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A RETREAT FROM GLOBALISATION?

THE IMPACT OF BREXIT AND THE COVID-19 PANDEMIC ON TRANSNATIONAL HIGHER EDUCATION IN THE UNITED KINGDOM

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ABSTRACT

This article assesses the impact of the departure of the UK from the European Union (Brexit) and the COVID-19 pandemic on the enrolments of offshore overseas (transnational) students at British universities. Over three-quarters of British universities furnished basic information on their enrolments of offshore overseas students in November-December 2020. Globally, overall enrolments fell by nearly 20% between academic years 2019/20 to (first term) 2020/21 with the largest declines being recorded for institutional partnerships in the rest of the world (principally South and South-East Asia and the Middle East). On balance, the overall impact of Brexit on EU enrolments has been quite limited and may even have largely counteracted the more severe and immediate negative enrolment shock from Covid-19.

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# *Introduction*

This article presents the results of empirical research which analyses the immediate and likely short-term impacts on the enrolment of offshore overseas students studying for degrees at British universities of the UK’s protracted exit from the European Union (Brexit) between June 2016 and December 2020 and the even more dramatic and unexpected shock of the COVID-19 pandemic since March 2020. Key information on the level and trends in UK offshore provision during the last decade are also presented in order to provide the contextual background needed to assess the impact of these two potentially very serious albeit quite different types of shock.

Offshore overseas students study for (in this case British) university degrees without ever physically studying in the UK. Not only are they widely dispersed spatially across the world, but there are three main types of offshore provision (branch campuses, distance learning and institutional partnerships) which significantly adds to the complexity of the structure and functioning of markets for transnational education and thus the overall methodological challenges in assessing both the immediate and possible medium-longer term impacts of the Brexit-Covid (BC) shocks on enrolments, both globally and regionally.

This article focuses mainly on the immediate and shorter-term impacts of these the shocks. The survey results show that UK transnational higher education enrolments fell appreciably between the academic year (AY) 2019/20 (which finished in July 2020) and the end of the first term of AY 2020/21 (in late November-early December 2020). However, there is very considerable variation in the size of these impacts both respect to geographical region and type of provision. Similarly, some UK universities have been more seriously affected than others.

The discussion is structured as follows. Section 2 describes the review methodology and data sources. Section 3 presents a brief contextual overview of the main trends in TNE offshore enrolments at British universities especially during the last five years. The key changes in enrolment levels are presented and analysed in section 4.

1. *Study methodology*

*2.1 Impact assessment*

As noted above, the overall structure and functioning of TNE student markets is complex given the multi-dimensionality of provision with respect to types of TNE courses and delivery modalities and the size and diverse composition of both UK universities and overseas countries[[1]](#footnote-1). This makes it that much more difficult to deal with the usual counterfactual and attribution issues that have to be contended with in assessments of this kind. However, globally, UK TNE enrolments were relatively stagnant prior to the BC shocks which makes it that much easier to discern and interpret any marked changes in enrolment levels and patterns.

With regard to attribution, separating out the impacts of the two shocks which are coterminous (i.e. occurring during roughly the same time period) is that much more challenging. However, since the impact of Brexit is solely confined to the EU whereas COVID has impacted all countries globally (although probably with varying degrees of intensity) and commenced at a later date, it is possible to draw some tentative conclusions about the differential impact of the two shocks.

*2.1 Enrolment data*

The assessment combines primary data from a survey of offshore overseas students studying for UK under- and postgraduate degrees in late 2020 with other secondary enrolment data for the period 2010/11-2019/20 which are regularly collected by the UK Higher Education Statistics Agency (HESA).[[2]](#footnote-2). As part of HESA’s ‘Aggregate Offshore Record’ (AOR), every university[[3]](#footnote-3) in the UK must provide overall offshore enrolment figures by type of TNE provision and qualification level for all the overseas countries where it has offshore students. However, no AOR data is collected on the names/numbers, duration and ownership type of overseas partners, subject enrolments, student gender and revenues and expenditures.

HESA classifies offshore overseas student provision as follows:

* Overseas branch campus (OBC) set up and wholly owned by a UK university (‘reporting provider’) and, as such, ‘it is seen as no different from any other campus of the provider’.
* Overseas distance, flexible or distributed learning (ODL) which ‘generally do not require the student to attend particular classes or events at particular times and particular locations’.
* Overseas institutional collaborative/franchised provision which denotes provision ‘leading to an award of an awarding provider delivered and/or assessed through an arrangement with an overseas partner organisation’.
* Students studying for an award of a UK university who are not registered with this university i.e. they are studying for an award at an overseas education/training institution that has been validated by the UK university.

The main difference between franchised and validated degrees is that, for the latter type of degrees, the overseas partner does not necessarily follow the curriculum of the UK university.

Various concerns have been raised about the usefulness of these categories mainly because they do not always adequately match-up with the offshore activity categories most commonly used by UK universities themselves. Specifically, most universities sub-divide their overseas partnerships according to the following activities: franchise, validation, collaborative, joint venture, flying faculty, and articulation/progression/advanced standing.

While the total numbers of offshore students appear to be accurately reported to HESA at both the individual university and overseas country level, there are a number of issues especially concerning the definitions of who exactly is an offshore student[[4]](#footnote-4) and overseas branch campuses and distance learning students which need to be taken account of in further research on TNE.

As part of its normal annual schedule of data releases, HESA AOR offshore student enrolment data for the current 2020/21 academic year will not be made public until February 2022. In order, therefore, to assess now what the immediate impacts of the BC shocks are, Freedom of Information Act requests were made directly to a total of 121 universities[[5]](#footnote-5). Each university was asked to provide information on total offshore enrolments towards the end of the first term of the 2020/21 academic year in mid-late November 2020 for all 27 European Union countries and for the rest of the world broken down by type of offshore provision and level of study (under- and postgraduate). It would have been desirable to obtain a full individual country breakdown of enrolments. However, based on previous experience with FOIA requests, it is likely that a significant number of universities would have refused to provide this information on the grounds that it was not readily available[[6]](#footnote-6).

The overall survey response rate was 77%. This sample is fully representative of the overall population of UK offshore overseas student enrolments. Most of the minority of 28 universities who refused to provide this information did so under section 22 of the act which states that a university is not required to provide information which will be made available public at a later date[[7]](#footnote-7).

**3. UK TNE provision: an overview**

*3.1 The genesis of TNE*

The reasons for the emergence of TNE offshore provision during the 1990s have been discussed in some detail elsewhere (see Bennell, 2019a). Most of the overseas countries with the largest numbers of UK offshore students have adopted ambitious human resource-led development strategies. They are generally small countries both in terms of size and land area and so have looked to develop their human resources as the principle driver of economic growth. The development of their higher education sector has been central to this strategy both as source of highly skilled labour (especially for inward foreign investment) and export income by attracting sizeable inflows of overseas students.

Reducing dependence on overseas training has often been closely linked with this HRD strategy especially in countries such as Malaysia where the numbers of government-funded students going overseas had become very sizeable and thus costly. Another important element has been the government objective of ensuring equitable access to higher education in multi-ethnic societies. In Malaysia and, to lesser extent, Singapore, the promotion of private sector higher education provision enabled the considerable excess demand among the relatively privileged ethnic Chinese population to be met while allowing preferential access to public universities among the less advantaged indigenous population groups. A similar policy is evident in the Gulf States with respect to the indigenous Arab population and the much larger expatriate worker community.

Implementation of this HRD strategy was based on a combination of liberalisation of higher education provision with strong and sustained support for the development of both the public and private sectors. Encouraging usually private universities to partner with foreign universities through various collaborative arrangements (principally degree validation and franchising) is a key strategic component. The relationship between local and foreign universities has generally been, certainly until fairly recently, strongly symbiotic; for the foreign university, TNE partnerships were an important source of income especially where students from that country were no longer coming to the UK to study. And, for the local partner institutions, most of which had only very recently been established, it enabled them to offer almost immediately both undergraduate and post graduate validated/franchised degrees from relatively high status overseas universities while, at the same time, building up their institutional capacity to become a fully accredited national higher education provider.

The success of this strategy, especially in Hong Kong, Malaysia and Singapore, meant a core group of private colleges expanded rapidly while continuing to meet the minimum acceptable academic standards for international collaborative partnerships. This is in striking contrast with other regions, and especially Sub-Saharan Africa, the Caribbean and the South Pacific where the limited number of good quality private universities continues to be a major barrier to establishing TNE partnerships.[[8]](#footnote-8)

*3.2 The current context*

In order to be able to analyse properly the extent of the BC shocks, it is important to understand the overall context of UK TNE provision particularly during the last five years or so. Two contextual features are particularly important; (i) the still quite limited global geographical reach of UK offshore overseas provision; and (ii) the marked slowdown in enrolment growth in recent years.

*Limited TNE global reach*

While the rapid growth of TNE higher education provision from the mid-late 1990s onwards generated very considerable academic and wider public interest, the fact remains that, geographically, the overall extent of TNE enrolments remains quite limited. Only two countries, Australia and the UK, have become heavily involved in the core type of TNE provision, namely collaborative institutional partnerships and UK universities still account for the lion’s share of overseas distance learning enrolments[[9]](#footnote-9). Geographically, three-quarters of UK offshore enrolments are heavily concentrated in just 20 countries (see table 1). Nine of these countries are in the Middle East and South and South-East Asia and just four are mature industrial economies. Only two of the 70 countries in the Caribbean and Sub-Saharan Africa are in this group (Nigeria and Trinidad and Tobago). Almost all of these 20 countries were at one time or another part of the British Empire and continue to rely heavily on English for education, business and government/ administration.

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| Table 1: UK TNE students by region, 2014/15 and 2019/20  |  |
| (rounded '000 and percentages) |  |  |  |
| Region | 2014/15 | % | 2019/20 | % |  |
| European Union | 53 | 14 | 71 | 17 |  |
| Other Europe | 13 | 3 | 13 | 3 |  |
| Asia | 186 | 49 | 214 | 51 |  |
| Middle East | 52 | 14 | 56 | 13 |  |
| Africa | 50 | 13 | 45 | 11 |  |
| Australasia | 3 | 1 | 2 | 0 |  |
| North America | 22 | 6 | 20 | 5 |  |
| South America | 2 | 0 | 2 | 0 |  |
| Total | 381 | 100 | 423 | 100 |  |
| Note: All undergraduate students at Oxford Brookes University  |
| have been excluded (see Bennell 2019a) and newly included private |
| providers in 2019/20. |  |  |  |  |
| Source: HESA |  |  |  |  |  |

*Marked enrolment slowdown*

The second important contextual issue is the recent marked slowdown in UK TNE enrolments; between 2014/15 and 2019/20, total enrolments increased by only 11% (see table 2). During the period from 2008-2015, offshore overseas student enrolments increased in almost 90% of UK universities and declined or were stagnant in the remaining 10% of universities. Total additional enrolments amounted to 194,000 and total losses 39,000 yielding a gain-loss ratio of 5.0. The extent of the enrolment slowdown is such that, between 2015 and 2019, offshore enrolments declined in 40% of universities and the gain-loss enrolment ratio fell to 1.6 (see table 3). Apart from the European Union, the slowdown in enrolment growth has been pronounced in all other regions/continents[[10]](#footnote-10) (see table 2).

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| Table 2: UK TNE enrolments by type in the European Union and Rest of World,  |  |
| 2014/15-2019/20 (rounded '000 and percentages) |  |  |  |  |
|   | European Union | Rest of world | Total global |
| Type | 2014/15 | 2019/20 | % change | 2014/15 | 2019/20 | % change | 2014/15 | 2019/20 | % change |
| Franchise | 15 | 17 | 13 | 113 | 157 | 39 | 128 | 174 | 36 |
| Validation | 14 | 23 | 64 | 88 | 72 | -18 | 102 | 95 | -7 |
| ODL | 22 | 30 | 36 | 97 | 88 | -11 | 119 | 118 | -1 |
| OBC | 1 | 1 | 0 | 22 | 30 | 36 | 23 | 31 | 30 |
| Total | 53 | 70 | 32 | 329 | 353 | 7 | 382 | 423 | 11 |
| Source: HESA |  |  |  |  |  |  |  |  |

Table 3: Universities with increasing and stagnant/decreasing offshore overseas student |
| enrolments, 2009-2016 and 2015-19 (rounded % and '0000) |  |  |
|   | % universities | Change in enrolments  | Gain-loss  |
| Period | Higher enrolments | Lower enrolments | Higher | Lower | ratio |
| 2008-16 | 89 | 11 | 194 | 39 | 5 |
| 2014-19 | 60 | 40 | 96 | 59 | 1.6 |
| Notes: These particular year periods have been selected for reasons of data availability. |
| Source: HESA AOR data |  |  |  |  |

*3.3 Reasons for TNE enrolment slowdown*

Relatively little detailed research has investigated the changing nature of global demand for TNE provision particularly in key national overseas markets during the last five years. Consequently, much of the following discussion is quite tentative and is based on a number of related propositions which require considerable more research. It is clear though that the most likely reasons for this slowdown are a combination of developments in key TNE overseas markets and the changing attitudes and behaviours of UK university offshore providers.

*Market growth constraints*

The prevailing conditions for sustained TNE enrolment expansion are generally unfavourable in most of the world. The key constraints are the almost total reliance on English as the main medium of instruction, the limited (effective) demand for TNE courses in many countries both in relation to population size, overall economic development and the affordability of private higher education, restrictive government regulation especially in South Asia and, increasingly, in China and South East Asia, the lack of suitable private sector partners (especially in low-income developing countries), and intensifying competition from expanding, both (heavily subsidised) public higher education and maturing private sector providers.

Among the 10 or so countries which account for three-quarters of UK offshore enrolments, the initial market conditions that led to a surge of offshore enrolments 25-20 years ago are changing, often quite rapidly. The overall size of most domestic markets is generally not sufficiently large to be able to support continued high enrolment growth especially where there has been a particularly strong reliance on one ethnic minority or other niche client group. The relatively high cost of private university education is also a major constraint since it is only affordable for a small minority of the population. This is particularly the case for TNE provision at overseas branch campuses and also overseas distance learning degree courses both of which have relatively high course fees.

The goal of becoming regional education hubs capable of attracting large numbers of foreign students has also been much harder to achieve than originally anticipated[[11]](#footnote-11) in the face of intensifying global competition for overseas students from both the major, established countries (mostly notably the US, UK and Australia) but also new entrants including China, India and Singapore.

The surge in TNE enrolments (for both UK and Australian universities) from the mid-1990s up until the early 2010s was strongly driven by three countries/jurisdictions, namely Hong Kong, Malaysia and Singapore (HMS). As these markets have matured, a key issue is whether there are potentially other sizeable national markets which fulfil the same or similar conditions for sizeable and rapid enrolment growth. The next tier of TNE national markets mainly comprises city-state countries in the Middle East and small-island states such as Cyprus and Mauritius. However, the potential growth of these markets is likely to be considerably more limited compared with the HMS market leaders.

*Competitive pressures*

In line with national HRD strategies, mainly private universities have partnered with UK and, to a lesser extent, Australian universities in order to establish quickly market credibility and develop institutional teaching capacity. As they mature and particularly as they obtain national accreditation as independent higher education providers, this increasingly calls into question the nature of future partnership arrangements with overseas universities. In particular, to what extent will these newly accredited universities wish to continue to depend on overseas qualifications when they can switch to offering their own qualifications without the added costs of partnering with overseas partners? Like their overseas partners, it is quite likely that more (especially among the largest) private universities will increasingly want to focus on higher quality-higher status-higher value degree courses which invariably have considerably smaller enrolments.

Competitive pressures from overseas ex- (or even continuing) overseas partners will also increase if these institutions themselves decide to become TNE offshore providers. This is already happening among a small number of private universities and other higher education providers in Malaysia and Singapore.

Government policy with regard to TNE provision is also a key factor especially where overseas partnerships are seen as a mainly transitional arrangement eventually enabling national universities to operate independently as world class institutions in their own right. The increasing tightening in recent years of TNE regulations and other policies in China, Malaysia and Singapore is symptomatic of government concerns to ensure that only world class partnerships which directly support national human resource capacity development objectives are approved.

More broadly, from a longer term perspective, it is possible that the evolution of TNE provision will be similar to previous international ‘product cycles’[[12]](#footnote-12) where national enterprises in the mature industrial countries moved progressively away from relying primarily on international trade to establishing franchising arrangements with overseas enterprises and eventually setting up joint ventures and their own overseas subsidiaries (thereby becoming multinational corporations). In the case of numerous products, most notably electronics, textiles, and motor vehicles, the rapid development of national technological and managerial/entrepreneurial capabilities in newly industrialising countries (especially the Asian tigers) and the resulting growing domestic competition led to significant disengagement by multinational corporations (including actual disinvestment) from these countries.

*UK institutional repositioning and consolidation*

Another key reason for the slowdown in UK TNE enrolments is that many UK universities are switching away from their initial reliance on low value-added validation degree overseas partnerships with relatively large enrolments and focusing instead on higher quality, higher value added franchise and other joint-degree partnerships with lower student volumes.[[13]](#footnote-13) The following extract from 2016/17 Annual Report of Heriot Watt University, which is perhaps the most international university in the UK, neatly exemplifies this process of strategic global repositioning.

’Over the last two years, even with the growth in student numbers at our own international campuses, our transnational student numbers have remained static at around 15,000…The University is undoubtedly facing competition from other large players and from a growth in the number of institutions participating in transnational activity. However, ….erosion in numbers has not been mirrored in terms of erosion of revenues; reflecting both the value of operating on our own campuses and a shift away from high volume-low revenue partnerships to more rewarding activity with accredited partners and particularly in international distance learning. Looking forward, the university has ambitious plans to maintain planned growth in international activity by strengthening the global nature of its postgraduate programmes, offering greater flexibility in subject choice, location, and mode of study.’

Most of the limited increase in TNE enrolments from 2014/15 to 2019/20 is accounted for by franchise and other more intensive types of collaborative TNE provision (including joint degrees). By contrast, validated course enrolments have barely increased since the 2011/12. Furthermore, ODL enrolments have also been quite stagnant. Despite the high expectations surrounding the emergence of new on-line virtual learning and other IT-related learning technologies in promoting distance learning throughout the world, ODL enrolments at UK universities increased only slightly from 120,000 in 2014/15 and 127,000 in 2019/20. My 2019 review of UK TNE provision noted that ‘while the advent of new on-line distance learning modalities can undoubtedly transform the nature and overall quality of the learning process as well the scale of provision, the complexity and costs of developing courses utilising these new technologies pose a major barrier to entry for all but the largest and most committed distance learning providers….The growing availability of in-country face-to-face offshore courses at overseas partners is also likely to have dampened demand for distance learning[[14]](#footnote-14) (Bennell, 2019a:35) The growth of joint/collaborative ventures between UK universities and specialist, mainly private corporate ODL providers (such as Coursera, Kaplan and Laureate) is also symptomatic of the challenges faced by universities in developing large-scale ODL provision on their own[[15]](#footnote-15).

Similarly, enrolments at the overseas branch campuses of UK only increased from 23,000 in 2014/15 to 30,000 in 2019/20[[16]](#footnote-16). The share of these enrolments remained constant at 7%. North American and European university involvement in TNE has been mainly limited to the establishment of OBCs. Consequently, the level of competition in this specific market segment is particularly intense. As noted earlier, some governments, including in Singapore and China, are deliberately seeking to attract (and sometimes form joint ventures with) high ranked ‘world class’ universities. The relatively high fees charged by OBCs is another major demand constraint. Increasingly OBCs are seen as being less attractive than was originally envisaged and it has been suggested that, in Australia where OBC students account for over one-third of TNE enrolments, this amounts to a ‘boom and bust’ situation.

1. *The Brexit and Covid shocks*

*4.1 Overall impacts*

*UK universities*

Having increased by only 11% between 2014/15 and 2019/20, total UK offshore enrolments fell by 17% between the end of AY 2019/20 and the end of the first term of AY 2020/21 (see table 4). As will be discussed below, there are marked differences in the overall size of these enrolment shocks between the EU and the rest of the world. Similarly, looking at UK universities as a whole, it is noticeable just how variable enrolment changes have been from one university to another; while offshore enrolments increased by more than 10% at around one-quarter of universities during this five-six month period, they fell by more than 10% at around half of all universities (see table 5).

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| Table 4: Annual rate of growth of UK TNE enrolments, 2015/16-2020/21 (%) |
|   | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
| European Union | -3.7 | 9.8 | 7.1 | 10 | 7.5 | -3.5 |
| Rest of world | 1.8 | 3.6 | -0.9 | -0.6 | 3.2 | -19.7 |
| Global | 4 | 5.1 | 1.2 | 1.2 | 1.2 | -17.1 |
|  |  |  |  |  |
| Table 5: Percentage change in 2020/21 UK TNE enrolments in the European Union and the Rest of the World. |
|  |  |  |  |  |  |  |  |  |
|   |   | Decrease |   | No major change |   | Increase |   |  |
| Region | >75% | 50%-75% | 10%-49% | minus10% to 10% | 10%-49% | 50%-75% | >75% |  |
| European Union | 8 | 11 | 30 | 25 | 11 | 4 | 12 |  |
| Rest of World | 12 | 6 | 37 | 27 | 14 | 1 | 2 |  |
| Total global | 7 | 7 | 36 | 26 | 18 | 1 | 5 |  |
| Note: For example, 8% of UK universities had a greater than 75% enrolment decline in EU TNE enrolments |
| Source: HESA, FOIA responses  |  |  |  |  |  |

More research is needed in order to understand just why some universities have been enrolment gainers and some enrolment losers and also, over the next two-three years, the extent to which enrolments recover (or fall back) at some universities and not others. However, among those universities where offshore enrolments have declined appreciably during the preceding five years, the negative net impact of the twin BC shocks has tended to be that much greater (see table 6). On balance, therefore, the current crisis is likely to have accentuated the pressures leading to the marked slowdown in offshore enrolments in recent years which was discussed earlier. In particular, among those universities which have decided to withdraw or significantly downside their offshore provision, the crisis is likely to have provided added confirmation of the need for this strategic global repositioning[[17]](#footnote-17).

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| Table 6: Relationship between previous enrolment trend (2014/15-2019/20) and enrolment change in 2020/21 (%)  |
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| Enrolment trend | Enrolment growth 2020/21 |
| 2014-2019 | Negative | Limited | Positive |
| Increasing | 41 | 27 | 32 |
| No growth | 58 | 32 | 12 |
| Declining | 58 | 21 | 21 |
| Source: HESA, FOIA responses (2020/21) |  |

*The European Union*

The overall impact of Brexit on UK offshore enrolments in the EU since the decision to leave in June 2016 appears to be quite positive. In the five years leading up to the Brexit referendum, offshore enrolments in the EU region were stagnant at around 50-55,000 students but, during the three years following the vote, enrolments grew by over one-quarter to 65,000 in 2018/19. Over the next two academic years, the combined enrolment impact of the COVID pandemic (which began in March 2020) and the UK’s final departure from the EU in January 2021 has been relatively limited. Enrolments actually increased by 7.0% in AY 2019/20 and only declined by 3.5% in AY 2020/21. Given that UK offshore enrolments in the UK only account for around 14% of UK offshore enrolments worldwide, any immediate negative impact of the final departure of the UK from the EU on overall UK offshore provision appears, therefore, to have been minimal.

There are probably three main reasons for the overall positive impact, to date, of Brexit on UK offshore enrolments in the EU. Firstly, while the vote to leave obviously increased uncertainty about the nature of the UK’s future relationship with the EU, it did not have any immediate effect on TNE provision. If anything, higher levels of uncertainty may have increased the short-term demand both for collaborative degree courses at offshore institutional partners in the EU as well as for ODL courses which should not be unduly affected by the UK departure from the EU (see below). Secondly, well over half of all EU offshore collaborative enrolments are accounted for by just two countries, Greece and Cyprus. These are well established markets (with their own peculiarities)[[18]](#footnote-18) which are unlikely to be seriously affected by even a hard Brexit. And thirdly, Brexit has not led to any immediate change in the relative attractiveness of offshore courses vis a vis onshore courses among overseas students mainly because EU students have continued to have preferential (fee) access to UK onshore courses during the protracted withdrawal process[[19]](#footnote-19). However, this will change in in AY 2021/22 when newly enrolling (onshore) EU students will have to pay the same tuition fees as other overseas students which, for undergraduate courses, are typically roughly double the fees for UK home students and around 50% higher than for post-graduate courses. Assuming that tuition fees for offshore overseas courses do not change appreciably, then the relative demand for these courses could increase appreciably in the medium and long term.

The extent to which UK universities are both willing and able to take advantage of this increased demand will depend on numerous factors including the level of interest among existing and new institutional partners in EU countries (especially in view of the very different political and economic relationships between the EU and UK) and the feasibility of establishing UK branch campuses in EU countries. It is also important to reiterate that the overall level of involvement of UK universities in offshore provision in the 27 countries of the EU has always been very limited[[20]](#footnote-20). In fact, only a handful of EU countries have sizeable numbers of UK offshore collaborative enrolments and the involvement of private sector universities and other higher education providers has been limited in most countries.[[21]](#footnote-21)

*The Rest of the World*

In marked contrast to the EU, the COVID pandemic has had a sizeable although somewhat delayed negative impact on UK offshore overseas enrolments in the rest of the world. ROW offshore enrolments actually increased by 3.2% in AY 2019/20. This is perhaps not that surprising since the first pandemic national lockdowns only began during the second term (in February/March 2020) when most UK offshore overseas students were already enrolled on their degree courses[[22]](#footnote-22) and (presumably) were able to continue their studies virtually on-line. However, total offshore enrolments were 20% lower at the end of the first term of AY 2020/21 than at the end of in AY 2019/20 which is due to a combination of higher dropouts and lower intakes.[[23]](#footnote-23) Unlike the EU, the overall rate of growth of UK offshore enrolments in the ROW during the preceding five years was quite limited (just 7%) which has further compounded the immediate negative impact of the epidemic with possibly important longer term implications for the level of offshore provision in the future.

By the beginning of AY 2020/21, generally high levels of anxiety and uncertainty about the future course of the epidemic coupled with concerns about the overall quality of offshore provision under prolonged lockdowns are likely to have significantly depressed demand for UK offshore courses. In addition, the relatively high costs of degree courses at private universities (which comprise the main group of partners for UK universities in the ROW) could also be a major factor especially in the context of higher unemployment, depressed incomes, and increased job insecurity as a result of the pandemic. One might have expected that relatively large numbers of students intending to study overseas would, given international travel restrictions and the challenges of studying for extended periods under lockdown, have decided to stay at home and enrol on UK offshore courses. However, given the sharp reduction in offshore enrolments, this does not appear to be the case.

It is not possible to establish whether the impact of the pandemic was appreciably higher in the ROW and the EU. However, if it is assumed that it has been roughly the same in both sets of countries, this would suggest that the countervailing positive impact of Brexit on UK offshore enrolments in the EU has been very high indeed.

*4.2 Level and type of provision*

*Under and post-graduate enrolments*

Total undergraduate and postgraduate declined by 19% and 15% respectively between 2019/20 and 2020/21. However, this masks considerable differences in impact in the EU and ROW (see table 7). As noted earlier, the increased demand for undergraduate offshore courses in the EU may be due to the widely perceived expectation that the UK tuition fees for onshore courses for EU students would increase appreciably. Undergraduate students account for over two-thirds of total offshore enrolments in ROW so the much larger decline in undergraduate enrolments is potentially a serious issue for the future growth of offshore provision as a whole.

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| Table 7: Annual rate of growth of undergraduate and postgraduate TNE enrolments at UK universities,  |
| 2015/16-2020/21 (rounded percentages) |  |  |  |  |
| Academic | European Union | Rest of world | Total global |
| Year | Undergraduate | Postgraduate | Undergraduate | Postgraduate | Undergraduate | Postgraduate |
| 2015/16 | 7 | 0 | 0 | 2 | 2 | 0 |
| 2016/17 | 11 | 9 | 2 | 6 | 3 | 7 |
| 2017/18 | 3 | 8 | 0 | -1 | 0 | 0 |
| 2018/19 | 6 | 15 | 4 | -5 | 1 | 1 |
| 2019/20 | 3 | 10 | 3 | 5 | 3 | 6 |
| 2020/21 | 13 | -17 | -22 | -13 | -20 | -14 |
| Source: HESA, FOIA responses (2020/21) |  |  |  |  |

*Types of offshore provision*

The impact of the two shocks has been greatest on numerically predominant institutional partnerships[[24]](#footnote-24) which fell by nearly 40% in the EU and one-quarter in the rest of the world (see table 8). While overseas distance learning enrolments increased by 45% in EU[[25]](#footnote-25), they still fell by nearly 19% in the rest of the world.

Again, this highlights the complexity and diverse nature of offshore overseas student markets. Branch campus enrolments, nearly all of which are outside the EU, fell by only 10%.

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| Table 8: Annual change in off-shore enrolments in the EU and rest of world by provision type,  |
| 2015/16-2020/21 (rounded %) |  |  |  |  |  |  |
|   | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2015/16-2019/20 |
| **Overseas branch campus** |   |   |   |   |   |   |   |
| European Union | 0 | 0 | 0 | 0 | 0 | -22 | 0 |
| Rest of world | 9 | 4 | 8 | 7 | 3 | -10 | 36 |
| Global total | 9 | 4 | 8 | 7 | 3 | -11 | 26 |
| **Overseas distance learning** |   |   |   |   |   |   |   |
| European Union | -4 | 4 | 9 | 17 | 7 | 45 | 36 |
| Rest of world | -6 | 2 | 0 | -2 | -3 | -9 | -9 |
| Global total | -6 | 3 | 2 | 2 | -1 | 9 | -1 |
| **Institutional partnerships** |   |   |   |   |   |   |   |
| European Union | -3 | 18 | 6 | 3 | 11 | -39 | 38 |
| Rest of world | 5 | 4 | -2 | 0 | 6 | -24 | 14 |
| Global total | 4 | 6 | -1 | 0 | 6 | -25 | 17 |
| Source: HESA, FOIA responses (2020/21) |  |  |  |  |  |

1. *Conclusion*

While it is clearly too early to draw any firm conclusions on the overall medium-longer term impact of Brexit and Covid-19 on UK TNE enrolments, the survey results indicate that, at least in the short-term, there has been a significant decline in offshore student numbers in the rest of the world and that, globally, institutional partnerships, which have been the main driving force in TNE provision during the last 25 years, have been hardest hit both in the EU and in the rest of the world (which accounts for over 90% of this provision type).

Even assuming that the Covid pandemic can be effectively contained during the next two-three years and UK and EU universities adjust reasonably well to new economic and political realities, the key question still remains to what extent will ‘things ever be the same again’? The added difficulty in answering this question is that, with the marked slowdown in TNE enrolment growth during the last five years, it is not possible to predict with any confidence what exactly the ‘new normal’ will be in the future.

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1. The complexity of the inter-relationships between onshore and offshore provision for overseas students also need to be taken into account. [↑](#footnote-ref-1)
2. However, only enrolment data from 2014/15 is available from the HESA website. Earlier data has been extracted from previous research on UK TNE provision (see Bennell, 2019a). [↑](#footnote-ref-2)
3. All 164 higher education providers in the UK do submit this information with the (unaccounted) exception of the University of St. Andrews. Information on distance learning enrolments is submitted collectively by some of the constituent institutions of the University of London University (including the London School of Economics). [↑](#footnote-ref-3)
4. In particular, articulation students who complete the first or second years of their degrees in their own country at a UK recognised institution and then proceed to the UK for the remainder of their degree are not included in the AOR. On the other hand, part-time overseas students (who spend less than eight consecutive weeks in the UK) are included. For example, there are 650 of these students at Cambridge University who should be excluded from the AOR. Another issue is that all students enrolled at an overseas partner institution do not necessarily study in that country. A notable example, are the over 8,000 African students who are enrolled on distance degree courses offered by UNICAF in Cyprus which are validated by the University of South Wales. These African students are, therefore, not included in the AOR regional totals for ‘Africa’ enrolments. [↑](#footnote-ref-4)
5. The 24 smallest higher education providers with enrolments of less than 5,000 students were excluded because they have very little offshore provision. For the first time in 2019/20, HESA included AOR enrolment data for 20 or so newly registered private higher education providers. The largest of these are Arden University and Kaplan Open Learning. However, they have been excluded from the analysis because no information is available on their enrolments during the last five years. [↑](#footnote-ref-5)
6. The FOIA stipulates that a university can issue a refusal notice if they consider that it would take more than 18 person-hours to obtain the requested information. [↑](#footnote-ref-6)
7. It is frustrating that the large majority of universities responded positively while the remaining minority of universities can quite legally issue refusal notices. Appeals to the Office of the Information Commissioner can be made under the FOI Act but they are time consuming and protracted and, given the legal provisions of the Act, unlikely to be successful. [↑](#footnote-ref-7)
8. This is particularly striking in Francophone West Africa. Even in more developed countries such as Cote d’Ivoire and Senegal, there is virtually no offshore provision by public or even private universities in France. [↑](#footnote-ref-8)
9. Other countries do not collect detailed statistics on offshore enrolments, but between them, British and Australian universities probably account for over 90% of the global total. [↑](#footnote-ref-9)
10. The HESA region ‘Africa’ includes Egypt which had 19,000 UK offshore students in 2015/16 which was around 40% of total ‘Africa’ enrolments. Thus, the recent enrolment trend in sub-Saharan Africa cannot be established with any certainty until country level data is accessed from HESA. Bespoke data requests of this kind are screened and data release fees charged. [↑](#footnote-ref-10)
11. Most notably, the government of Singapore abandoned its target of attracting 150,000 overseas students by 2015. [↑](#footnote-ref-11)
12. The theory of international ‘product cycles’ was first postulated by Raymond Vernon in the mid-1960s (see Vernon, 1966). It has subsequently been extensively elaborated and researched (see Vernon, 1998). [↑](#footnote-ref-12)
13. See Bennell, 2019a, 2019b and 2020 for a detailed discussion of the underlying reasons for this repositioning of the ‘global engagement’ strategies among UK universities. [↑](#footnote-ref-13)
14. Total ODL enrolments as enumerated by HESA are also over-estimated by at least 25% because around 60% of the 50,000 ODL students registered with London University are, in fact, enrolled at local ‘Associated Learning Centres’ and should, therefore, be classified as being part of franchised collaborative provision. Interview with Katherine Bull, Director of ODL programme at London University. [↑](#footnote-ref-14)
15. The extent to which the forced recourse to on-line virtual learning during the COVID pandemic by virtually all higher education providers may well however result in significant changes in UK university attitudes towards overseas distance learning and offshore provision in general. [↑](#footnote-ref-15)
16. Admittedly, these figures are based on the quite restrictive HESA classification criteria for overseas branch campuses. The 2017 OBC inventory compiled by the Observatory for Borderless Education includes overseas campuses from another 13 UK universities (Belfast, Bolton, Central Lancashire, Glasgow, Glasgow Caledonian, Leeds, Lancaster, Liverpool, Manchester, Sheffield, Southampton, Surrey, and Westminster) with total reported enrolments of almost 13,000 students. Most of these are ‘joint ventures’, ‘collaborative partnerships’, overseas/international ‘faculties’ or ‘business schools’ and not all of them have their own physical premises. Liverpool University’s joint venture with Xi’an Jiaotong University in China has over 7,500 students but is not classified by HESA as an OBC because not all students at the partner university study for Liverpool University degrees.

 [↑](#footnote-ref-16)
17. Universities in this group which have had relatively very high offshore enrolments during the last 10 years include Bradford, Glasgow Abertay, Greenwich, Leicester, Manchester, Nottingham Trent, Roehampton, and Staffordshire. [↑](#footnote-ref-17)
18. Cyprus is a former UK colony and Greece has exceptionally high levels of national excess demand for higher education. [↑](#footnote-ref-18)
19. Faced with the very high likelihood that tuition fees at UK universities would increase significantly once the UK finally left the EU, it is not surprising that EU onshore enrolments also increased after the Brexit vote –from 130,000 in 2015/16 to 148,000 in 2019/20. [↑](#footnote-ref-19)
20. Only 16 universities have total offshore collaborative enrolments of more 1,000. [↑](#footnote-ref-20)
21. In 2015/16, these exceeded 1,000 in only six EU countries. [↑](#footnote-ref-21)
22. Some universities have student intakes later in the year but it appears that these are generally quite limited and mainly confined to ODL courses. [↑](#footnote-ref-22)
23. Separate data on dropouts and intakes is not available. [↑](#footnote-ref-23)
24. The two types of institutional partnerships have been combined in this table because of inconsistencies in the reporting of these enrolments by some FOIA respondents. [↑](#footnote-ref-24)
25. A large part of this increase was accounted for by the Open University whose EU enrolments increased from 4,375 in 2019/20 to 12,000 in November 2020. [↑](#footnote-ref-25)