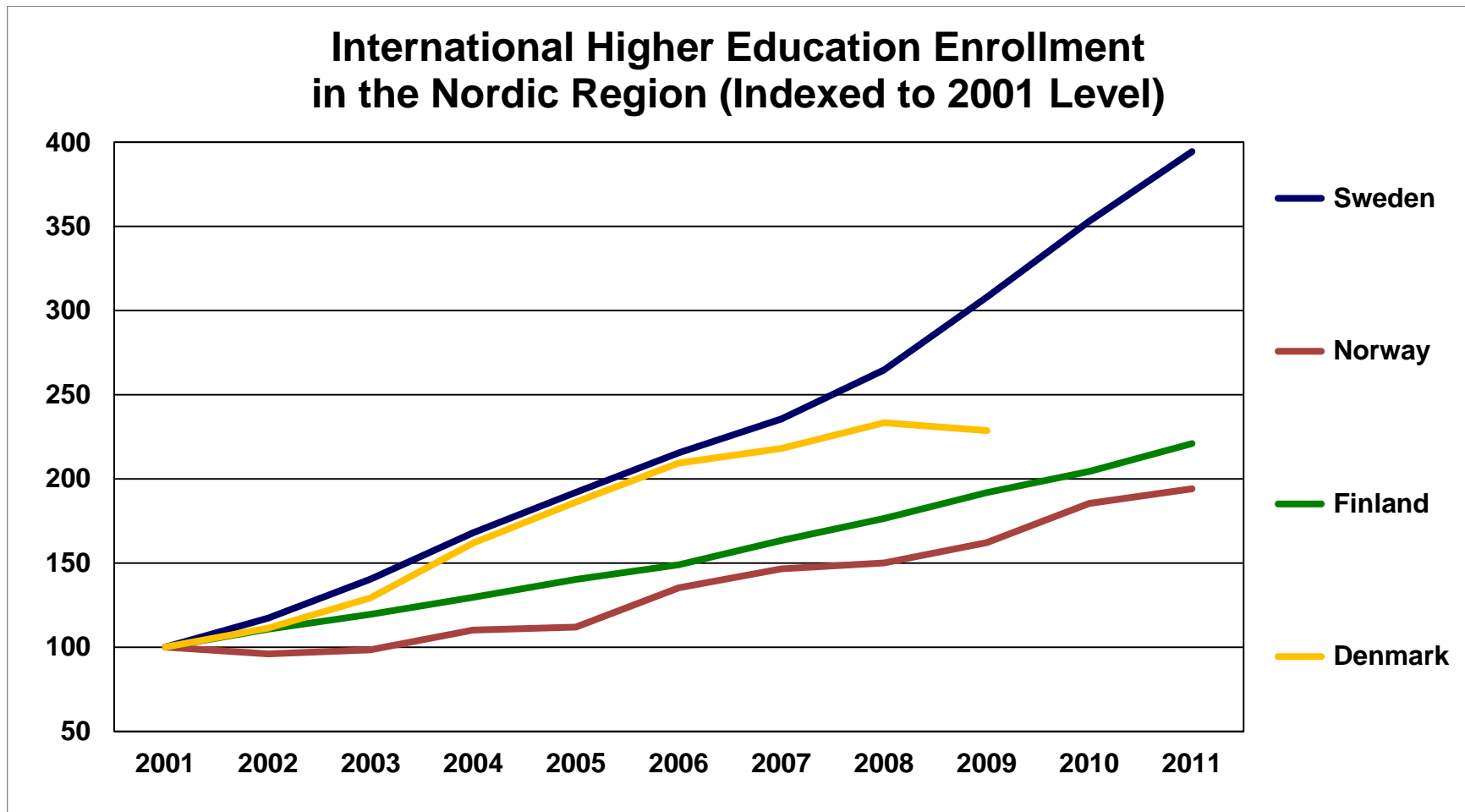
Domestic Higher Education Participation



Sources: Stats Denmark, HSV, NSD, Statistics Finland, Destatis, NCES, BFS.

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.

THE NORDIC REGION'S COMPETITIVE POSITION

- **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)