

Going global?

UK FE / TVET – opportunities in the international market

Final report

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Abbreviations

AoC	Association of Colleges
APL	Accreditation of prior learning
ASCOL	Association of Scotland's Colleges
BC	British Council
BTEC	Business and Technical Engineering Council
CoVE	Centre of Vocational Excellence
DfES	Department for Education and Skills
DIUS	Department for Innovation, Universities and Skills
FE	Further education
GD	Gross Domestic Product
GNI	Gross National Income
GTZ	German Corporation for Technical Collaboration
HE	Higher education
HEI	Higher education institutions
HNC	Higher National Certificate
HND	Higher National Diploma
ICT	Information and communication technologies
IM	International market
IT	Information technologies
LSC	Learning and Skills Council
MoU	Memorandum of Understanding
NVQ	National Vocational Qualification
PMI	Prime Minister's Initiative
PPP	Public Private Partnership
SCI	Scotland's Colleges International
SE	Scottish Executive
SFC	Scottish Funding Council
SQA	Scottish Qualification Authority
TAFE	Technical and further education
TVET	Technical vocational education and training
UKTI	UK Trade and Industry
VET	Vocational education and training

Executive Summary

This study was funded by the Prime Minister's Second Initiative for International Education (PMI2) and was commissioned by the Association of Colleges (AoC) on behalf of the PMI2 Strategy Group.

The Prime Minister's Initiative

The Prime Minister's Initiative (PMI) for International Education, launched in 1999, sought to increase the number of overseas students studying in the UK (by 25,000 in Further Education and 50,000 in Higher Education) through a range of support measures, including marketing, streamlining visa and work regulations for non-EU students and provision of scholarships. The first PMI (PMI1) was so successful that a second five-year strategy was put in place in 2006 (PMI2).

In PMI2 the emphasis is on establishing the UK education brand, the quality of the student experience, and strategic partnerships and alliances whilst at the same time, consolidating previous successes. For the period 2006 – 2011 the plan is to increase the number of non-EU students by 30,000 in Further Education (FE) and 70,000 in Higher Education (HE), and to double the number of countries which attract more than 10,000 students per year to the UK. The initiative focuses on 24 priority countries.¹

The Study

The aims of this study were to:

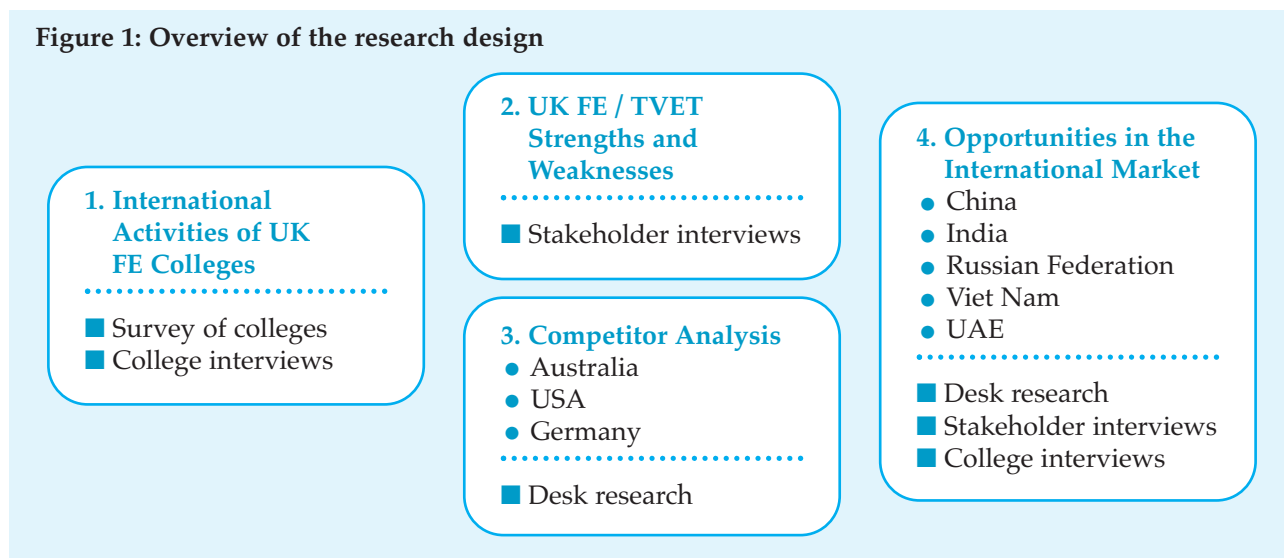
- establish the level of demand for Technical Vocational Education and Training (TVET) in selected PMI2 countries (China, India, Russian Federation, Viet Nam and United Arab Emirates);

- identify the strengths and weaknesses of UK FE;
- determine the extent and nature of key international competitors providing TVET across the world. The study looked at competition from Australia, Germany and the USA;
- assess the extent to which UK FE colleges are engaging with international markets;
- make recommendations as to how international market opportunities might be better exploited by UK providers.

Please Note: Whilst the term 'international' is used in some contexts rather narrowly, in this study it is used to refer to all countries worldwide. In contrast to the definition of international students for fee paying purposes, this study adopts a wider definition of international students which includes all students whose families reside in countries outside the United Kingdom (EU and non-EU).

The results of the study were drawn from an online survey of all UK FE providers in membership of the Association of Colleges (AoC) and the Association of Scotland's Colleges (ASCOL), eleven in-depth interviews with FE providers in all four UK nations, a consultation with 23 stakeholders via face-to-face or telephone interviews, and a largely desk research-based assessment of opportunities in the five selected PMI2 countries. *Figure 1* provides a graphic overview of how the research strands have been integrated to meet the objectives of the study.

Figure 1: Overview of the research design



¹ The PMI2 countries are: Australia, Bangladesh, Brazil, Canada, China, Ghana, Hong Kong, India, Japan, Korea, Malaysia, Mexico, Nigeria, Pakistan, Russia, Saudi Arabia, Singapore, Sri Lanka, Taiwan, Thailand, Turkey, United Arab Emirates, USA and Viet Nam.

1. The Demand for International Assistance

The study looked at the demand for international assistance in five selected PMI2 countries. Across those countries studied, a number of features became apparent:

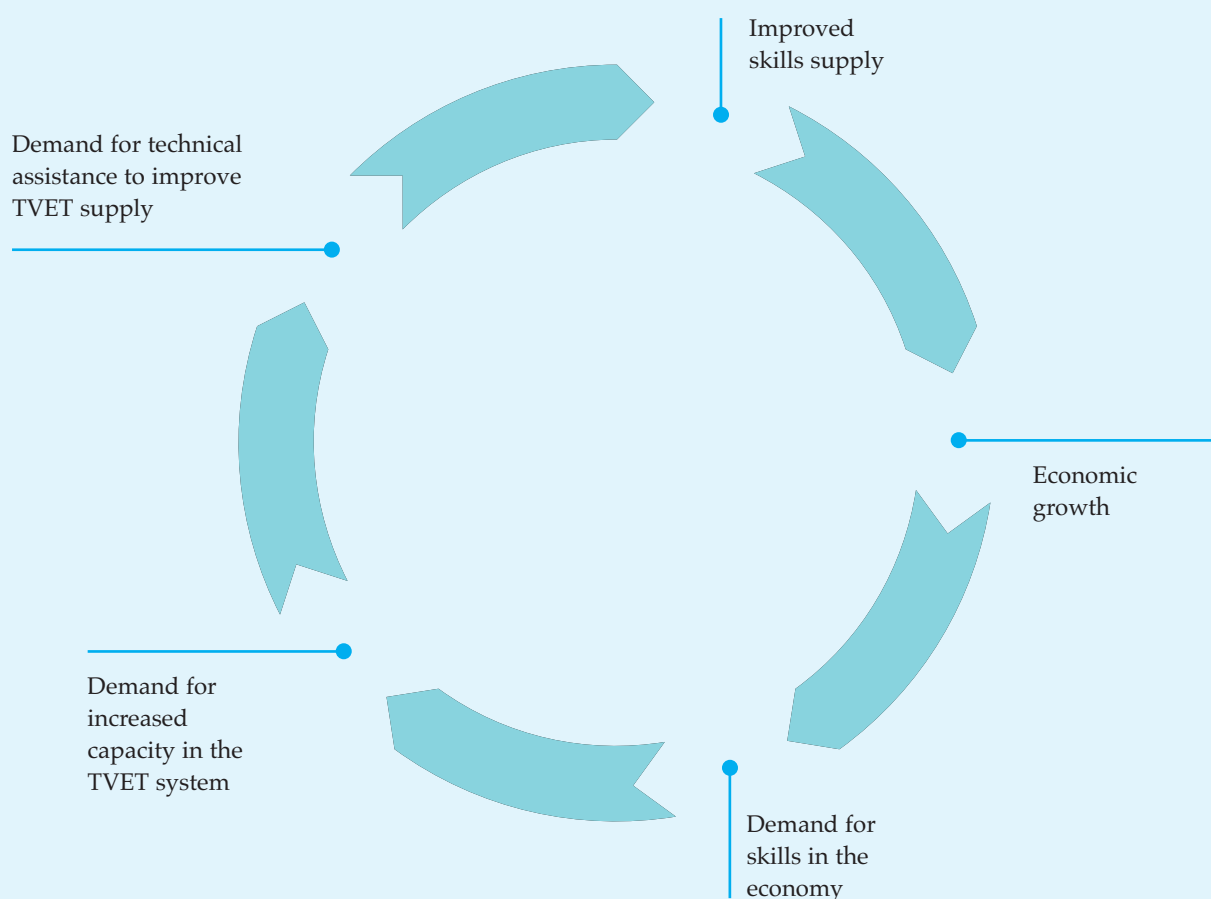
- the rate of economic growth is outstripping the capacity of TVET systems to keep pace with the skills the economy needs;
- a shortage of skills, other things being equal, potentially threatens future economic growth;
- countries are increasingly looking for foreign assistance with:
 - increasing capacity;
 - the modification of curricula, methods of teaching, qualification systems, etc.;
 - provision of teacher and trainer training; and
 - reforming the management of TVET systems.

The above relates to the generic programmes of assistance which countries require. There are also a range of specific projects in place, again provided by foreign agencies, to tackle specific sectoral or regional problems.

Sending students abroad to study is an important aspect of increasing capacity and the number studying abroad is likely to increase as TVET systems develop over time. More fundamental, however, to the improvement of TVET systems in each of the countries studied are those programmes, delivered locally, which address the generic issues identified above.

The market is a dynamic one as illustrated in *Figure 2*. Increasing TVET capacity in a country is likely to result in further demand for technical assistance as improved skills supply fuels further economic growth, thereby increasing the quantitative and qualitative demand for skills.

Figure 2: The dynamic demand for technical assistance in TVET



The issue for UK providers is how to break into the virtuous circle of provision identified in *Figure 2*. This is dependent upon the relative advantage UK providers have over their main competitors.

The sections below provide: a brief summary of the five country assessment reports, covering developments in the education system in general and TVET in particular, training needs in TVET and some basic information on the country as a whole.

China

Economic growth during recent years has been amongst the highest in the world, resulting in a marked transformation of both the economy and society. Education is seen as central not only to the continued growth of the economy but also to the change from an agrarian to a knowledge-based, hi-tech economy over a relatively short period of time. Consequently, the share of GDP relating to education is expected to increase from 3.2 per cent currently to 4 per cent by 2010 (compared to 5.8 per cent in OECD (Organisation of Economic Co-operation and Development) countries in 2004).

The education system was originally modelled on that of the Soviet Union but during recent years, the country has been inclined to adopt market oriented models. In the VET area, the Australian, Canadian and German models appear to have been influential. The UK has also been able to develop a strong relationship including via projects aiming to introduce national vocational qualifications (NVQs), national occupational standards and pedagogical reforms. In addition, UK colleges have been recipients of Chinese students and, in several instances, have set up satellite colleges locally or entered into partnership with existing Chinese colleges.

Whilst there is substantial competition from a number of countries in relation to accessing the VET market, this is in fact a growing market which offers a number of opportunities for UK providers. There is, however, no quick and easy route to realising these. Providers need to establish long-term relationships with the Chinese Government and colleges should expect investments to yield a return over the long rather than the short term. There is also evidence to suggest that the balance of provision is tipping in favour of delivery within China as opposed to bringing students and teachers over to the UK.

India

During recent years, the economy has experienced strong growth (and this is expected to continue over the medium term) accompanied by structural changes, with the emergence of a much stronger demand for labour in sectors such as retail, tourism and health. India is also a country with a large youth population (almost a third of the population is aged 16 years or under).

The Government has identified a need to invigorate the VET system. Historically, VET has been a low-status option for young people who generally prefer to take more academically focused courses upon completion of their compulsory education.

However, the Government wants to remedy this situation because of emerging skill needs in the economy and to stimulate demand for VET. The Indian Government envisages increasing the percentage of people receiving a technical education from 5 per cent currently to 50 per cent over a thirteen year period.

In achieving its aims, the Government is addressing a number of challenges simultaneously. These relate to:

- increasing the size of the VET system;
- improving the attractiveness of VET to young people;
- creating centres of excellence in the existing VET system;
- tackling the training of trainers.

The evidence suggests that the VET system, if the Government's plans come to fruition, will be an important agent of change in the development of the economy. To date, funding to assist the Government with reform of VET has come from a range of sources, including the World Bank.

UK providers are well placed to meet the demand created by the reform and expansion of VET in particular, because English is seen as a core skill which those taking the VET route need to acquire. Additionally, the close historical ties between the two countries also place UK providers in an advantageous position to capture a substantial share of what is likely to be a fast expanding market for VET services.

Russia

The development of the market economy has been so rapid that the country's infrastructure -especially the vocational education and training system – has struggled to keep pace with demands being made upon it. The VET system has had to shift from being one which is centrally planned to one which is expected to anticipate trends in demand. This has been all the more difficult because of structural changes in the economy which arose with the collapse of the former Soviet Union. The existing supply of vocational education which focused on the primary and manufacturing sectors, was out of kilter with the needs of a more service-oriented economy. This was compounded by a relative lack of investment in VET.

The Government has pursued a multi-faceted strategy since 1997:

- establishing social dialogue between employers, VET providers and other key stakeholders to better ensure that supply meets demand;
- providing VET providers with more autonomy on the supply-side;
- stimulating skills demand from employers and individuals; and
- engaging with foreign organisations, such as the World Bank and the EU, in relation to reform of the VET system.

There is considerable potential for UK providers to capture a share of the growing market for VET services (e.g. in relation to assistance with capacity building or establishing occupational standards). However, Russia is a large country and the demand and funding for VET varies by region.

Viet Nam

Viet Nam has a population of 85 million people. Its GDP is US\$ 61.6 billions (based on official exchange rates, 2006). It is a communist country of the Leninist variety. Until recently the country was dependent on the former Soviet Union, but with the collapse of that regime and the introduction of the 'Doi Moi' reforms in 1989, the country liberalised certain aspects of its economy. That said, the reform of state-owned enterprises is considered to be one of the biggest challenges over the medium term.

It is a predominantly rural society (70 per cent of the population live in rural areas) with the majority of the population engaged in agriculture, forestry and fisheries and it is a relatively poor country. Although the poverty rate has decreased during recent years from 59 per cent in 1993 to 19 per cent in 2004, it remains relatively high in the more remote, sparsely populated areas in the north of the country.

Around a quarter of the population is engaged in services (25 per cent) and just under a fifth in industry. Economic growth has been relatively strong in the country and is projected to remain so in the medium term. The country has made it easier for foreign investors to enter Vietnamese markets (via reforms introduced in 2006) and the fact that it has recently joined the World Trade Organisation (January 2007) will further stimulate foreign investment.

The pace of economic growth is such that the education and training system, especially in the public sector, has struggled to keep pace and consequently skills shortages are a potential constraint on future growth. Increasingly Viet Nam has sought technical assistance, in part through the auspices of the Asian Development Bank, to support the overhaul of its education and training system through a range of initiatives designed to improve the management of the system, capacity building and curriculum development. The German Agency for Technical Cooperation (GTZ) is active in the implementation of these reforms.

United Arab Emirates (UAE)

Having evolved since the 1970s, the education system is still expanding at all levels to meet the demands of a rapidly growing population and to underpin the envisaged transition to a knowledge-based economy. Major reforms are currently being undertaken in public schools to improve the quality of education. There are plans to expand and restructure the small TVET sector at local level to meet the needs of an economy which is diversifying into buoyant sectors such as tourism, construction and real estate. As part of a national policy to increase the proportion of its workforce which consists of the indigenous population, training is required to ensure that this group possesses the skills needed by the economy. TVET will play a key role in meeting this objective. Two new TVET institutes have recently been set up in Abu Dhabi and Dubai to meet local labour market needs.

Examples of training requirements in TVET include:

- capacity building measures linked to ongoing education reforms;
- continuing professional development for teachers (particularly in relation to ongoing educational reforms);
- English language skills: general (as English is increasingly deployed as a medium for instruction in education and training) and in specific areas (demand is arising in sectors such as aviation due to new English proficiency tests and from the police force as a result of Government policies);
- that relating to booming sectors and priority areas for the Emiratisation, e.g. tourism / hospitality, trade or financial services.

The UAE (population of 4.1 million) is a high income economy with high growth rates (which are projected to decline steadily) and currently high levels of inflation. It has enjoyed a large degree of political stability but the market is sensitive to political developments. Like other Gulf States the UAE has established free trade zones to attract more direct foreign investment, with two such zones dedicated to education.

Links between the UAE and the UK already exist through a long-standing collaboration between UK FE colleges and the UAE military.

2. Strengths, Weaknesses and Challenges of UK TVET in the International Market

A key aim of the stakeholder consultation was to gather information about perceptions of the strengths and weaknesses of the UK TVET system in the international market, the challenges it faces and what might be required to strengthen the UK's position. Drawing on 23 interviews with key stakeholders in all four UK countries, four key strands emerged in relation to:

- the UK in general;
- the FE system;
- qualifications and courses; and
- promotion of UK FE / TVET in the international market.

Details are summarised in *Table 1*, with some aspects being further explored below.

Stakeholders asserted that the strengths of UK FE / TVET in the international market included the following: good reputation of the education system; type of qualifications and range of courses on offer; robust quality assurance system; opportunities for progression from FE to HE; and flexibility of delivery. Provision of courses in English language was also seen as a key advantage as this meets market requirements. Furthermore, the UK system has a range of features that were seen to be of interest to countries wishing to expand their VET to meet the needs of the economy: in particular, employer engagement; demand led provision and a framework for lifelong learning. The UK VET system was, however, thought to have some weaknesses in comparison with other European countries. There was perceived to be a relative lack of emphasis on general education and it was stressed that the UK does not perform too well in OECD league tables. Whilst quality assurance was regarded as an eminent feature of the UK system, the need to strengthen quality assurance for qualifications delivered abroad or through franchising was identified. The status of awarding bodies (independent and commercial) was reported to be a cause for concern for Government officials in other countries.

Whilst marketing had been stepped up as a result of PMI1, there were also calls for more to be done to strengthen the position of UK FE / TVET in the international market, with key suggestions including the following:

- whilst FE colleges deliver standalone qualifications, which are quality assured by awarding bodies, foreign governments may wish

to deal with Government accredited institutions. This was particularly the case in China. It was argued that the status of FE colleges needs to be clarified in Government to Government dialogues. Furthermore, it was suggested that, if some FE colleges were to be given Foundation Degree awarding powers, as had been discussed in recent reviews, this would be of significant benefit to colleges operating internationally;

- promotion strategies:
 - some stakeholders asserted that promoting FE as progression route to HE is the most effective strategy, but others thought more needs to be done to promote FE as a qualification route in itself;
 - one stakeholder also argued that a sectoral rather than an institutional approach would be more efficient;
 - some identified a need for a better promotion of the diversity of the education system across the four UK nations;
 - there were strong calls for more joined-up approaches in order to achieve economies of scale (in terms of student recruitment and delivery of tailored learning / training programmes) and to enable the offer of more comprehensive packages;
 - competition amongst independent players coupled with the fragmented nature of the FE sector was seen to be hampering the development of more joined-up approaches to increasing economies of scale and responding to demands for more comprehensive solutions in particular countries. In an effort to address this, intermediaries and consortia of college providers have emerged. These are still at a relatively early stage of development and will need to address a number of challenges. Some stressed that funding structures would need to be revised in order to facilitate collaboration among independent players;
- there were also calls from some quarters for more effective market intelligence relating to demand for TVET and on competitors;
- finally, there were calls for promotion of FE to reach parity with that of HE, and for the provision of more long-term Government funding.

Table 1: Strengths, weaknesses and challenges of UK TVET in the international market (IM) and key actions to be considered to strengthen the UK's position

	Strengths	Weaknesses / Challenges	Key actions to be considered
UK general	<ul style="list-style-type: none"> • Learning/training is offered in English • Welcoming people from abroad • Multicultural cities • Scenery 	<ul style="list-style-type: none"> • Strength of the pound • Cost of living in the UK • Images of being less friendly 	
FE-system	<ul style="list-style-type: none"> • Education system enjoys high reputation internationally • Quality assurance system • Progression from FE to HE (appears to be largely in vocational areas and post-1992 universities) • Learning environment (e.g. support provided to students, strong emphasis on independent learning) 	<ul style="list-style-type: none"> • UK's rating in OECD league tables • Complexity of the quality assurance system • Quality assurance of qualifications delivered abroad and through franchises (constitution of awarding bodies as independent and commercial bodies) • Reporting and recognition of international work 	<ul style="list-style-type: none"> • Strengthen quality assurance of qualifications delivered abroad and through franchises • Implementation of the recommendations of the Foster Report and the Leitch Review • Inclusion of international work in reporting structures • Sector internal debate about staying local or going global
Qualifications and courses	<ul style="list-style-type: none"> • Design of qualifications (competence-based approach, National Occupational Standards) • Range of courses • 'English plus' courses • Innovative curricula, teaching and learning methods • Flexibility of delivery • Employer engagement, demand led provision • Framework for portability of qualifications 	<ul style="list-style-type: none"> • Complexity and range of qualifications is difficult to promote • TVET in some other European countries offers more intense courses with more emphasis on general education and better integration of work-based learning 	<ul style="list-style-type: none"> • Supporting / improving portability of qualifications in European and global context • Implementation of the recommendations of the Foster Report and the Leitch Review
Promotion of UK TVET in the international market (IM)	<ul style="list-style-type: none"> • Track record of international activities 	<ul style="list-style-type: none"> • Promotion of UK TVET in the IM (track record often invisible due to competition within the sector) • More joined up approaches required to achieve economies of scale and to offer more comprehensive packages • Market intelligence 	<ul style="list-style-type: none"> • Clarification of the status of FE colleges • More effective promotion of UK TVET in the IM (intensity and approach) • More joined up approaches (and suitable funding structures) • More market intelligence on TVET demand and competitors • Longer-term funding
Others	<ul style="list-style-type: none"> • Opportunities for post-qualification job experience • Business strategies of awarding bodies gained high level of acceptance abroad 	<ul style="list-style-type: none"> • Low outbound mobility of UK students • Lack of parity of esteem between FE and HE in the UK 	<ul style="list-style-type: none"> • Development of good practice guidelines (student experience, engagement with foreign employers) • Shared learning from past experience

3. The Competition to Supply TVET

The capacity of UK colleges to capture international markets is dependent upon the:

- relative quality and price of the service provided;
- relevance of qualifications and courses provided to potential client groups;
- extent to which there is a level playing field with respect to foreign competition.

From a comparative perspective, the study looked at:

- Australia;
- Germany; and
- the USA.

Many of the market opportunities are related to the delivery of services in foreign countries.

Understanding of how the UK compared to competitors Australia, Germany and the USA in this domain was reached by looking at:

- the degree of integration between agencies responsible for establishing training markets for TVET providers in each country; and
- the extent to which TVET providers in each country are competing with one another for both domestic and export markets.

The UK stands out from its competitors in the following ways:

- the UK system has been characterised as one which has relatively modest levels of integration between the public agencies delivering aid to foreign countries, but relatively high levels of competition between TVET providers. In contrast, the Australian and German systems are characterised by high levels of integration but lower levels of competition between TVET providers;
- the UK's more market-driven approach gives it a relative advantage as institutions are more entrepreneurial in their approach to capturing new markets;

- the UK also has a strong qualifications framework and a well regarded national education system, as well as delivering learning programmes in English;
- the relative disadvantage individual UK colleges face in the international market is that they have to 'stand on their own two feet' to a much greater extent than their competitors in Germany and Australia and, consequently, may face higher transaction costs;
- creating a network of information about market opportunities and facilitating the creation of networks (via for example, national agencies or Government departments), would potentially provide UK providers with some of the relative advantages enjoyed by Germany and Australia as a result of the more integrated, co-ordinated approaches, but without the UK system compromising its own competitive approach.

4. The Supply of International Services

A **survey of colleges**, drawing on the responses of a total of 98 colleges, 83 of which were involved in international activities, revealed the following regarding their engagement:

- colleges which are currently involved in international activities have generally experienced a growth in activity in the recent past and expect continued growth over the short to medium term;
- some colleges engage in a wide range of international activities which are not limited to teaching international students, but the main market is still that of teaching international students;
- consequently the main source of income from international activity is fees from international students;
- this is not to say other forms of activity are unimportant, as many colleges provide a range of educational services to other countries;
- the costs of operating in international markets are high. Many of the major players have long-standing experience of operating in international markets and their current activities are the result of significant investments made some years ago;
- income received from international activities comprises only a small part of overall income but is nevertheless regarded as an important source of income, given that many colleges have engaged in this form of activity over a long period;
- in some countries there has increasingly been a shift away from students coming to the UK to study, to the development of local partnerships through which UK colleges assist with delivering learning in the host country;
- for some colleges it is important to have a presence in the country through, for example, partnerships with local providers, in order to develop their trade with that country;
- the main markets from outside Europe are the Indian sub-continent and South East Asia (mainly China) and these are expected to remain so in the medium term;
- other countries are being targeted as colleges expand their horizons, including many PMI2 countries, but those listed above are the main ones;
- many colleges recognise that the market for international services will grow over the medium term and that they are developing their own individual plans to capture a share of that market.

In addition to the survey, **interviews** with eleven colleges in England, Scotland and Wales were conducted, mainly to explore the scope and nature of their international activities, the challenges they face, support they would find useful and the way in which their international activities are likely to develop in the future. The key results may be summarised as follows:

- some colleges had a long history of engaging in international activities (mainly the larger ones) whilst others were beginning to engage in a wider range of international activities (including building up direct links with countries overseas);
- the scope and nature of international activities undertaken by colleges varied: some were involved in a range of international activities in a number of countries; others focused on a niche market, working as a subcontractor in the UK or as a contractor overseas. Some had hardly any international students whereas others had hundreds from a wide range of countries. Some engaged exclusively or mainly in non-commercial activities (global partnerships including staff and student exchanges), others largely in commercial contracts (although the related activities may also be geared towards capacity building), and one college deliberately engaged in a mix of commercial and non-commercial activities as it is part of the ethos of the institution to provide some support for those in poorer countries;
- 'push factors' for engagement in international activities included the need to build up alternative income streams to compensate for reduced funding for adult learning, and to some extent, Government driven initiatives aimed at internationalising colleges. Among the 'pull factors' were, for example, the college's vision in relation to widening the horizons of staff and students preparing them to work in an increasingly global economy, the pursuit of opportunities to expand the college (and perhaps raise its profile in the process), and financial incentives which support colleges in venturing into new markets (e.g. pump-priming via PMI2). The responses suggest that international strategies are often led from the top, but supported by enthusiastic staff. Some college representatives also stressed the benefits of international activity for personal / professional development for students and staff engaged in exchange programmes;

- involvement in international activities might be governed by a strategic approach (e.g. engaging in niche markets or in certain countries based on market intelligence), a more opportunistic approach (e.g. response to customer demand without the need for active marketing) or a mixture of both. International activities might be based on existing local links (such as twinning arrangements), links with other countries through local communities or alumni. Examples of active marketing strategies included promotion through educational agencies abroad, traditionally used to recruit international students to the UK and (in the case of one college) setting up a recruitment office overseas. Others have successfully built up direct contacts with corporate companies abroad or industry bodies in the UK and abroad, or participated in trade missions – methods which proved to be highly effective. Despite strong competition between independent players in the FE sector there are also a few examples of collaborative approaches amongst colleges and with other players (universities and awarding bodies).
- The key challenges colleges experienced included the following:
 - that of positioning of the college in the international market and the development of learning and training programmes which meet the requirements of the market;
 - engagement in international activities requires up-front investment of financial and human resources, but colleges have little spare capacity in relation to either resource, and financial returns are expected to materialise over a one to three year period;
 - engagement in international activities also entails changes to the college’s infrastructure in order to promote the college effectively in the international market and to provide the support required to ensure a positive student experience;
 - other challenges cited included difficulties in getting visas issued, strong competition from other countries and the high cost of living in the UK.
- Colleges are gearing themselves up to meeting the particular challenges they encountered. Where specific calls for assistance were made, the need for initial and follow-up support were mentioned, as were stronger incentives for colleges to collaborate and good practice guidelines for aspects of international activities.
- Reflecting on their own experience, advice that colleges might want to give to other colleges considering embarking on international activities related to the following:
 - the importance of thorough preparation (in particular with regard to market intelligence, preparing staff and students for the intake of international students from other cultural and religious backgrounds, development of provision which meets market requirements);
 - the benefit of a cautious, more strategically driven approach which helps to mitigate against the significant risks involved, with small projects or niche markets offering opportunities to develop the college’s international expertise;
 - the need to take a long-term view;
 - providing a high quality student experience and delivering effectively on contracts was also seen as a key requirement for successfully establishing the college’s international activities.
- In line with the survey results, most colleges appear to be expanding their international activities or actively exploring new strategies building on the experience they have gained. Through their previous work, colleges might have developed business strategies that were seen to be directly transferable to other countries or, having worked in a niche market, they may be considering embarking on areas of activity which are related to this niche market but are more generic in nature. Some colleges argued that there is an increased demand for VET, with future demand shifting towards more in-country delivery. Others have experienced strong growth in the demand for tailored courses and this was expected to continue. Two colleges were preparing themselves to meet new challenges relating to the perceived faltering demand for English language provision in the UK and demand for UK validated courses in the native language in one particular market.

Conclusions and Recommendations

- Australia and Germany have been successful in capturing a substantial share of the international TVET market. Within the systems of these countries, the major providers are public or quasi public sector organisations which are highly integrated with the agencies delivering foreign aid. Their models of international TVET provision have been successful in delivering a high level of export activity but these are rooted in the national system of TVET provision.
- The UK system (and that of the USA) is somewhat different in that it emphasises competition between providers and accordingly, there is relatively less integration with the public agencies delivering foreign aid.
- In the UK, the market is much more to the fore with providers needing to establish their place within this in a more independent manner.

A key question is: What can be transferred from the competitor models to the UK system without the latter losing its defining characteristics? The answer lies in the improved provision of information about markets (their size, potential and the means of accessing them) and in effective promotion of the UK system.

- Whilst individual colleges can be highly entrepreneurial in capturing markets, there can be relatively high transaction costs involved which might be shared more generally amongst the community of colleges engaged in international activity.
- Information and promotion would appear to be factors that can provide a competitive edge.

Based on the above, the recommendations from the study are as follows:

- the UK needs to observe the models used by other countries to promote vocational education and training but needs to be cautious about 'borrowing' solutions without considering the way in which these models are conditioned by the domestic education system and the national approach to export promotion;
- the UK should focus attention on improving information about international markets and on better ways to promote the UK system. In order that colleges can minimise the transaction costs associated with entry to international markets, concerted action on the part of colleges, their representative organisations, other national agencies and Government departments is required. There would be a strong advantage in having a body (or bodies) which would co-ordinate and manage colleges' international activities. This would effectively facilitate some sharing of the risk involved in entering international markets and increase capacity in relation to achieving economies of scale. Such an approach would be a strong asset in the context of capturing new markets and maintaining existing markets where UK providers are well established;
- Government or quasi-government agencies may want to review direct or indirect incentives which may encourage TVET providers to engage in international markets (e.g. bringing international activities into the reporting framework or facilitating collaborative approaches);
- colleges contemplating international activity can learn from successful approaches utilized by their peers but need to understand that there are high threshold costs which can take several years to recoup. On the other hand, there are examples of relatively low risk strategies adopted by colleges when embarking on entry into the international market;
- it may be advantageous to consider widening the scope of marketing strategies, where appropriate. In addition to the range of educational agencies used traditionally to attract students, other strategies such as marketing via industry bodies (industry representatives or large companies) may prove to be effective options;
- transnational education is becoming more and more important. The introduction of a robust regulation of learning and training programmes delivered overseas or via franchise may therefore be opportune, as this would facilitate promotion of UK FE / TVET abroad;
- developing strategic approaches, adopting partnership approaches and pursuing long-term relationships should form part of the colleges' planning in relation to pursuit of opportunities in international markets. However, shorter-term engagements which result from response to specific needs or invitations to tender, may also yield benefits which complement the overall portfolio;
- although (with one exception), these are outside the scope of PMI2, opportunities for international activity within Europe should not be overlooked.

1 Introduction

1.1 Policy background

In 1999, Tony Blair launched the first Prime Minister's Initiative (PMI) for International Education. The UK-wide five-year initiative (2000-2005) aimed to increase the number of international students studying in the UK (by 25,000 in further education and 50,000 in higher education) through a range of supporting measures. These included a concerted marketing campaign, the streamlining of visa and work regulations for non-EU students and an increase in Chevening Scholarships. Following the success of the first PMI, a second five year strategy (2006-2011) was launched in April 2006. This focuses on the branding of education, the quality of the student experience, strategic partnerships and alliances and market diversification whilst also consolidating previous successes. Targets include further increases in international student numbers (of 30,000 in further education and 70,000 in higher education), doubling the number of countries which attract more than 10,000 students per year to the UK and a significant rise in the number of partnerships between the UK and other countries.²

In addition to PMI2 there are other policy initiatives which include the development of international strategies in education more broadly or in further education (FE) and higher education (HE) more specifically. In particular, there is the UK-wide international strategy for education, skills and children's services entitled 'Putting the World into world-class education' (DfES 2004), launched in 2004. A recent update (DIUS 2007) has re-emphasised the importance of its original three goals, with PMI playing a key role in supporting the last of these, through pump-priming and other activities:

- i. equipping children, young people and adults for life in a global society and work in a global economy;
- ii. engaging with international partners to achieve their goals and the UK's; and
- iii. maximising the contribution of the education and training sector, and university research to overseas trade and inward investment (DfES 2004).

The Department for Innovation, University and Skills (DIUS) is also leading on the development of an international strategy for further education which will be published in 2008.

Devolution is beginning to have an impact on national policies in the four UK nations. In Wales, an international strategy for the wider education sector together with a five-year action plan is due to be published in summer 2008. Following its international strategy (2004) and its strategy on international lifelong learning (2007), the Scottish Executive will publish its international strategy for further and higher education in due course. Meanwhile, the Scottish Funding Council (SFC) for further and higher education has made a firm commitment to supporting colleges and universities in their international ambitions by providing development funding, promoting the interests of colleges and universities and providing data and evidence (SFC 2007).

Whilst internationalisation of FE emerges as an important feature, which is partly driven by policy, the sector is also undergoing substantial changes with the aim of creating a more demand-led system and a world-class education system by 2020. The Government's *Further Education Raising Skills, Improving Life Chances: Update 2007*³ outlines progress against the recent reform of FE, following the Foster Review, and the challenges established by Leitch. The most important impacts, in the context of the current study, include:

- greater self-regulation for FE colleges;
- a raising of standards and increasing responsiveness to local demand; and
- an increase in provision stemming from the Level 2 and 3 entitlements.

It is too soon to gauge the impact on international activities, other than to recognise that successful activities aimed at raising standards might help sell the UK system abroad.

Scope of international activities in the FE sector

In the UK there were 476 FE colleges servicing around five million FE students in 2004/05.⁴ A small proportion of students registered in FE colleges follow higher education programmes⁵ and also a small proportion are enrolled in FE courses in higher education institutions.⁶

² www.britishcouncil.org

³ w.dfes.gov.uk/furthereducation/uploads/documents/FEWP_OneYearOn_web2.pdf

⁴ National Statistics (2006). This figure excludes FE students in England not funded by the LSC and students in the non-vocational stream in Scotland

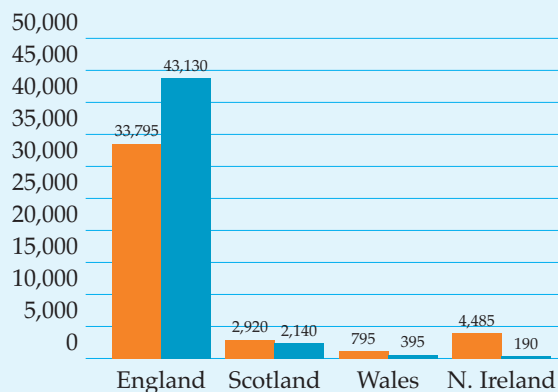
⁵ A total of 192,000 students or 7.8 per cent of all higher education level courses in 2004/05, with most of the students being registered in Scotland and Northern Ireland (Universities UK 2007).

⁶ These are mainly enrolled in former FE institutions, but only in England and Wales. The total is 124,000 students, representing 5 per cent of higher education students in 2005/06 (Universities UK 2007).

The first Prime Minister's Initiative had begun to enthuse an FE sector with hitherto low levels of engagement in international activities to drive up the number of international students in FE substantially (Association of Colleges (AoC) 2001). By 2004/05 FE colleges had attracted around 83,000 international students (88,000 if students from the Republic of Ireland are included), with the vast majority studying in England, as *Figure 1.1* shows. Just above half (55 per cent; or 52 per cent if students from the Republic of Ireland are included) came from overseas and other non-EU countries, mainly from China and India. The remainder originated from EU countries, with Poland accounting for the largest share (for further details on the main countries see *Figure 1.2*). Thus, the targeted increase of 30,000 international students represents a significant growth of more than a third over the next five years. In addition to student recruitment to the UK, the majority of FE colleges are also engaged in learning partnerships (student and or staff exchanges), with a substantial group pursuing commercial partnerships and providing courses in-country, according to a survey undertaken by the AoC in the context of PMI1 (AoC 2001).

Nevertheless, higher education is still at the forefront of international education due to a combination of several factors, including student demand in the areas of education and research, size of the organisations (which allows greater scope for entrepreneurship), ethos and Government support.

Figure 1.1 EU and international students in UK FE in 2004-05 by nation

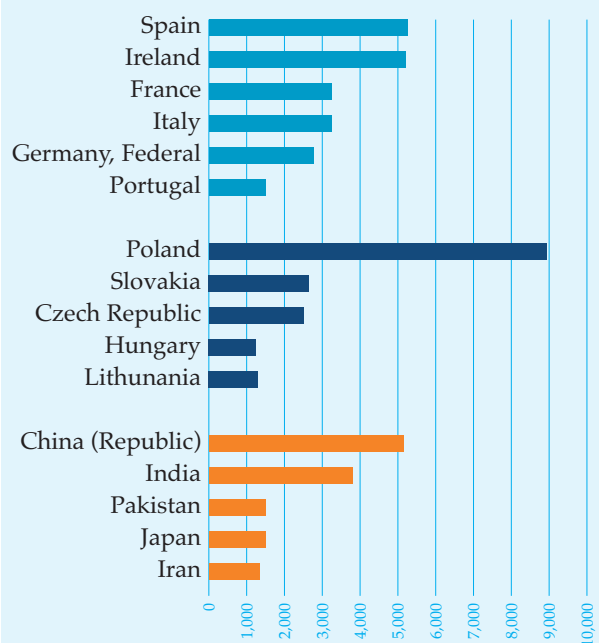


Source: www.ukcosa.org.uk/about/statistics_fe.php (figures)

1.2 Research aims, objectives and design

Against this background the Association of Colleges, on behalf of the PMI2 Strategy Sub-Group, commissioned a study on *UK further education / technical and vocational education and training (TVET) – opportunities in the international market* in spring 2007. The study came at a time when more opportunities in the international market were opening up for the FE sector due to the fact that a number of developing countries are seeking assistance from international organisations with the process of reforming or establishing vocational education and training (VET) systems, expanding their capacity and increasing the supply of intermediate level skilled staff to meet the needs of the economy. At the same time the sector needs to address a number of challenges if it wants to capture the market potential effectively.

Figure 1.2 EU and international students in UK FE in 2004-05 by country of origin (main source countries only)



Source: www.ukcosa.org.uk/about/statistics_fe.php (figures)

The key aims of the study were:

- to establish the nature and extent of international activities in UK FE colleges;
- to assess the strengths and the weaknesses of the UK FE system ;
- to assess opportunities for the FE sector in the international market, particularly the 24 priority countries identified in the context of PMI2; and
- to provide an analysis of key competitors in the international market.

The quality and nature of the international student experience has not been considered as this is covered by other publications⁷ or ongoing projects funded under PMI2.⁸

To achieve its aims the study adopted a multi-faceted approach drawing on five elements:

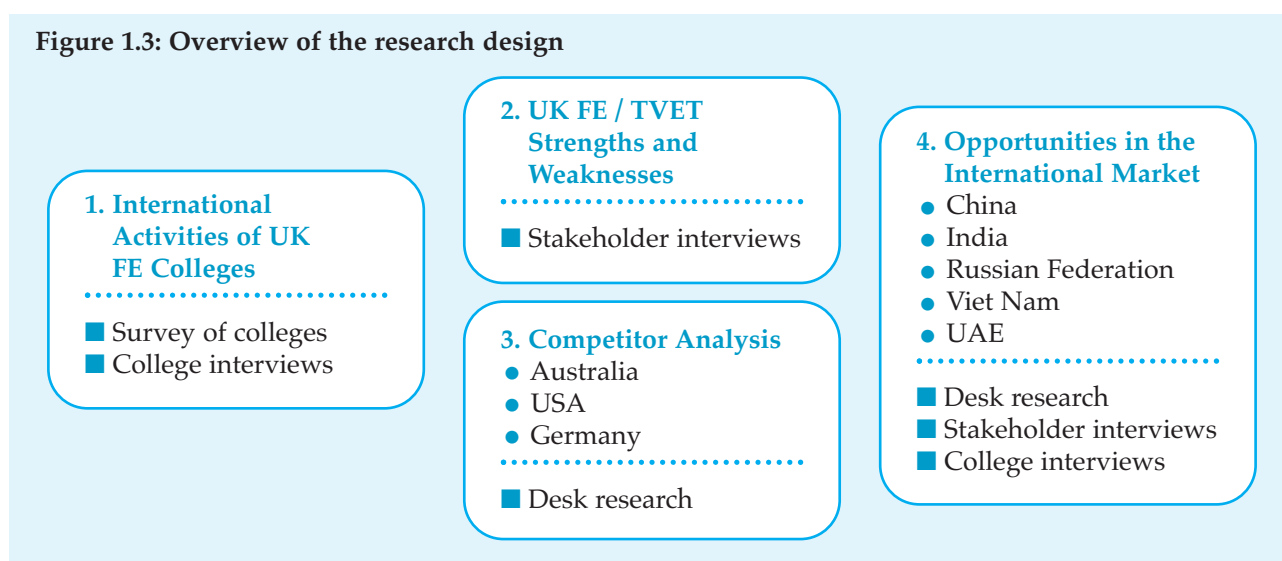
- a) an online survey of all UK FE colleges, including a short questionnaire for colleges currently not engaged in international activities;
- b) in-depth interviews with around 10 UK FE colleges, primarily to explore the nature of their international activities, the challenges experienced along the way and future developments;

- c) interviews with a broad range of stakeholders which focused on their assessment of UK FE strengths and weaknesses as well as opportunities in the international market;
- d) a literature review to assess opportunities for the FE sector in selected PMI2 countries. The five countries (chosen on the basis of providing the greatest current opportunities for FE amongst those targeted by PMI2) were: China, India, Russia, Viet Nam and United Arab Emirates, with some supplementary information provided for two other Mekong Delta countries (Thailand and Laos) and other Gulf States;⁹
- e) a review of the models of international engagement adopted by three competitor countries: the United States, Australia and Germany.

A graphical overview of the research strands and how they are being integrated is presented in *Figure 1.3*.

Please note: Whilst the term ‘international’ is used in some contexts rather narrowly, in the context of this study it is used to cover all countries worldwide. In contrast to the definition of international students for fee paying purposes, this study adopts a wider definition of international students which includes all students whose families reside in countries outside the United Kingdom (EU and non-EU).

Figure 1.3: Overview of the research design



1 Statistical data are also provided for two other Mekong Delta countries: Thailand and Laos.

2 Statistical data and stakeholder assessments are also provided for other Gulf States.

⁷ See, for example: UKCOSA (2006): *New Horizons. The experiences of international students in UK further education colleges*. UKCOSA. Available at <http://www.ukcosa.org.uk/about/pubs_research.php>

⁸ See UKCISA website:<<http://www.ukcisa.org.uk>>

⁹ Saudi Arabia, which was also identified as a source of opportunity for UK FE / VET, has been well-covered by other research.

1.3 Structure of the report

Chapter 2 of the report provides an overview of the type of international activities UK FE colleges are engaged in, their perceived strengths in the international market, their experiences and perceptions of future opportunities in the international market. This draws on both the survey of and the interviews with UK FE colleges, and is effectively looking at the supply of UK educational services for international TVET. To provide these services successfully in a highly competitive market, FE colleges need to be able to play to their strengths and understand the strategies of their competitors. Drawing on interviews with key stakeholders, Chapter 3 therefore assesses the key strengths and weaknesses of UK TVET and also looks at evolving joint strategies within the FE sector to capture the international market. This is complemented by an analysis of three selected key competitors: Australia, Germany and the United States of America. In Chapter 4, the study considers the opportunities for UK FE / VET in the international market, primarily in five pragmatically selected regions within the remit of the PMI2 initiative, and thus effectively focusing on the 'demand side'. The chapter integrates the results of a literature review with the findings from the survey and the interviews with stakeholders and colleges. Building on the overall study results, recommendations are presented in the concluding section.

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2 Baseline Study: International Activities of UK FE Colleges

2.1 Survey results

2.1.1 Introduction

During the summer of 2007 an online survey was despatched to FE colleges across the UK to obtain information about their activities in the international market for education services. The principal respondent was the person in the college responsible for international activities. The survey was distributed by e-mail by the Association of Colleges (AoC) and the Association of Scotland's Colleges (ASCOL) to their members, which represent around 95 per cent of all colleges in the four countries. Two reminders were sent out by both Associations, with the last one having been supplemented by a telephone reminder undertaken by the Warwick Institute for Employment Research, targeting some 200 FE colleges, mainly those presumed to be engaged in international activities. The survey responses were directly returned to the University of Warwick.

In total, 98 responses were obtained: 83 from colleges engaged in international activities and 15 which were not engaged. *Annex A* to this report reproduces the questionnaire used in the survey.

International activities were broadly defined to include:

- teaching students from outside the UK at this college;
- delivering learning programmes abroad including via partnership arrangements with colleges / universities / private organisations in other countries;

- delivering learning / training programmes via commercial contracts / commissions;
- delivering other activities via commercial contracts / commissions (e.g. consultancy);
- staff and / or student exchanges;
- global partnerships (non-direct profit making); and
- activities aimed at 'internationalising' the college, e.g. curriculum development, special projects.

Where colleges were engaged in one of the above activities they have been classified as an 'international college'. As the findings below will go on to show, the principal international activity in which colleges were engaged was that of teaching students, whose main domicile was abroad, at a college in the UK. For convenience, these students have been referred to as 'international students'.

2.1.2 Engagement in international activities

Tables 2.1 and 2.2 provide information about the extent of engagement in international activity. Overall, there appear to be limited differences between types of college in terms of the level of engagement in international activity. General further education colleges are a little less likely to engage in international activity, but given the sample size too much emphasis should not be given to the magnitude of the difference. A fairer interpretation is that all types of college engage in international activity more or less equally.

Table 2.1 College engagement in international activity by type of college

Type of college	Not engaged in international activities	Engaged in international activities	All colleges
Sixth form college	7%	10%	9%
General further education college	87%	77%	78%
Specialist college	7%	6%	6%
Other	0%	7%	6%
Total	100%	100%	100%
Base	15%	83%	98%

Base: All Colleges

Source: AoC Survey of Colleges' International Activities (IER)

Table 2.2 College engagement in international activity by type of college

Number of students	Not engaged in international activities	Engaged in international activities	All colleges
Less than 5,000	13%	17%	16%
5,001 to 9,999	67%	25%	32%
10,000 to 19,999	13%	34%	31%
20,000 or more	7%	22%	19%
Not known		2%	2%
Total	100%	100%	100%
Base	15%	83%	98%

Base: All Colleges

Source: AoC Survey of Colleges' International Activities (IER)

Number of students acts as a proxy measure of the size of colleges. *Table 2.2* shows that medium to large colleges were more likely to account for international activity. This is due to the distribution of colleges by size in the population of colleges, but smaller colleges (88 per cent) were slightly less likely to engage in international activity compared to the largest colleges (95 per cent).

2.1.3 Type of engagement

The analysis that follows is based on those colleges that were engaged in international activities.

Figure 2.1 shows the type of international activities in which colleges were engaged. By far the most common activity was teaching students from outside the UK at the college (93 per cent of those engaging in international activity). But there were a range of other activities reported by a substantial proportion of colleges, including internationalising the college and staff / student exchanges with foreign institutions – both reported by over half of colleges with international activities.

On average, colleges engaged in 2.9 international activities. The distribution of the number of activities in which colleges engage is provided below (see *Figure 2.2*). The findings show that where colleges had 'internationalised' they have done so across a range of activities.

Figure 2.3 shows which activities were considered to be most important by those colleges which were engaged in numerous activities. Overall, 87 per cent

of colleges regarded teaching students as the most important activity. Apart from this, a range of other activities were regarded as important (staff / student exchanges; internationalising the college; delivering programmes abroad).

In general – as outlined in *Table 2.3* – the evidence indicates that the main type of activity across colleges is the delivery of teaching to international students in this country, especially from:

- the EU (where 66 per cent of all colleges with international activities engage in the teaching of EU students in this country);
- the rest of Europe;
- China;
- India;
- Pakistan;
- the Gulf States;
- Japan;
- The rest of Asia;
- Nigeria; and
- the rest of Africa.

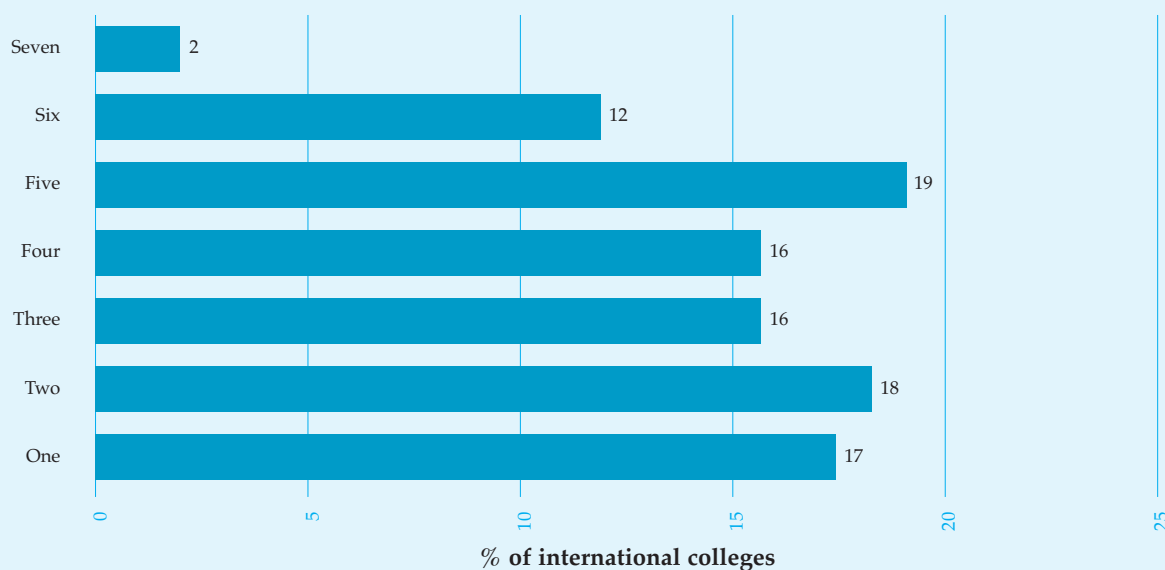
It is only in the EU, the rest of Europe, and China where there are substantial proportions of colleges engaging in activities other than teaching in this country. It is recognised, however, that with respect to funding EU students are treated differently from other non-UK students in that they pay the same fees as UK nationals.

Figure 2.1 Types of international activity



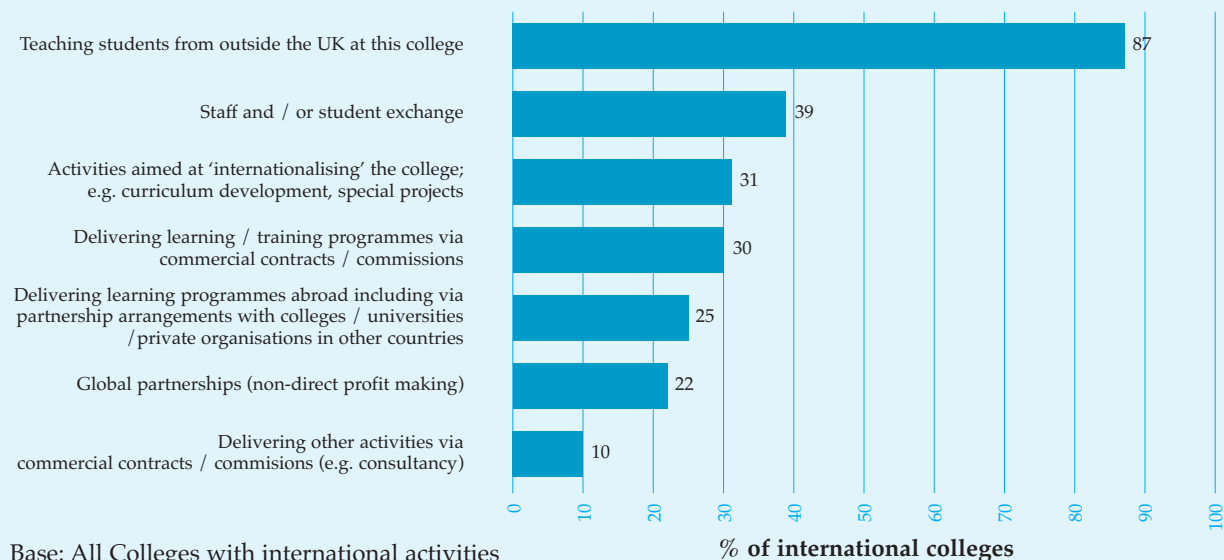
Base: All Colleges with international activities
 Source: www.ukcosa.org.uk/about/statistics_fe.php (figures)

Figure 2.2 Number of international activities in which colleges engage



Base: All Colleges with international activities
 Source: AoC Survey of Colleges' International Activities (IER)

Figure 2.3 Most important international activities undertaken



Base: All Colleges with international activities
 Source: AoC Survey of Colleges' International Activities (IER)

Table 2.3 Countries in which international activities are undertaken

	Teaching students from outside the UK at this college	Delivering learning programmes abroad	Delivering learning/training programmes via commercial contracts/commissions	Delivering other activities via commercial contracts/commissions (e.g. consultancy)	Staff and/or student exchanges	Global partnerships (non-direct profit making)	Activities aimed at 'internationalising' the college
EU	66	4	12	7	43	13	26
Rest of Europe	51	2	5	10	8	8	11
China	59	12	7	6	11	18	17
India	46	8	5	–	4	4	12
Pakistan	40	4	2	–	–	1	5
Gulf States	51	5	12	4	2	4	4
Japan	36	–	1	–	–	6	1
Rest of Asia	51	5	5	2	1	5	7
Nigeria	37	–	–	–	–	–	4
Ghana	30	–	–	–	–	1	12
South Africa	18	–	–	–	4	1	4
Rest of Africa	35	1	4	2	5	5	6
North America	21	2	–	2	6	1	5
South America	18	–	–	–	–	–	–
Australasia	7	–	–	–	–	–	–
Other	12	1	1	1	–	1	2

Base: All Colleges
 Source: AoC Survey of Colleges' International Activities (IER)

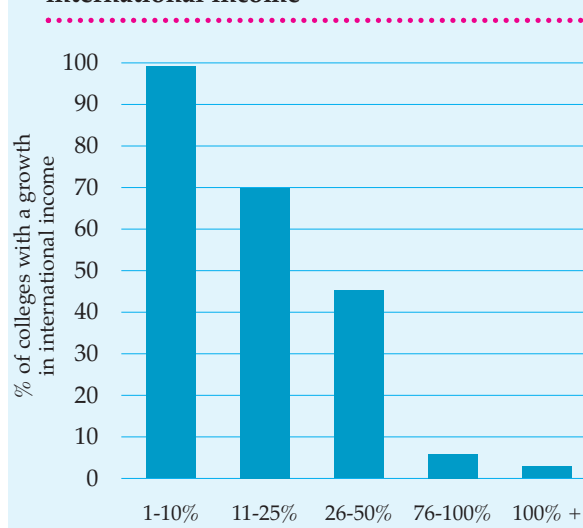
2.1.4 Funding for international activities

In general, international activities accounted for a relatively small share of total income (3 per cent). Where colleges were in receipt of funding for the various international activities in which they were involved, and where they were able to give an indication of what percentage of that funding was from different sources, the principal amongst these was 'student fees' at 51 per cent, followed by 'delivering training programmes abroad via commercial contracts' (13 per cent).

Overall, 40 per cent of colleges thought that their international budgets had increased in real terms over the past year, 33 per cent thought it had stayed the same, and 18 per cent reported a decline. Where it had increased, a sizable percentage of international colleges had experienced a growth in excess of 10 per cent (see *Figure 2.4*).

Very few colleges were able to give a list of programmes from which they had received grants.

Figure 2.4 Cumulative growth in international income



Base: All Colleges with international activities
Source: AoC Survey of Colleges' International Activities (IER)

Table 2.4 Funding sources by type of international activity

	Teaching students from outside the UK at this college	Delivering learning programmes abroad	Delivering learning/training programmes via commercial contracts/commissions	Delivering other activities via commercial contracts/commissions (e.g. consultancy)	Staff and/or student exchanges	Global partnerships (non-direct profit making)	Activities aimed at 'internationalising' the college
International student fees	83	14	2	–	2	2	8
Other commercial sources (full cost recovery)	18	14	20	13	2	2	4
UK Government or national agency grants	11	4	1	5	12	11	12
International Government or international agency grants	11	5	6	5	6	2	5
EU programmes	14	2	5	1	31	6	16
College's own funds	12	8	1	–	24	16	34
Other	1	2	–	1	7	6	4

Base: All Colleges with international activities

Source: AoC Survey of Colleges' International Activities (IER)

Table 2.4 breaks down the sources of funding by the type of activity in which colleges were engaged. It shows that 83 per cent of colleges received funding from international student fees for teaching international students.

2.1.5 International colleges' main strengths

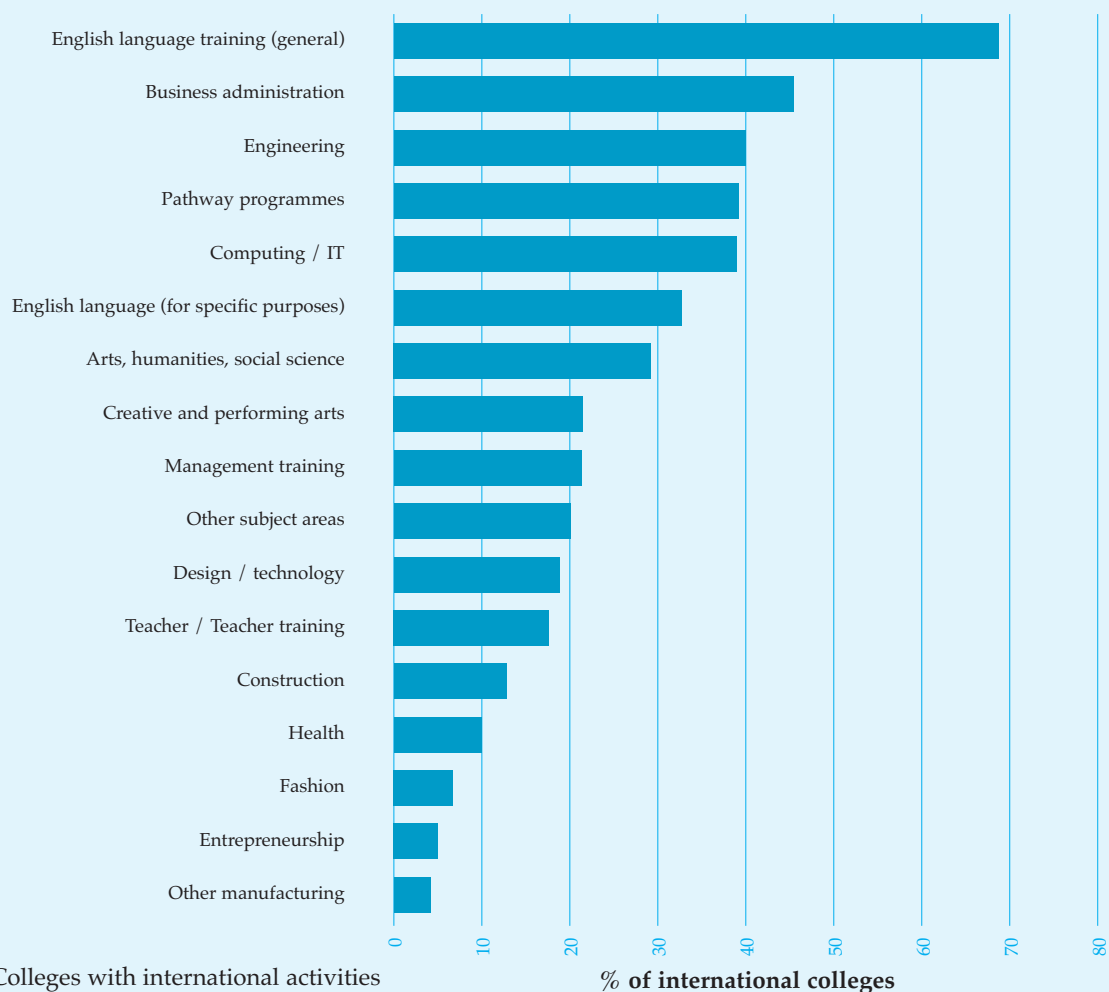
Colleges that engaged in international activities considered Engineering, Business administration, Computing / IT and English language training as their main subject strengths in international markets (see Figure 2.5). Colleges also reported that one of their key assets was the provision of pathway programmes which allow international students to progress beyond their current level of study to the next level, across the whole range of provision, with the possibility of that progression eventually leading to higher education.

60 per cent of colleges had Centres of Vocational Excellence (CoVEs), and 11 per cent reported a quality award or kite mark. Where colleges had a CoVE, a large number of different ones were mentioned but they largely fell into the Engineering, Health, Computing / IT, Construction, and Hospitality areas.

2.1.6 Recruitment of international students from abroad

Where colleges reported recruiting international students a series of questions were asked about the courses offered, progression to university, and the characteristics of international students. For most colleges, international students formed a relatively small share of the stock of all students. Where colleges recruited students from abroad, foreign domiciled students accounted for, on average, 4 per cent of the total student population.

Figure 2.5 Colleges' perceptions of their main strengths



Base: All Colleges with international activities

Source: AoC Survey of Colleges' International Activities (IER)

Table 2.5 Courses provided by college – by type of course

	Mainly vocational	Mainly academic	Both	Either
Engineering	30	10	13	40
Construction	17	3	8	20
Other manufacturing	4	1	3	5
Health	18	1	5	19
Design / technology	20	8	5	28
Fashion	13	1	3	14
Computing / IT	23	14	22	37
Creative performing arts	15	8	13	23
Arts, humanities, social science	8	26	13	34
Business administration	22	18	14	40
English training (general)	19	35	15	54
English training (specific)	13	18	13	31
Teacher training	8	9	4	17
Management training	9	6	14	15
Entrepreneurship	1	4	5	5
Other	8	4	6	12

Base: All Colleges with international activities

Source: AoC Survey of Colleges' International Activities (IER)

In general, just under ten per cent of colleges said their international students were under 18 years of age, 27 per cent said they were aged 18-20 years, 18 per cent said they were 21-24 years, and three per cent said they were older than 25 years. Many colleges – 41 per cent of those with international students – reported a mix of age ranges rather than any one age group dominating their international student population.

The courses taken up by international students are outlined below (see *Table 2.5*). Engineering, Computing, Business administration, and English training (general) were the most commonly cited courses. The first two of these were mainly provided as vocational courses, whereas Business Administration and English language training were provided as a mix of vocational and academic.

Colleges were also requested to state the level at which they provided courses. In general, courses were more likely to be offered at Level 3 than any other level (see *Table 2.6*). English Language training is an exception insofar as it is also common at Levels 1 and 2, and Engineering, Computing / IT and Business administration are exceptional because of the proportion of colleges providing courses at Level 4.

Respondents were asked to give an indication of the extent to which their foreign student population had changed over the past three years. *Table 2.7* below provides the information on recruitment activity. The data reveal a number of findings:

- the high percentage of colleges reporting an increase in students from the EU and the rest of Europe;
- the growth in the number of students from China, India, the Gulf States, and the Rest of Asia;
- whilst more colleges reported an increase in Chinese students compared to those reporting a decline, a substantial percentage of colleges also reported a decline in students from that country (25 per cent of all colleges that enrolled international students).

English language training stands out as a course commonly offered by colleges with international students and these courses are generally offered at different levels. In addition to providing standalone English courses, over half of colleges (52 per cent) provided courses which integrate English with vocational or management training.

Table 2.6 Courses provided by college – according to level

	Level at which course delivered				
	Level 1	Level 2	Level 3	Level 4	Other
Engineering	6	15	33	23	5
Construction	3	12	17	6	4
Other manufacturing		3	8	4	1
Health	3	10	21	8	3
Design / technology		8	18	12	1
Fashion		1	10	6	3
Computing / IT	5	23	42	28	5
Creative performing arts		4	26	10	5
Arts, humanities, social science	1	6	32	5	5
Business administration	1	19	38	34	5
English training (general)	41	53	45	9	10
English training (specific)	18	27	29	9	4
Teacher training		1	6	10	5
Management training	1	4	13	23	4
Entrepreneurship		1	3	4	
Other					

Base: All Colleges with international activities

Source: AoC Survey of Colleges' International Activities (IER)

Table 2.7 Change in the number of students over the last three years by country

	No students	Greatly increased	Increased a little	Stayed the same	Decreased a little	Decreased greatly	All increased
EU	1	35	32	13	6	0	67
Rest of Europe	5	12	33	18	4	0	45
China	5	12	25	17	19	6	37
India	15	9	18	28	6	1	27
Pakistan	20	5	14	22	9	1	19
Gulf States	17	9	24	18	10	1	33
Japan	24	1	10	24	9	3	11
Rest of Asia	12	5	32	15	4	0	37
Nigeria	13	4	21	24	1	3	25
Ghana	28	1	12	19	1	1	13
South Africa	31	1	6	21	1	0	7
Rest of Africa	18	4	13	28	3	0	17
North America	32	10	18	1	0	0	28
South America	25	4	8	26	4	0	12
Australasia	40	4	17	0	0	0	21
Other	22	0	6	8	3	0	6

Base: All Colleges with international activities

Source: AoC Survey of Colleges' International Activities (IER)

2.1.7 Completion and progression

Overall, a high percentage of international students completed their courses: more than 70 per cent across different types of college (see *Table 2.8*).

Around 83 per cent of colleges said that at least 70 per cent of their international students completed, 58 per cent said that at least 80 per cent completed and 4 per cent said that over 90 per cent completed.

Having completed, the situation regarding progression to higher education is more mixed (see *Table 2.9*).

Just over two thirds of colleges (64 per cent) reported the existence of formal arrangements with specific higher education institutions (HEIs). Where a high percentage of students go on to higher education (more than 80 per cent), colleges are more likely to have formal arrangements with universities.

A final issue relating to completion and progression is the extent to which these data are captured on the Individual Learner Record (ILR). The data indicate that the ILR is not used to record data in many instances, although sixth form colleges are more likely to do this (see *Table 2.10*).

Table 2.8 Percentage of students completing by college type

	Sixth form college	General further education college	Specialist College	Other	Total
0 to 10 per cent		3			2
51 to 70 per cent	25	2			4
More than 70 per cent	63	86	100	67	83
Don't Know	13	10		33	11
Total	100	100	100	100	100
Base	8	63	5	6	82

Base: All Colleges with international activities

Source: AoC Survey of Colleges' International Activities (IER)

Table 2.9 Percentage of students progressing to higher education by college type

	Sixth form college	General further education college	Specialist College	Other	Total
0 to 10 per cent	25	5	20		7
11 to 20 per cent		8	20		7
21 to 50 per cent	13	10		17	10
51 to 70 per cent	13	16		17	15
More than 70 per cent	13	32	20	17	28
Don't know	38	30	40	50	33
Total	100	100	100	100	100
Base	8	63	5	6	82

Base: All Colleges with international activities

Source: AoC Survey of Colleges' International Activities (IER)

Table 2.10 Use of the ILR by college type

	Sixth form college	General further education college	Specialist College	Other	Total
Yes	67	39		40	39
No	17	27		20	24
Don't Know	17	33	100	40	36
Total	100	100	100	100	100
Base	6	51	4	5	66

Base: All Colleges with international activities

Source: AoC Survey of Colleges' International Activities (IER)

2.1.8 Delivering teaching and learning abroad in partnership with overseas institutions

Respondents from the colleges were asked a range of questions about the delivery of training abroad via a range of models:

- mainly face to face delivery by staff of this college;
- through e-learning or blended learning;
- delivery in partnership with an overseas organisation;
- through a franchise arrangement;
- with UK accreditation;
- with dual accreditation; and
- without accreditation.

The data reveal that a relatively small percentage of colleges were engaged in any of these activities (see *Figure 2.6*). Delivering in partnership was the most commonly reported (by 19 per cent of colleges with international activities).

The responses were too few to allow analysis by type or level of course.

2.1.9 The future for international colleges

Colleges were asked what would be the fastest growing activities over the next five years. For the majority (71 per cent) this would be teaching students from outside the UK at the college (see *Figure 2.7*). Overall, there were a range of activities that colleges thought would expand rapidly over the medium term, suggesting that the colleges are aware of a varied set of opportunities in the market.

In general, opinion was divided as to whether colleges would be increasingly dependent upon income from international activities with 46 per cent agreeing and 48 per cent disagreeing (see *Table 2.11*). There was slightly less disagreement about whether

colleges could afford to make the investments necessary to attract international business with 38 per cent agreeing that this was the case, and 53 per cent disagreeing. There was general agreement that international activities were to the benefit of colleges and their students (89 per cent agreeing and only 6 per cent disagreeing). On balance, colleges thought that they had the capacity to expand their international activities (73 per cent agreeing), but notably 20 per cent of colleges already engaged in international activities were amongst those which disagreed.

In general, the opportunities colleges foresee are related to teaching students in the UK, especially those from Bangladesh, China, the Gulf States, Hong Kong, India, Korea, Pakistan, Russia, Saudi Arabia, and Viet Nam (see *Table 2.12*). In the case of China and India, colleges also see opportunities for delivery of training in those countries, but this is mentioned by a relatively small percentage of colleges in relation to other countries.

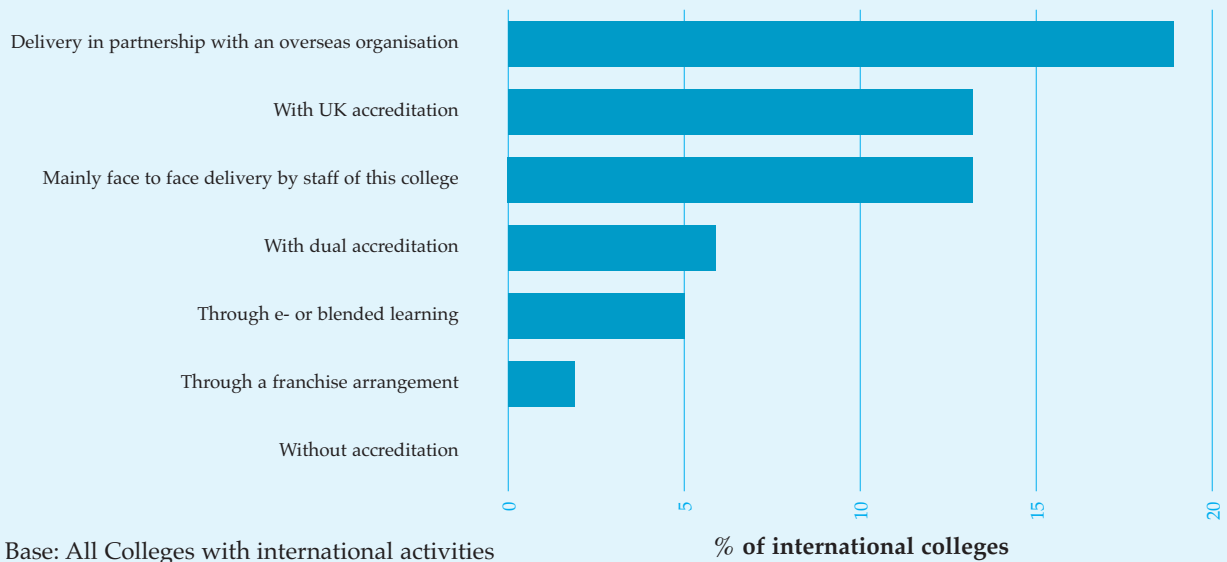
Colleges were also asked about which international service organisations they used (see *Figure 2.8*). The most commonly used services were:

- British Council in the UK (76 per cent of international colleges);
- British Council overseas (62 per cent);
- Association of Colleges (45 per cent); and
- UK Trade and Industry (39 per cent).

Around 20 per cent of colleges also reported that they learned from one another.

Where colleges felt that they were not well prepared for the future there was a tendency for them to use the common sources of information less – notably the British Council overseas. The main form of assistance colleges would like in future relates mainly to funding and marketing support.

Figure 2.6 How learning is delivered abroad



Base: All Colleges with international activities
 Source: AoC Survey of Colleges' International Activities (IER)

Figure 2.7 Main opportunities envisaged by colleges



Base: All Colleges with international activities
 Source: AoC Survey of Colleges' International Activities (IER)

Table 2.11 Future opportunities by country and type of activity

	Agree strongly	Agree	Disagree	Disagree strongly
Over the next five years this college will be increasingly dependent upon income from international activities	15	31	35	13
This college cannot afford to make the investments necessary to attract international business	8	30	43	10
The international activities of this college benefits its staff and students	48	41	6	–
This college does not have the capacity to expand its international activities	2	18	58	15

Base: All Colleges with international activities Source: AoC Survey of Colleges' International Activities (IER)

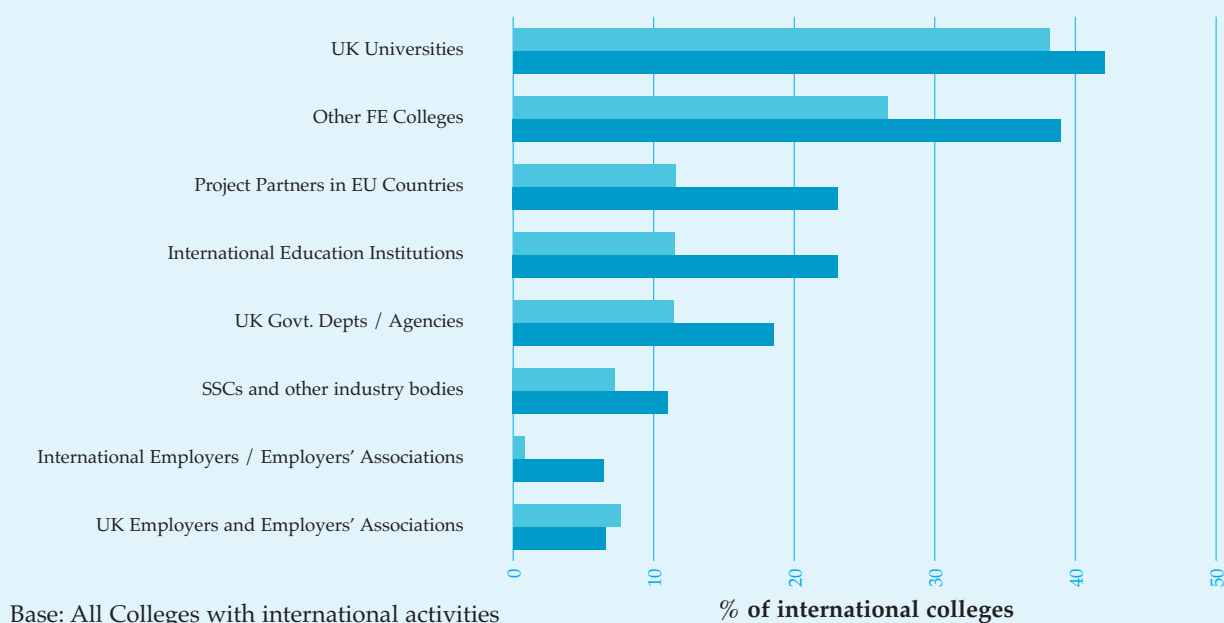
Table 2.12 Future opportunities by country and type of activity

	Teaching students from outside the UK at this college	Delivering learning programmes abroad	Delivering learning/training programmes via commercial contracts/commissions	Delivering other activities via commercial contracts/commissions (e.g. consultancy)	Staff and/or student exchanges	Global partnerships (non-direct profit making)	Activities aimed at 'internationalising' the college
Australia	2	1	-	-	-	1	1
Bangladesh	34	5	1	2	-	2	4
Brazil	16	2	-	-	-	-	-
Canada	10	2	-	-	1	-	-
China	51	30	13	8	19	8	14
Ghana	19	2	1	-	1	1	4
Gulf States	31	12	13	5	4	1	5
Hong Kong	34	4	-	-	1	-	5
India	47	25	10	5	5	6	8
Japan	29	2	1	-	1	1	1
Korea	35	-	-	-	-	1	2
Malaysia	24	4	2	1	1	-	5
Nigeria	29	1	1	-	-	-	1
Pakistan	34	10	5	2	1	2	4
Russia	31	4	2	1	4	5	6
Saudi Arabia	34	6	10	4	2	1	4
Singapore	16	1	2	1	-	-	1
Sri Lanka	19	1	1	-	-	1	1
Taiwan	21	2	1	-	4	2	1
Turkey	26	1	2	2	7	5	5
USA	14	2	1	-	6	1	2
Viet Nam	31	10	4	2	4	2	5

Base: All Colleges with international activities
Source: AoC Survey of Colleges' International Activities (IER)

Note: Where colleges mentioning 'internationalising the college' this will relate, in practice, to countries targeted by the college in relation to externally -focused international work.

Figure 2.8 Organisations with which colleges collaborate



2.1.10 Colleges not involved in international activities

A small proportion of the sample was comprised of colleges that were not currently engaged in international activities, so a degree of caution is required in presenting the findings. In general, these colleges had made a decision not to enter international markets. Many had in fact been involved previously, mainly in teaching international students and staff / student exchanges, but had decided to withdraw mainly because European funding priorities had changed. The reasons for which colleges were not currently involved included a combination of:

- a lack of knowledge of international markets;
- a lack of resources to develop international activities;
- a lack of staff with appropriate experience to develop and manage international activities;
- no spare capacity for student recruitment;
- diverting the college from its mission.

In general, colleges had a multiplicity of reasons why they were not engaged in international activities, and this may explain why many of them felt that it was unlikely that they would enter the international market in the future.

2.1.11 Conclusion

A number of key findings emerge from the data:

- colleges that currently engage in international activities have generally experienced a growth in activity over the recent past and expect continued growth over the short to medium term;
- some colleges engage in a wide range of international activities and are not limited to teaching international students, but the main market is still that of teaching international students in the UK;
- consequently the main source of income from international activity are the fees from students from other countries, many of whom are recruited from within the EU;¹⁰
- income received from international activities comprises a small part of overall income;
- outside of the EU the Indian sub-continent, and South East Asia (mainly China) are considered to be the main markets over the medium term;

¹⁰ NB there is a distinction to be made when discussing international students between EU and non-EU students. The EU is an important source of students but does not generate the same level of fee income per student as those outside the EU.

- several PMI2 countries are considered to be important markets for colleges, especially China, India, and the Middle East. There are other PMI2 countries with which relatively few colleges have either engaged to date (e.g. Viet Nam) which might reflect the relative size of the market in some of these countries, and / or a potential opportunity for future growth. The remainder of the report considers this issue in some detail.

The sample of non-international colleges included in the survey was small but extrapolation of the related findings across the whole population of those which are not currently engaged in international activities indicates that it would be difficult to persuade them to take this step. They lack the knowledge, resources, and capacity to enter the international market. The task of encouraging and supporting the current population of international colleges to expand further their activities into territory beyond the common core focus of recruiting overseas students to the UK – i.e. branching out into new areas of activity and a wider range of countries – appears to present a lesser challenge. This could present a strategic dilemma for national agencies and Government departments in the light of limited resources: Is it better to help colleges that are seeking to gain initial entry to international markets or to assist established players? In practice, it is important to achieve a balance but this can be difficult. A key priority is to identify the factors which prevent colleges in the UK from expanding into the international market as well as elements of good practice which can be drawn either from other UK colleges which have successfully penetrated new markets, or from institutions both in the UK and abroad which have developed related strategies. It is notable from the survey that colleges in the UK are willing to learn both from one another and to use a range of international services agencies to help strengthen their place in the market.

2.2 Interviews with FE colleges

2.2.1 Introduction

In addition to the survey, interviews with senior college personnel were conducted to gather in-depth information about the colleges' international activities, in particular:

- details of the college's international activities;
- challenges experienced and support required;
- international competition; and
- plans for future international activities.

The report draws on eleven interviews undertaken during summer 2007 with senior representatives of the FE colleges, i.e. the Principal or / and a senior member in charge of the international activities. The selection of the colleges was based on suggestions from the AoC, on-line survey data, and web-based searches with the aim of obtaining a varied sample in terms of type of international activities, countries colleges engage with, experience in international markets, size of the college and geographical spread across the four UK nations. The sample includes colleges in England (7), Wales (2) and Scotland (2). Colleges in Northern Ireland were approached, but interviews could not be conducted as mergers across the country were top of the colleges' agenda during the time of the fieldwork. Given the geographical spread, most interviews were conducted over the telephone using the topic list, with interviews lasting on average 35 to 50 minutes. Some colleges in the sample had a long history of engaging in international activities (they tended to be larger ones) whilst others were beginning to engage in a wider range of international activities (including building up direct links with countries overseas). Most of the colleges interviewed were expanding or actively working towards expanding their international activities. This result was not pre-empted through the sample selection, rather it mirrors the survey findings.

2.2.2 Overview of the scope and nature of international activities

FE colleges are autonomous organisations, and thus make their own decisions regarding whether or not to engage in the international market. **'Push and pull' factors** play a part in this decision making process. 'Push' factors include the need to build up alternative income streams (including the provision of services in the international market) to compensate for reduced public funding for adult learning. To some extent there is also an impetus from Government driven initiatives aimed at internationalising colleges (such as *'Putting the World into World-Class-Education'* (2005) in England, which was developed by the then Department for Education and Skills (DfES), or curricular requirements relating to a new qualification in Wales, the Welsh BaccaLaureate, which includes a module on *Wales, Europe and the World*. In Scotland it was reported that the funding council and the Government were aiming for an expansion of international activities in the tertiary sector, with colleges said to be delivering about one third of higher education. 'Pull' factors included a vision

which incorporates widening the horizons of staff and students and preparing them to work in an increasingly global economy, the pursuit of opportunities to expand the college (and perhaps raise its profile in the process), as well as financial incentives which support colleges in venturing into new markets (e.g. pump-priming via the British Council and PMI2). The responses from the sample suggest that international strategies are often led from the top, but supported by enthusiastic staff.

Engagement in international activities may be partly driven by income generation but this also generates **non-monetary benefits for UK FE students and staff** in the form of personal and / or professional development. A representative of one college that took part in exchange programmes commented on the student experience:

“Those students probably haven’t ever been outside [particular town], let alone outside the country. To go to a place like Jeddah to experience that culture will be life-changing for them. This is a fabulous opportunity for those students. (...) We are great believers in the fact that you don’t really understand the culture until you have experienced it.”

And one representative stressed the importance of international exposure for young people in a specific area:

‘There is a whole history of [particular region] which does need young people, in particular, having their perspectives widened and their vision raised.’

Staff equally benefit as the comment of a senior college representative indicates:

“They [the staff] had a life-enhancing experience.”

The principal of another college noted that international activities also have benefits for staff development in terms of improving the quality of teaching and learning. It was suggested that seeing other people teach helps staff to reflect on their own practice much more effectively than any training courses in the UK. An element of learning from staff of other local UK FE colleges through informal exchange on approaches to particular activities was also apparent.

The **scope and nature of international activities** in which colleges are engaged varied. Some colleges were involved in a range of international activities in a number of countries. Others focused on a niche market, working as a subcontractor in the UK or as a contractor overseas. Some had hardly any international students whereas others had hundreds from a wide range of countries. Some engaged exclusively or mainly in non-commercial activities (global partnerships, including staff and student

exchanges) and others largely in commercial contracts (although the related activities may also be geared towards capacity building). Some have consciously chosen a mixture of both:

“As well as income earning activities you also pay back by using your expertise to support developing countries.”

Income derived from international activities had reached a maximum up to £3 to 4 million for one college amongst the sample, but still represented a relatively small percentage of total income of this institution (7 per cent). Boxes 1 to 5 provide a brief overview of the international activities of five colleges, illuminating some of the types of activities the survey covered.

Based on the interviews with colleges, *Table 2.13* provides a **typology of international activities** in which colleges are engaged. The typology does not claim to be exhaustive but it does serve as an indicator of the wide range of activities.

Some international students in-fill on existing courses (such as A-level courses or vocational programmes); others attend tailor-made courses, delivered either in the UK or abroad. The duration of the latter may vary from a couple of weeks to a couple of months and may even last up to a year, and they frequently have a full class-sized intake (i.e. up to around 25 students). One college was, for example, teaching different groups of students (deans from vocational schools, assessors, and teachers) from a number of countries, usually for periods of four weeks, on an intermittent basis.

The courses international students attended included:

- English as a foreign language (annual courses and summer schools);
- English plus courses (English language and vocational training);
- A-levels (in one college these accounted for 30 to 40 per cent of courses which international students attended);
- International foundation programmes (pre-university courses); and
- Higher National Certificates (HNCs) / Higher National Diplomas (HNDs) / Foundation Degrees.

Box 2.1 Main activity: international student recruitment

The college is engaged in a number of international activities with international student recruitment via agencies playing a key role. The 400 international students come from more than 70 countries, including a large number from China, and study mainly English as a foreign language, foundation programmes and specific courses in the college's portfolio, mainly in higher education. In addition to traditional ways of recruiting students the college has recently embarked on a new route. Via an Indian examination company for UK qualifications it recruits students with an HNC in a particular

subject area to study towards an HND and gain work experience in the UK.

The college also has a long standing partnership with a private partner college in Eastern Europe where it offers a franchised course in a particular subject area in-country, with an option to do a top-up qualification at the college in the UK.

For the future, there are plans to provide courses in-country, initially in China, following on from an initiative with a local college consortium, and later on possibly in India.

The college is also part of an international network of large urban colleges, mainly American.

Box 2.2 Main activity: delivery of tailor made programmes in the UK in a niche market as part of a capacity building programme

Over the last 15 years the college has evolved as a world-class centre of excellence in a niche market and has built up good relationships with industry and international companies in the process. Its international activities took off about nine years ago when it was encouraged by an industry body to attend a niche market exhibition in China where the niche market in question was only beginning to develop. Following the expression of a strong interest in collaboration to help them set up their own courses in China, the college received funding from the industry body for this purpose, initially for a couple of years. The funding is now coming to an end after almost ten years. The college trained Chinese lecturers on an ongoing basis for a six-month period in the UK in the subject areas and as assessors and supported the lecturers in developing appropriate courses for their local area. These courses are local adaptations of the college's own course, mainly

taught in Mandarin by lecturers trained at the college. The college has developed its own certificate brand, as UK awarding bodies can only award qualifications taught in English. When the delivery of these adapted courses is starting to become financially viable, the college will start to charge for its verification services. The project is managed by a member of staff who is a Chinese national. The college is developing this work further and aims to expand its international activities in the niche market within China and in other countries and possibly in areas related to the market, but more generic in nature, thereby building on its experiences. In addition, there are different types of activity currently under consideration.

Overall, 10 per cent of the college's students (50 in absolute numbers) are recruited from a range of other countries, with the largest proportion currently coming from China due to the above activities. The college raised its international profile by establishing an International Office last year. An expansion beyond the current level of international student numbers would require an expansion of its entire infrastructure.

Box 2.3 Delivery of courses abroad as part of the portfolio

The college's offshore activities concentrate on delivering six to eight week block courses in a specialist area in the college's own training centre. This is accredited by a UK training body for a particular industry and marketed by a company. Consultants employed by the college fly out to deliver the courses which are in high demand. As a matter of principle and with respect to targets for the nationalisation of the workforce the college also encourages organisations to set up their own training centres and supports them by training trainers. The college is about to expand its activities in two other countries in the region,

basically by deploying the same business model. Other opportunities in its niche market may develop in future in collaboration with other organisations.

Overall the college has some 100 international students representing less than 1 per cent of its total student intake. A large number of students come from one country with which the college had traditionally strong links due to the niche market in which it is operating. The remainder joined from a wide range of countries. As the intermediary agency for student recruitment in the college's main target country is being disbanded, recruitment officers now have to liaise directly with training managers of companies.

Box 2.4 Main activity: global partnership programme

Following a change in leadership, the college is now actively exploring international activities. About two years ago the incoming Principal was instrumental in setting up an exchange programme between a number of London colleges and their Beijing counterparts in matching areas of vocational excellence. Following a first visit of the London colleges in China, a Memorandum of Understanding (MoU) was signed which committed to establishing links between 20 colleges, primarily to foster curriculum development and staff development. Since then 19 London colleges, including this one,

have signed agreements with their partner institution, with a view to arrange staff and student exchanges and develop joint curriculum projects. Further opportunities have developed following on from the exchange programme. The college's partner, already providing a Business and Technical Engineering Council (BTEC) course in English, is considering working in partnership to deliver specialist financial services qualifications. Consultancy work is also developing in Turkey and North Cyprus.

The college has a small number of international students, attracted mainly via word of mouth, with plans for active recruitment of international students currently being debated.

Box 2.5 Vocational partnership example

The tourism and hospitality industry had been identified as one area for development by the Thai Vocational Education Commission. The college participated in a related scoping mission with the British Council and AoC, under the auspices of PMI2, during which 11 Thai colleges were visited. Back in the UK, the college worked within a consortium of seven UK colleges with Centres for Vocational Excellence in hospitality and tourism. These colleges later met up in Bangkok with six colleges from different areas of Thailand to discuss the training needs in detail and to get to know each other through a range of participative activities, with reciprocal visits taking place two months later. Since that time, six partnership agreements have been signed,

including one by the college. In order to reflect the interests of both the UK and the Thai college, the individual partnership agreements vary in terms of the subject area (hospitality or tourism) and course level, but they all focus on curriculum development, staff and student exchange. A range of exchanges have taken place subsequently to build up a mutual understanding and personal connection, including exchanges of curriculum material on a regular basis via a web based forum. The college will be shortly providing a three-week management development programme as part of its partnership agreement with a college in Thailand. This is an example of the way in which college partnerships can contribute to Government frameworks for VET systems reform.

Table 2.13 Activities of UK FE colleges in the international market

UK	Abroad
<p>Teaching / training international students in the UK</p> <ul style="list-style-type: none"> ● Standalone in-fill course (via education agencies) ● Tailored standalone course (via corporate clients or Government intermediaries or as a subcontractor on behalf of a UK FE college or a UK intermediary) ● Top-up model (arrangements with exam body or education institution to recruit for top up qualifications leading to HND or higher qualifications) ● Transnational partnership model (course delivered partly in the UK and partly in-country in collaboration with education institutions; e.g. 1 plus 1 model, i.e. one-year in-country and one-year in the UK) ● UK inter-sectoral partnership model <ul style="list-style-type: none"> – Access route to Degree course (2 plus 1 or 2 plus 2 model in Scotland, i.e. two years at FE college and one or two years respectively at university) – Planned joint Degree course delivered by a UK FE college, and UK university in a vocational area in a niche market (assumed to be of strong interest to students from developed countries) 	<p>Delivering learning programmes abroad</p> <ul style="list-style-type: none"> – Flying faculty <ul style="list-style-type: none"> – Flying faculty to provide training at the FE college’s own training centre (via partnership arrangements), with a view of sending staff on a full-time basis in future – Branch campus (currently planned by one college consortium) – Provision of UK qualifications in a language other than English (i.e. Mandarin, a strategy currently pursued at the request of one college) ● Capacity building (in partnership with other organisations) ● Seeding model: provision of training and validation services to help the partner institution run its own courses or training centre (funding via UK industry body, PMI2 or other source) ● Commercial opportunities following on from engagement in capacity building or the seeding model <ul style="list-style-type: none"> – Providing services at cost (e.g. validation services) once the course at the partner institution is financially viable – Recruiting students to the UK (via word of mouth or partnership agreements)
<p>Exchange programmes for staff and students (may include aspects such as curriculum development)</p>	

Source: Interviews with FE colleges

Traditionally international students are actively **recruited** via private agencies abroad (one college worked with some 70 agencies). If recruitment occurs more opportunistically (usually in low numbers), students will more likely have been recruited via word of mouth, recommendations or web based enquiries. One college has opted for a more visible presence in the international market by setting up its own recruitment office abroad, run by a local organisation. Particularly in the case of niche

markets contacts with companies or relevant industry bodies are perceived to be the (most effective) way of recruiting students, either by approaching them ad hoc or by responding to tenders (one college works with some 700 companies, 100 of them international).

2.2.3 Market access strategies

Some colleges reported that they focus on particular areas of strength, such as CoVEs or a particular niche market for which the college is renowned. The latter was adopted in two small colleges as a low risk strategy. Others had built up particular experience in teaching English as a foreign language and were planning to start building their international strategy around this area.

Some colleges had already developed an international strategy, whereas others were in the process of developing one. A college which had successfully embarked on a number of international activities said that it had tasked its heads of departments to develop an international plan with the support of consultants, who would provide some direction for the activities, thereby building on existing work and providing a steer towards possible funding sources. With the strategy now in place the college also stressed the importance of seeking out opportunities pro-actively and at the same time being open to new opportunities which present themselves.

For those colleges embarking on or expanding their international activities, British Council support was perceived as being helpful in guiding their decisions about which market(s) to enter and how best to go about this. Large colleges active in the international market had the capacity to gather their own market intelligence drawing on informal networks, direct contact with representatives of foreign governments or potential customers and / or the press.

The following market access strategies were identified:

- recruiting students via educational agencies;
 - setting up the college's own recruitment office abroad (run by a local company; joint recruitment office representing a number of colleges planned for the future);
 - direct contacts with corporate clients (training managers), multi-national companies or industry bodies abroad;
 - direct contacts with Government intermediaries abroad;
 - building on existing local links, such as twinning arrangements, nationalities present within the local community, alumni, other long standing relationships;
 - opportunistic strategies: responding to customer demand (e.g. influx of Polish students enrolling for language courses);
- participation in trade missions proved to be a highly effective market entry strategy, as this raises the profile of the college and allows it to explore training needs first hand and follow this up with an offer;
 - collaborative approaches, including:
 - working in the UK as a subcontractor for a college with established links in the international market, without the involvement of an intermediary. This is a low risk strategy as well as comparatively low cost and allows the college to gather international experience. An example is the UAE technical training project which has grown to involve 16 colleges across the UK;
 - collaboration with other colleges via intermediaries – in the UK and Scotland new intermediaries are emerging (TVET UK, Scotland's Colleges International (SCI)), and in Wales Ffworm aims to bring colleges together to develop a country strategy. One college uses this strategy to expand its international activities in other areas beyond its niche markets, as it would not have the capacity to deliver on its own and because this offers a shared risk approach;
 - collaboration with awarding bodies (with a view to recruiting students for a top-up qualification in the UK, but also building up links by taking on work as external moderators / assessors);
 - collaboration with universities (one college is part of a multi-college consortium of five colleges offering students studying for a university accredited course, a work experience and shadowing opportunity).

Note, that there is also a strong element of competition between the colleges, with collaboration reserved for particular situations, as the following quote demonstrates:

"We share and work in partnership to meet the needs of contracts where we might not have the capacity to do it all ourselves."

2.2.4 Challenges experienced

Colleges engaging in international activities encounter a number of internal challenges (in particular, those relating to developing suitable products, human resources or financial issues) and external challenges (e.g. regulations in the partner country, high cost of living in the UK). The comment of one senior college representative is worth noting in this context: "This is exciting, but

is also hard work and you have to take a medium-term view.” An overview of these challenges is provided below.

- Issues relating to marketing FE and developing products which suit the market include:
 - developing a ‘college brand’: one college strongly felt that the main agencies promoting the UK are more familiar with HE than FE provision. It was also reported that visa officials may fail to see the application for a one-year FE course as genuine (since it is not leading to a degree);
 - demand for degree qualifications rather than FE due to lack of parity of esteem and / or lack of knowledge about FE qualifications. This was only reported by one college but is likely to be a more general issue;
 - other colleges realise that they need to adapt their products (e.g. provision of shorter tailor made courses; ensuring consistent high quality across all courses as inconsistencies affect the colleges’ reputation; offer of Foundation Degrees in a wider range of areas than at present);
 - acceptance of new UK qualifications abroad can prove difficult (colleges will be offering Foundation Degrees, but there is more demand in China for HNDs. One college suggested that Foundation Degrees may need re-branding as the name does not appear to appeal to the Chinese due to the fact that it suggests a lower level qualification);
 - the recruitment of international students to Degree programmes delivered in the UK and validated by the partner university is affected by the position of their partner in league tables. This has, however, only been reported in connection with China;
 - joint accreditation may be aspired to but can be difficult to achieve: a college offering Degree programmes validated by its partner university cannot deliver joint Degree programmes in-country as double-franchising is not permitted. Another college, collaborating with universities in China, cannot offer jointly accredited programmes as Chinese regulations stipulate that qualifications need to be delivered in the country’s own language, but this is outside the scope within which UK awarding bodies currently operate.
- Human resources: persuading staff to take on additional work (e.g. integrating international aspects into the curriculum, following up exchange visits) and to teach abroad (on top of the full teaching load or for a longer period of time). This was expressed by two colleges as follows:

“It is asking us to go the extra mile when we do not have the [money] to do that sometimes. Development work is all done on a shoe-string. But we are instructed to do it, so do it we will.”

“Difficult to find sufficient staff to follow these things up when they are busy doing other things.”

Senior managers in small colleges who are responsible for a number of areas may need to limit the time they can afford to spend on college business abroad. However, not all colleges are anticipating problems finding staff to teach abroad as there is an expectation that some staff might relish such an opportunity. Another college stressed that their international strategy had helped to stimulate staff commitment.
- Financial issues: returns on investment in terms of staff time and travel budget often only materialise over the medium term. This was expressed as follows:

“You need to invest upfront in developing capacity before you are earning money and that is very difficult for FE colleges because we do not tend to generate big surpluses and we do not have the resource levels of universities. That is the number one problem.”

“It is being able to take that risk on x amount of investment and waiting 3 years for that to come back in.” But this college also asserted: “Returns are significant once they come.”

Debt collection for international students coming to the UK can also be a problem if students disappear after paying the first instalment. College representatives were also concerned about generating income further down the line:

“Projects are all very good but you also want to have the spin offs ... to have some international and European students.”

- Lack of infrastructure (accommodation, welfare officers, network of educational agencies): this was largely an issue for colleges wanting to embark on a wider range of international activities. Accommodation, though, was also an issue for colleges with long established international activities as having their own hall of residence was seen as a strong selling point vis-à-vis parents sending their offspring to the UK. Otherwise suitable alternative accommodation needed to be found (host families or accommodation at primary schools during vacation periods).
 - Cultural differences: communicating in a different language, the importance of building up relationships over time and ensuring staff continuity during visits abroad, as the following two quotes indicate:

“Nothing happens quickly. You need to be respected and accepted and build up a relationship.” (China)

“Here it is about constant presence, understanding the culture, making the bid, talking about the proposal. (...) The ethos here is that business is done between people and not between organisations.” (Middle East)
 - High cost of living in the UK, and in metropolitan areas in particular, and the strength of the pound.
 - Strong competition, in particular from Australia and USA, with competitors also including Germany, New Zealand or Canada.
 - Visa applications (one college described the process as bureaucratic, another one highlighted inconsistencies across embassies and difficulties getting visas for one year FE courses).
 - Redressing unrealistic expectations among international students when they arrive in the UK (despite pre-arrival information having been made available).
 - Gender: working as a woman in a male dominated area.
- ### 2.2.5 Future developments
- Colleges with longer experience in the international market have noticed some changes in the market and are gearing themselves up to respond to these. This relates mainly to the type of training or qualification demanded and a perceived increase for transnational education. These changes should not be taken as a trend but they highlight important issues.
- Mirroring the results of the survey, some colleges commented that the future will often be around the delivery in-country (either in part or in total) rather than delivering the course in the UK. One college speculated that in future perhaps the first year will be provided in a local partner college (possibly via distance learning packages) and the second year in the UK. Following the success of the local university in setting up campus in China, the local colleges aspire to follow suit.
 - Based on past experiences, one college saw larger growth potential in the delivery of tailored courses rather than in traditional international student recruitment, and is thus putting more resources into the former.
 - One college representative thought that the Degree market seems to be getting saturated, whereas demand for VET qualifications seems to be increasing, thus opening up more opportunities for UK colleges. This did not only reflect his personal opinion but also those of his peers.

“There is a big shift in the developing countries, especially in the Asian economies, because what they feel they need is technician level – level three and four. I think we are very well placed to benefit from the next phase of international work. I think the Degree market is probably saturated. But what many countries haven’t got is a vocational and technical education system.”
 - Despite strong competition, one senior college representative thought that there are good opportunities due to the overall market growth. Rather than competing, he argued, there might even be scope for exploring collaboration.
 - Another large college reported that the market for overseas students coming to the UK to improve their language skills prior to enrolment in other courses is shrinking, as a number of foreign governments are declining visa applications on the grounds that they expect nationals to learn English in-country. The college argued that offering these courses would not be financially viable, unless it was part of a planned curriculum pathway or could be achieved by including an additional period of taught English in the course without increasing its duration. It should be noted however, that there has been an influx of eastern European students registering for English language courses in the UK.

- One college noted that the pool of Chinese students having a sufficient level of English language skills to embark on an English qualification in a niche market (where there is also less incentive to learn English) did not appear to be large enough. The college thus decided to pursue a different route and is currently exploring opportunities to offer English qualifications in Mandarin validated by UK awarding bodies.

It has already been mentioned at the beginning of section 2.2 that all colleges were thinking about or actively expanding their international activities or taking it to another level (e.g. moving from delivering tailor made courses in the UK as a subcontractor to actively exploring the overseas market). One college which is in the early stages of widening its range of international activities commented on the importance of initial experience and critical mass:

“There is now enough experience within the college to respond to the demand that we might now create. There are enough staff now. Other staff in other campuses have been to other parts of the world and really want to do this.”

Other colleges believe that they have developed a transferable delivery model that could be taken to a number of countries:

“What we have learned from the China project will stand us in really good stead for developing in other countries.”

Or models that could be applied more generically to cover a wider range of curriculum areas.

One college also recognised its limitations as expansion beyond a certain threshold number of international students would require an expansion of the entire college infrastructure.

2.2.6 Support that colleges would find useful

Comments that were made on the support colleges would find useful covered a range of aspects, including financial support, good practice guidelines and recognition of international activities.

More specifically, this included:

- pump-priming for entering new markets was seen as vital;
- however, one person also commented that support for follow up activities was felt to be less abundant than initial support:

“I think the kind of support that is out there is very superficial and I think other people get sucked into signing up for support and then there is no follow up when you come back.”
- encouraging colleges to think strategically:

“People need to be encouraged to be more strategic and show sustained ability to engage with a new market before they should be funded and encouraged to go out.”
- good practice guidelines for aspects of international activities (e.g. contacting companies abroad);
- stronger incentives for colleges to collaborate (via top down measures);
- one college argued that more could be done in the area of recognition of international activities by incorporating them into the inspection regime.

2.2.7 Advice to others and own strengths

The final part of this section looks at advice colleges might want to offer to other colleges which may wish to consider embarking on international activities and it also highlights the perceived strengths of the strategies deployed by colleges with a longer history of international activities.

Advice to newcomers centred on the areas below.

- **Good information**
 - Getting good market intelligence (direct personal contacts, on the ground);
 - Understanding the niche market;
 - Good preparation for overseas visits.

- **Be cautious:** One senior college representative cautioned against going “blindly” into overseas markets, thinking it is easy to recruit students, whereas in reality the college needs a critical mass of international students from a range of countries. Where the college does not have an internationally mixed student body, international students tend to socialise with their compatriots and thus miss out on opportunities to practise their English with domestic and other international students from different countries outside of college hours. It was also stressed that embarking on international activities requires knowledge, has its pitfalls and is “quite risky” because returns on investment typically take two to three years to materialise. Moreover, it was argued that for small colleges it may not be easy as this requires lots of resources.
- **Start small:** Starting with small projects and working with enthusiasts;

- **Be demand driven:** Offering demand-led courses
“If you work with industry that is the way of ensuring that you can really market to respond to demand, rather than just selling things because you have got lots of them around.”
- **Be responsive:** Responsive curriculum and responsive staff;
- **Be prepared:** Preparing the college staff and students for the intake of overseas students (e.g. awareness of different cultures, religions and different learning styles);
- **Take the long term view.**

Larger colleges included within the sample were less forthcoming in terms of offering advice to less experienced colleges, but some of these reflected on the strengths of their institutions’ own international strategies, with a summary of two accounts provided in Overview 2.1.

Overview 2.1 Reflection by colleges on the component strengths of their international strategies

College A

- Strong marketing strategy (people with specialist knowledge of the country’s training needs and educational system and the ability to identify market niches)
- Working with a strong partner, who provided openings into educational institutions in other areas
- Designing courses that meet the needs of students in terms of curriculum, English language support and start date of the course which allows for seamless continuation of study
- Good administrative function to respond to urgent requests from agents, learners and parents
- Good student welfare system
- Good halls of residence

College B

- Quality (evidenced by the Office for Standards in Education, Children’s Services and Skills (Ofsted) reports)
- Good qualifications (references are made to top-up degrees validated by a renowned partner university)
- Curriculum areas met with great interest in developing countries
- Good student support:
“You must care for students. If your reputation suggests that you do not look after them, that is unhelpful.”
- Delivering on contracts:
“A lot of international activity is done through brokers. They only come to you if you deliver. So reputation is very important.”

Source: Interviews with FE colleges

2.2.8 Conclusion

Chapter 2.2 provided some in-depth insight into the nature and scope of the international activities of eleven FE colleges in England, Wales and Scotland, the challenges they have encountered, support that they would find useful in developing their international activities and their assessment of future developments. Some of the colleges had long established international activities whilst others have embarked on them fairly recently or were looking to enter new markets. Based on the interviews, a typology of international activities has been developed which although fairly comprehensive, does not claim to be exhaustive.

Engagement in international activities requires good preparation, i.e. an assessment of the opportunities, developing an understanding of the market and the cultural requirements, often the development of learning or training programmes which meet the requirements of the market and changes to the colleges' infrastructure. Some colleges are therefore advocating a cautious, more strategically driven approach. At least two of the colleges interviewed have successfully pursued a relatively cautious low risk strategy in a niche market. Having gained international experience over nearly a decade they are now actively exploring opportunities to enter new markets.

Engagement in international activities often requires up-front investment, largely in terms of staff time and travel, when colleges often have little spare capacity in the system in terms of both finances and human resources. Pump-priming was therefore seen as vital but there was also perceived to be a need to support follow-up activities.

Overall, most colleges interviewed were looking towards expanding their international activities. Some argued that there is an increased demand for VET, with future demand shifting towards more in-country delivery. Others have experienced strong growth in demand for tailored courses, which was expected to continue. Two colleges were preparing themselves to meet new challenges around faltering demand for English language provision in the UK and, in one particular market, demand for UK validated courses in the native language.

Assessment of key strengths and weaknesses of UK FE / TVET and those of key competitors

An analysis of strengths and weaknesses of UK FE / TVET and key competitors was a core element of the project, as this can help to tease out the UK's competitive advantages and any areas which may need to be addressed to strengthen the UK's position in the international market.

3.1 UK FE/ TVET: strengths, weaknesses and key actions

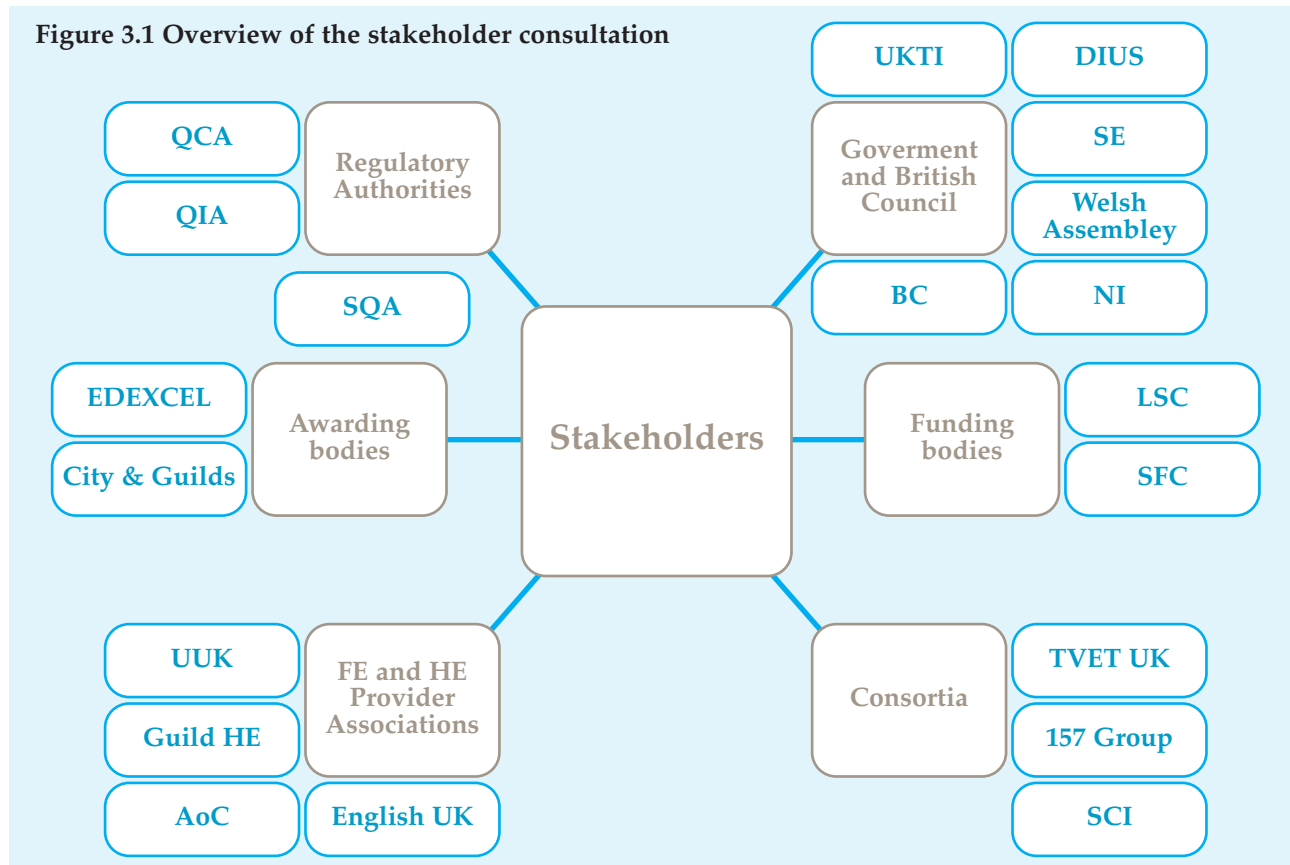
3.1.1 Introduction

The analysis in this chapter draws on interviews with key stakeholders in the FE sector, with some of them having experience of operating in international markets and being at the 'sharp end' of the competition. The key issues raised during the stakeholder consultation were:

- the assessment of the strengths and weakness of UK FE / TVET;
- key actions to strengthen UK FE / TVET; and
- the assessment of UK FE / TVET opportunities in the international market.

The key stakeholders in the FE sector can be grouped into FE colleges, FE and HE provider associations, consortia representing providers or stakeholders in TVET, regulatory bodies, funding bodies, British Council and relevant Government departments. The stakeholder consultation aimed to obtain a good representation across these groups, apart from the FE colleges which were interviewed separately. As PMI2 is a UK-wide initiative, the study included Government departments responsible for FE across the four nations, but most of the other interviews focused on England.¹¹ Overall 23 interviews were conducted face to face or via telephone during summer 2007 with interviews lasting between 50 to 90 minutes on average. *Figure 3.1* provides an overview of the stakeholders which have been included in the study. In two stakeholder organisations more than one interview was conducted, to cover different areas of their work. Copious notes were made after each interview with the recording offering an aide-mémoire.

Figure 3.1 Overview of the stakeholder consultation



¹¹ Due to finite resources the work could not be extended to other stakeholders in Wales, Scotland and Northern Ireland, but in Scotland a few more stakeholder interviews were conducted.

¹² A recent review of VET can be found in Winch and Hyland (2007). It is far more critical about key features of VET (such as the type of qualifications or progression) than the assessments of many of the stakeholders.

3.1.2 Strengths, weaknesses and challenges

Perceived strengths and weaknesses¹² / challenges will be presented under the following headings:

- UK in general;
- FE-system in general and quality assurance;
- qualifications and course offer;
- permeability of the education system and progression from FE to HE;
- relative advantages of FE vis-à-vis HE in the context of progression routes;
- learning context;
- marketing of UK FE /TEVT abroad; and
- others.

Some degree of overlap between the areas is, however, inevitable. Whilst the seven areas attracted a number of mentions, bullet points within these areas may reflect the assessment of a single stakeholder, largely drawing on his or her area of expertise.

UK in general

Strengths

- Some stakeholders stressed the fact that everything is offered in the **English language** is a critical requirement for the market and a significant advantage.
- Others pointed out that the UK is an **attractive place to study**. It is welcoming of people from abroad, has multi-cultural cities (most notably London, Birmingham and Manchester) and attractive scenery.

Weaknesses / challenges

- On the other hand, the **cost of the living in the UK**, particularly in metropolitan areas, and the strength of the British pound make studying in the UK expensive.
- It was also reported that **outdated stereotypes** of society still exist which need to be addressed through marketing. Contrasting with the above, one stakeholder also mentioned that the UK was not perceived as being “very friendly”.

FE system and quality assurance

Strengths

- The UK was perceived by many stakeholders to have a **good reputation internationally** for the quality of education, including further education. One stakeholder stressed that the UK is seen as “a very strong credible provider of quality

education at every level: school, FE and HE”, arguing that there are “consistent, clear and effectively government sanctioned statistical indicators that this is a quality offer”. A few stakeholders, who were relative newcomers to the FE sector, found it more difficult to elaborate further on the face value reputation the UK enjoys.

- The UK has a **quality assured system** across the whole range of courses in FE and HE and across the four UK nations. A representative of Scotland reported that a very high percentage of the Scottish colleges had a ‘robust quality system’ in place, with the few remaining colleges having “to tie it down to the system”.
- In Scotland, the Scottish Qualifications Authority (SQA) approves colleges to deliver qualifications and these can then operate abroad as satellite centres without permission from SQA, but colleges are requested to keep SQA informed. If colleges want to deliver tailored courses abroad, they will usually contact the SQA’s unit for customised awards – colleges will be looking to offer a qualification that fits into the national system as it will then have greater currency abroad. The same quality assurance criteria apply to national and customised awards.
- One stakeholder also pointed out that the UK quality assurance framework became the standard and benchmark for the new European Qualification Assurance Framework (EQAF) last year.

Weaknesses / challenges

- On the other hand, some stakeholders have stressed that the UK TVET does not perform too well in **OECD league tables** which is a source of reference potential customers will consult before selecting their partners.
- **The lack of parity between VET and more academic qualifications** does not only affect the UK but also other countries which are looking to expand and diversify their VET sector to meet the needs of economy and society.
- The UK has a **complex system of quality assurance**. In England and Wales there are three large awarding bodies, in excess of 100 smaller ones or specialised qualifications which are nationally recognised and some 300 smaller ones not recognised. This was thought to be confusing for potential customers.

- A crucial issue for stakeholders operating mainly through Government to Government dialogue was the quality assurance of **qualifications delivered in-country and through franchising**. FE colleges are quality assured by awarding bodies, but it was argued that there is no inspection of the awarding bodies, which are commercial operations, in relation to qualifications offered abroad, other than compliance with new quality assurance regulations in a few countries. Similarly, there is currently no inspection mechanism for courses delivered overseas by FE colleges. In contrast, higher education has established an international quality assurance system through the Quality Assurance Agency (QAA). The introduction of new regulations does, however, meet with some resistance among FE colleges.
- There was a sense that **international work is not recognised within the FE sector** due to the mainstream funding mechanism and the absence of reporting requirements. Whilst data on student retention, achievement and whereabouts are captured for Learning and Skills Council (LSC) funded students via the **Individual Learner Record**, no such information is formally required in relation to international students, as these are not funded by the LSC. Equally, there are no requirements for reporting outbound mobility of UK students or the colleges' achievements in terms of its internationalisation. Such data, some argued, would enable the benchmarking of colleges in terms of how well their international students perform.
- There was acknowledgement that whilst the UK has succeeded in establishing a **demand-led provision** through Sector Skills Councils, there was still room for improvement (e.g. with regard to getting a wide range of employers on board).
- **Quality of the course offer**. This was described by stakeholders as follows:

"We have some very strong vocational courses. This is not uniform, but a lot of places have some really good strengths that they can sell."

"They [a particular college] have some well-regarded courses in aircraft management and maintenance. They could sell that anywhere in the world as lots of people are looking for those skills as the air travel market continues to grow."
- **Innovative curricula, teaching and learning methods** (e.g. in creative industries, financial services and retail). One stakeholder elaborated that retail skills include a range of areas, such as finance, information and communication technologies (ICT), customer services and generic 'soft skills'. The flexibility with which the skills can be mixed and matched facilitated adaptation to the fast changing needs of industry.
- There is a **wide range of course options**; in particular at higher technical level as well as graduate and postgraduate level the UK has a wide range of courses for which there is demand, according to one stakeholder.
- **'English plus' courses** which combine English language skills, vocational skills and also work placements (e.g. English language and hospitality). These have experienced growth, according to one stakeholder.
- The **flexibility of the course delivery** was considered to be a key advantage as there are pressures in modern economies to train people quickly and / or on the job rather than release them for training. In the words of one stakeholder:

"Being flexible within a rigorous system is an attractive feature when you talk to people about how you might deliver."

Another stakeholder, however, argued that opportunities are not being maximised due to the current packaging and also because the benefits of work-based learning need to be better communicated.
- **Lifelong learning provision** as there is an interest in other countries in setting up such provision.

Qualification and course offer

Strengths

- In the UK National Vocational Qualifications are built around **National Occupational Standards**. These reflect industry needs and are linked to learning outcomes, **competencies** and curriculum assessment – a method which attracts a lot of interest in other countries. CoVEs involving employers at local and national level in setting educational and occupational standards were also of interest to other countries. One stakeholder described the unique selling point of the UK system as having qualifications which are **standalone, portable and learning outcome-based**, a combination that does not exist in many other education systems. It was, however, emphasised that it is sometimes difficult to sustain networks for quality assurance outside the UK.

Weaknesses / challenges

- The **complexity and the range of qualifications** make it difficult to market UK FE / TVET abroad. One stakeholder argued that this was not so much an issue for qualifications such as HNDs, BTECs and Foundation Degrees, as in the case of professional courses. There was perceived to be a need to clarify to which levels of qualifications courses lead to and where these courses are being offered, particularly those which are less well known.
- Another stakeholder with a good overview of the situation in other European countries pointed out that, **compared to other European countries**, vocational education in the UK is less intensive (17 hours per week for full-time qualifications), the general / theoretical education in VET is less well developed and there is a relative lack of integration of workplace learning in vocational courses.
- UK VET has evolved over the last two decades and has been through a raft of changes. One stakeholder reported that there is now widespread external acknowledgement (including among potential costumers) of the improvements achieved over time, but there are also critical arguments, suggesting, for instance, that the apprenticeships have not been that successful or that UK VET has a number of weaknesses compared to other European countries. Whilst lessons have been learned in the process of reform, one stakeholder argued that the UK should be marketing qualifications which have been successful domestically and exploring how these can be adapted to the context of other countries' needs.
- Key elements of the progression routes are Higher National Diplomas (HNDs), Higher National Certificates (HNCs) and Foundation Degrees, offering a path from FE to HE for people with a non-standard entry profile for FE, and access courses to HE (e. g. foundation programmes), provided either by FE or HE. Such courses may not be available in students' home country, yet they offer a progression to a much sought after HE qualification, usually a Bachelor's or Master's Degree.
- It was also argued that the UK has a lot of experience in the **accreditation of prior learning** (APL) – although mainly at college level, whereas other countries are looking to build up a national system of APL.
- The UK was seen as leading the way in Europe on the development of the Credit Accumulation and Transfer Scheme (CATS) and the **Qualifications and Credit Framework**, an initiative that many FE colleges might not be aware of, some stakeholders thought. These qualifications reforms are being introduced in Europe in the context of the Copenhagen declaration to facilitate portability, mobility and employability, with the Qualifications and Credit Framework for up to level 2 scheduled to be completed by September 2008. The new model is thought to be similar in nature to the Scottish system.

Little information was available on the actual progression of international students from FE to HE. Whilst there are close links between HE and FE on issues such as widening participation and Foundation Degrees, it was argued that there appear to be few links relating to the international dimension due to lack of incentives. One stakeholder cited anecdotal evidence which indicates that around 20 to 30 per cent of international students in HE have come through the FE route. Others remarked that progression is patchy, but where it works it works well due to good relationships between institutions in FE and HE. A Scottish representative explained that although there was a surge in articulation agreements (i.e. agreements relating to progression from FE to HE) during the 1990s, few institutions have actually put these into practice and those that existed were mainly clustered in certain vocational areas (such as business and IT) and in post-1992 universities. Universities with a high intake of FE students would visit colleges to explain progression routes and provide support for FE students to make the transition a successful one. Overall, however, the interviewee argued that a change in culture

Permeability of the education system and progression from FE to HE

Strengths

- A key advantage of the UK qualifications system is the **relative ease of progression** it offers. The learner does not have to make wide ranging decisions during the early stages of his or her life, rather the qualification system allows the learner to build on previous qualifications to achieve a higher level or to change career direction altogether. However, there was a view that more coherence was required at national level. Scotland is unique in the sense that it has in place the Scottish Credit and Qualifications Framework which maps out horizontal and vertical progression paths (12 level framework) and assigns a credit rating to the courses.

of teaching, learning and student support may be required to manage the transition in a more conscious way rather than leaving the student to negotiate the transition on his or her own. Whilst there were still considered to be issues around retention and achievement rates, the interviewee asserted that many people did cope so that it would be fair to say that they have got a “pretty good chance of succeeding”. This seems to be supported by statistical data in Scotland tracking the success rates of diplomats (HND) in Degree and Masters programmes. Overall, however, there is a lack of information here which does merit further research.¹³

Relative advantages of FE vis-à-vis HE in the context of progression routes

Strengths

- Some stakeholders in the FE sector argued that FE takes place in a different environment. FE colleges are smaller and provide more **student support** than HE (e.g. integrating students into the college life). The latter was particularly the case in Scotland where the strong student support was seen to be hampering potential endeavours to expand international student recruitment due to its resource implications. However, an HE representative contested the commonly held belief that FE provides more support to international students. Instead, it was argued that HE has the overall edge, for example in relation to English language support, student advisers, skills support and accommodation.
- There were considered to be clear financial benefits for embarking on HE via the FE route. As part of articulations with universities, FE colleges can offer qualifications which lead into the third year of a degree course at a university. These FE courses are offered at a **lower price** than students would have to pay had they registered for the first two years of a Degree course. Depending on the specific circumstances, there may even be opportunities to study the first year of the two-year FE course in-country, reducing costs even further. Through studying one or two years in an FE environment, students may also gain the confidence to progress to the next level, rather than committing upfront to a three or four-year degree course.

Learning context

Strengths

- **Age mix of learners** as this is of interest to customers.
- **Innovative approaches to inclusion**, as this is also of interest to other countries. One stakeholder commented that catering for special needs was part of the ethos of colleges, but at national level it was seen as an ‘add on’.
- In contrast to some English speaking competitors, the UK was perceived to have a **strong emphasis on independent learning**.
- Ongoing reforms with a **stronger focus on the learner** were seen as unique selling points. This includes the personalisation agenda (in place since September 2007) and the Framework for Excellence initiative, which will place an obligation on colleges to respond to the needs of learners and employers (due to come into effect in 2008).
- Looking after the student (academic support and pastoral care).

Marketing of UK FE /TVET abroad

Marketing was seen as a key area which presents a number of challenges.

Scotland and Wales saw an advantage in promoting the UK brand in the first instance, as the UK is far better known amongst most potential customers. However, Scotland also promotes itself at national level within the Education UK brand and promotes FE via the Scottish Colleges International (SCI) brand as this is more effective than the marketing of individual colleges whose names would generally not have much currency in the international market.

¹³ At local level recent research on progression from FE to HE has been undertaken in Plymouth, funded by PMI2.

Weaknesses / challenges

- Some stakeholders urged that more needs to be done to **promote FE / TVET abroad** with a single voice and for promotion to achieve parity with that of HE. Some respondents held the view that promotion is geared towards progression routes rather than promoting TVET qualifications as a product in itself (with the potential to progress as a bonus) due to lack of information about what the FE sector has to offer, whereas others argued that past research had shown promoting VET in the context of progression routes to be more effective. On the other hand, some colleges had successfully promoted their vocational courses through industry bodies or corporate companies abroad.
- Whilst the UK FE sector has a **track record in international activities**, there is evidence of reservations about sharing experience with others, largely because information is seen as being commercially sensitive, due to the fact that colleges and awarding bodies are often competing for business. One stakeholder remarked: *“There is brilliant work in the FE sector but it is invisible”*. Information that intermediaries and those promoting the system would find useful includes, for example, the top 10 countries in which colleges are operating and the main international activities within different curriculum areas.
- There is **insufficient capacity to respond to major opportunities** due to the fragmented nature of the FE sector with its many small public and private providers. Thus there were calls for more joined-up approaches to achieve economies of scale (with regard to recruitment or provision of courses abroad) and /or to facilitate the provision of more comprehensive solutions (involving colleges, awarding bodies and others). This would also help to spread the risk.
- **Calls for more joined-up approaches** led to the establishment of intermediaries, (SCI) in 2006, with funding from the Scottish Funding Council for an initial period of three years and TVET UK in 2007, with the latter having received some start-up funding from PMI2. In addition the 157 Group, consisting of 23 large colleges, has emerged and one of its four core aims focuses on the pursuit of business opportunities, including those relating to international activities. It was acknowledged that professional / national associations promoting the interests of colleges or a wider group of educational institutions can find it difficult to serve the needs of the minority of colleges / providers engaged in international activities whilst at the same time demonstrating value for money for their membership fee to the wider group. The achievement of joined-up approaches is subject, however, to a number of challenges. Once business opportunities have been secured, intermediaries need to get the commitment from the colleges (which are independent bodies free to decide which business opportunities to pursue) to actually becoming part of the consortium. On the other hand, a situation might arise where more colleges are actually interested in the business opportunity than required. Due consideration may then need to be given to selection criteria such as track record / performance and how to ensure fairness. There will also be contractual issues (as a consortium or an intermediary is not a legal entity) and legal issues (as the lead contractor is responsible for delivering the contract). Those who have coordinated joined-up approaches acknowledge that coordination and project management can be difficult as achieving buy-in and effective delivery needs to be secured. Whilst many stakeholders were in favour of TVET UK as a facilitator of a joined-up approach, others were more sceptical because TVET UK operates on a subscription basis (and is thus not seen as being inclusive), needs to establish a track record in order to win international tenders and needs to demonstrate the added value that such an intermediary body can bring to marketing UK TVET overseas.
- The promotion of vocational partnerships requires a contribution from practitioners who are able to discuss subject specific matters in some detail. However, related events are often attended by non-practitioners responsible for student recruitment.
- One outspoken stakeholder summed up his assessment of the situation as follows:
“The international offer from FE colleges in the UK is probably best described as under-developed. There is not an awful lot of market intelligence, there is not an awful lot of statistical evidence of demand and there is not an awful lot of coordinated response to those opportunities.”

Others

Strengths

- Scotland's *Fresh Talent Initiative* offers international students the opportunity to work in Scotland for two years after completion of their qualification. This was considered to be a "strong selling point" and was thought to have resulted in an increased number of international students. *The Fresh Talent Initiative* offers students the advantage of being able to pay off debts they accumulated in connection with the study and to gain work experience which may prove to be valuable back in their home countries. Scotland's competitive advantage was, however, seen as being reduced by the fact that England has started to offer a one-year staying-on option as part of the International Graduate Scheme.
- **Mode of operating:** One awarding body argued that the way in which they operated (branch offices in country) was seen as less threatening to the home competition (who might otherwise be lobbying for stricter controls for competitors) and as an investment into the country (making it politically easier to repatriate small amounts of money). The feedback one stakeholder received from customers indicated that other competitors were seen to be making money for themselves whereas this stakeholder was perceived to be adding value in the sense that their work helped other countries to improve their systems.
- The **joined-up approach** is more common in Scotland due to the smaller size of the country where Round Tables can and do bring together a range of stakeholders. There is a perception that Scotland was "exceedingly sought after" as a partner of choice due to its compact size and the benefits this can bring.

Weaknesses / challenges

- **Low outward mobility of UK FE students** was seen as an issue, with lack of language skills / relevant courses and the need to earn money during vacation being key factors. Lack of funding for student exchanges outside European programmes also discouraged colleges to commit to these, as one stakeholder had found when trying to broker an exchange programme.

3.1.3 Key actions to strengthen UK FE / TVET in the international market

Stakeholders' views on the key actions required to strengthen UK FE / TVET in the international market fell into five main groups:

- marketing of international activities;
- resourcing of international activities;
- implementing the recommendations of the Foster Report and the Leitch Review;
- quality assurance; and
- others.

These will be discussed in turn.

More efficient marketing to promote UK FE / TVET internationally

- The clarification of the status of FE colleges in Government to Government dialogues was seen as an important part of the marketing. One college representative argued:
"There is confusion on part of the purchasing Governments on what the status of FE colleges is. The only people who can cut through the misunderstanding is the UK Government as they are the only voice with any clarity and clout."
- Some stakeholders argued for a **better promotion of the diversity of FE across the four UK nations**. This was raised by Scottish representatives as their education system has some features which are distinct from those of England.
- There were calls for the improved **promotion of FE as part of UK education** and the strengthening of connections between FE and HE so that attractive packages can be offered to potential buyers.
- To promote effectively UK FE / TVET organisations need to develop and promote their **track record of international activities**. There is, however, often reluctance to share related information due to strong competition within the FE sector.
- Marketing UK FE / TVET via a **sectoral rather than an institutional approach** was seen as more efficient by one stakeholder.

- **More joined-up approaches** for the full exploitation of market potential and in order to meet the requirements of comprehensive tenders (TVET UK, Scotland's Colleges International and other consortia). Good (multi-agency) partnerships could capitalise on complementary expertise and also help to spread the risk, but "competitive concerns" often get in the way of "collaborative requirements", according to one stakeholder.

Others pointed to the crucial need for a central liaison agency which coordinates enquiries received directly from potential customers or via UK partners. It is assumed that TVET UK has taken on this role, but it was thought that an eye needs to be kept on any other strong consortia evolving in parallel. Agencies involved in joined-up approaches are looking to add value and at the same time to meet their performance targets. For joined-up approaches to be successful this needs to be taken into consideration. Furthermore, some agencies have a non-commercial and others a commercial focus and this can lead to tensions within the collaborative relationships. However, it was generally thought that recently evolved approaches to one-stop shop trade missions were a good way forward.

- **Market intelligence on demand for UK FE / TVET in the international market and on competitors:** Market intelligence was seen as essential, in particular for the smaller colleges, who do not have the resources to engage in the process of acquiring this but require a steer. Educational market intelligence is currently available via the British Council web-site in the form of country reports, with more detailed information provided on a subscription basis. One critic asserted that the web-based approach needed to be supplemented by a more targeted or interactive dissemination of intelligence. It should, however, be noted that information events are held for British Council led activities. In Scotland a potential role for SCI in gathering or commissioning market intelligence to support members' activities is under consideration. More recently, UK Trade and Industry (UKTI) in England and Scottish Development International have extended their remit to cover the education sector, but the latter is understood to focus on HE.

Resourcing of international activities

- There were calls for **more investment in promoting British education overseas** and FE in particular. One stakeholder put this in more neutral terms and asserted that the Government needs to reflect on the value it places on the international market for the FE sector and how this should be resourced.
- In particular, it was thought that there is a need for the revision of funding mechanisms with a view to supporting **joined-up approaches** and the involvement of FE colleges in VET reform projects. Current funding arrangements for British Council led VET reform projects provide match funding, with travel and subsistence costs met by the British Council (often via PMI2) and staff costs covered by FE colleges. The match funding process for capacity building is largely a strategy to address the competitive landscape as some competitors can effectively provide services free of charge due to Government subsidies. Colleges need to resource their contribution to international activities from funds other than those provided by the LSC. The Scottish system of block funding was thought to be more flexible.
- Current funding programmes were thought to be at best medium-term, but needed to be **longer-term** for activities to be sustainable. One stakeholder argued that in-country presence needs to be maintained in order to keep abreast of the latest developments and that substantial changes in regulatory requirements over time can turn an initially viable business opportunity into an unviable one as the costs increase. The longer term engagement of competitor nations in their respective priority countries was seen to give them a competitive advantage.

Implementation of the recommendations of the Foster Report and the Leitch Review¹⁴

- Some stakeholders strongly argued in favour of implementing these recommendations. One stakeholder explained that the perceived benefits in the international context would be threefold: the demand for the UK as a partner of choice would be increased as the UK would be “as good” as other EU countries and Australia; the implementation of the recommendations would lead to a parity of esteem between FE and HE; and finally, FE colleges would be able to apply for powers to award Foundation Degrees in their own right. This could have wide-ranging consequences in relation to the recruitment of students to the UK in countries, such as China, where the awarding power of educational institutions is seen as a quality benchmark. As a result of the change of status, it was asserted, FE colleges would be able to get on to the list of educational institutions for which the Chinese Government will allow students to obtain a visa. Another stakeholder emphasised that more needs to be done to equip learners with “world-class skills” and on how best to define these skills.

Quality assurance

- Strengthening the **quality assurance of qualifications delivered in-country and franchising**: This issue was raised by a number of stakeholders as one negative experience has the potential to tarnish the entire FE sector. Costs and a busy domestic agenda were seen to be hampering a move towards better quality assurance for courses delivered abroad. It was emphasized that if transnational education is going to increase substantially, this will become more of a pressing issue.
One representative from an FE college argued, however, that “quality assurance is a non-debate” since there are sufficient arrangements in place.
- There were also calls for harmonising quality assurance processes across different awarding bodies and streamlining the number of awarding bodies and quality assurance agencies, as suggested in the Leitch Review and particularly the Foster Report.

Others

- One stakeholder suggested the development of **good practice guidelines** or establishment of minimum standards focusing on the student experience (e.g. with regard to support or accommodation).
- There was seen to be merit in **shared learning from past experience**.
- There were calls for further improving the **portability of qualifications** (in the European context as well as with regard to internationally recognised qualifications in a global context) and for ensuring that suitable exit points for longer learning programmes exist to provide maximum flexibility for the learner when required.
One organisation is exploring ways of demonstrating the employability of people who have undertaken learning / training programmes in their home country through the use of (globally accepted) standards on employability (encompassing skills and attitudes).
- FE colleges are independent bodies free to decide whether or not they wish to engage in international activities. A stakeholder in one UK country felt there was therefore a need for a sector internal debate about **staying local or going global** given that the colleges’ primary aim is to serve the needs of the local community. He argued: “We need to work out if we are going to play this game. If we are going to play this game we have to put energy into it.” Proponents of international activities stressed that engagement in international activities can have many benefits, including enhancement of reputation and the ethos of the college, a stronger international flavour and financial advantages.
- It was also stressed that **statistical data** on international activities need to be fit for purpose and at the same time feasible for colleges to produce (for example by finding a suitable aggregation for the home countries of international students).

¹⁴ See: Foster, A (2005) Realising potential. A review of the future role of further education colleges. Leitch Review of Skills (2006) Prosperity for all in the global economy – world class skills. Final report. HM Treasury.

3.1.4 Conclusion

There appeared to be three main strands to the debate about UK FE/ TVET in the international market: (i) the role of international activities in FE colleges; (ii) the strengths of the offering; and (iii) best ways of promoting UK FE / TVET in the international market and funding it.

(i) In recent years Government policies in England and Scotland have put more emphasis on internationalisation in education to prepare students for an increasingly global market. Whilst FE colleges have responded to this, fulfilling their core mission and meeting training needs in the UK also places many demands on them. Whilst there was felt to be a need for colleges to start thinking international and for their international work to be recognised, there was also one voice calling for a sector internal debate about staying local or going global.

(ii) Stakeholders argued that the strengths of UK FE / TVET in the international market included the following: type of qualifications and range of courses on offer; quality assurance system; opportunities for progression from FE to HE; and flexibility of delivery. Provision of courses in the English language was also seen as a key advantage as this meets the market requirements. Furthermore, the UK system has a range of features that were seen to be of interest in countries wishing to expand their VET to meet the needs of the economy, in particular more demand-led provision and the learning context. However, the UK VET system was perceived to have some weaknesses in comparison to other European countries (e.g. with regard to the emphasis on general education) and it was stressed that the UK does not perform too well in OECD league tables. Whilst quality assurance was regarded as an eminent feature of the UK system, there was felt to be a need to strengthen quality assurance for qualifications delivered abroad or through franchising.

(iii) Whilst marketing has been stepped up as a result of PMI1, there were also calls for more to be done to strengthen the position of UK FE / TVET in the international market (promotion of UK education abroad and in particular the credentials of FE colleges in Government to Government dialogues).

Competition amongst independent players coupled with the fragmented nature of the FE sector were seen to be hampering the development of more joined-up approaches which would help to increase economies of scale and to respond to the demand for more comprehensive solutions in particular countries. Whilst the Australian technical and further education

(TAFE) system was perceived to have its merits (greater collaboration and capacity as a result of a low level of competitiveness between FE colleges within states) this system was not seen to be transferable to the UK context as FE colleges are independent bodies. Instead, intermediaries and consortia of college providers have emerged recently to take on the challenge of delivering more joined-up approaches.

Finally, the issue of resourcing of international activity was raised by stakeholders as this requires upfront investment.

3.2 Competitor models

3.2.1 Introduction

The capacity of UK colleges to capture international markets will be dependent upon the:

- relative quality and price of the service provided;
- relevance of qualifications and courses provided to potential client groups;
- extent to which there is a level playing field across international markets.

This section looks at the different approaches to capturing international markets in TVET in three countries and compares the approach to that adopted by the UK. In practice, the concept of a national competitor model is difficult to define insofar as any country looking to capture an export market in TVET is likely to encompass a range of approaches. With this in mind, this section seeks to provide some general facts about the models in operation in:

- Australia;
- Germany; and
- the USA.

The Australian system is characterised by a high level of integration between Government agencies in establishing a market in which Australian TVET providers compete for work. The Australian system is based on a standards driven approach but one which allows TVET providers a high degree of flexibility in delivering the courses / services that the client requires. Undoubtedly the international market is important for Australian TVET providers, and they have been successful in establishing a strong presence in 'local markets' – South East Asia and the Pacific Islands (Oceania).

This stands in contrast to the US system where until recently the level of domestic demand has meant that US providers have not had to pursue international markets to the same extent as in Australia. The approach in the USA has been more

Table 3.1 Comparison of provision to international students: indicative assessment

	Cost of living (2007)	Average cost of living per year (£)	Average course cost (£)	Work rights	Visa policy
Australia	99	5280	2000-5500	20 hours a week during course Limited work rights for spouses 90 days between terms	Based on source country and levels of course
Germany	104	n/a	n/a	n/a	Language course and other study course visas available
United Kingdom	100	6600	3000-6000	20 hours a week when course in session if studying for longer than six months. Spouses allowed to work	Visa applications simplified as to attract more international students
USA	84	4850	3500	20 hours a week when course in session. Spouses not allowed to work	One month waiting period for students from Muslim countries / students tracked whilst in the USA

passive. The quality of its higher education system draws students to the USA, and the work of the United States Agency for International Development (USAID) creates a demand for US providers to supply a range of TVET services, but there is less evidence of a concerted approach to capturing a large share of the global market in TVET. The USA also has a much less defined qualifications structure to export compared to Australia, Germany, or the UK and there has, of late, been some bad press relating to the quality of the US school system (cf. the 'No Child Left Behind' initiative).

Germany has a highly regarded dual education system, which is still in high demand amongst young people in Germany. TVET abroad is mainly provided by GTZ as integrated or standalone service packages in the context of the German Government's development policies, and in collaboration with various other agencies. Overall export of TVET has been less vigorously pursued in Germany than in the UK or other English speaking countries, but this is beginning to change.

How does the situation in Australia, Germany, and the USA compare with the UK? Germany and Australia are defined as systems with: (a) a

relatively high degree of co-ordination between the agencies responsible for establishing international markets for their TVET providers; and (b) relatively well structured qualification systems backed up by rigorous standard setting, whilst in the USA the market is much more to the fore with each provider needing to establish, more independently, their credentials within this. This gives US providers more flexibility but there is no national education system which they can export. The UK appears to be a mix of the two approaches. There is a National Qualifications Framework based on rigorous standard setting and inspection, but there is, possibly, less concerted action between agencies and providers. This stems in part from the early establishment of a training market in the UK during the 1980s in which further education colleges were key players. For some time now it has been up to the individual TVET providers to establish their own markets. In turn this creates a market for the provision of services which will assist providers in increasing their own market share, rather than the state playing a central, dominant co-ordinating role. Of course, the differences should not be exaggerated. The UK has a number of Governmental agencies promoting TVET export

activity (e.g. UKTI / British Council), but there is certainly a degree of difference between the US and Australian and German systems, respectively.

A comparative assessment of the costs and ease of entry into each of the four countries is provided below (see *Table 3.1*). The data reveal that the cost of living in the UK is relatively expensive compared to the other three countries and that course costs might be relatively higher. Course cost data, however, are highly indicative and it is difficult to make like-for-like comparisons. The restrictions on working whilst resident in each of the countries are more or less the same, although the treatment of spouses and dependants varies. The UK tends to place less restriction on the economic activity of students' spouses. It is difficult to make a comparison between ease of entry based on visa restrictions, other than to comment that the UK has attempted to streamline the process of entry whereas the USA has made it more onerous for applicants from certain countries.

3.2.2 Australia

The Australian model is based around:

- AusAID – the Australian Government's foreign aid arm;
- Australia Education International (AEI) serving to connect the Australian education system to the aid activities delivered through AusAID and other foreign policy programmes; and
- Technical and Further Education (TAFE) institutes supplying TVET as well as being responsible for vocational schools and colleges in the education system.

In many respects, AusAID creates a demand for international education services which the TVET system is able to supply – sometimes on the basis of TVET institutions competing against one another. The key competitive strengths for Australia are its well-regarded education system, proximity to its main markets, and a TVET system that is very much oriented to meeting the demands of the labour market. The Australian TVET system has been able, through a series of reforms, to become responsive to changing labour market needs. The Australian Government has also been active in assuring the quality of provision to international students, thereby bolstering the brand.

The main markets for Australia are those of South East Asia and Oceania (e.g. Papua New Guinea). Australia's presence in the region is reinforced by its membership of a number of international forums, such as Asia Pacific Economic Co-Operation (APEC), and the bilateral arrangements on

education that it has entered into with China, Indonesia, Malaysia, Thailand, Viet Nam, and others. AUSTRade is also active in promoting educational services in the region, especially in relation to higher education. The relative proximity of Australia also provides the country with an advantage in the South East Asia / Oceania markets.

The Australian education system, and the position of TVET within this, provides a strong product for export, albeit a varied one. As a Federal country, education is the responsibility of the States and Territories, which means that the TAFEs, for example, are separate State organisations. The Federal Government has responsibility for improving the quality of education, funding programmes of national significance, and international relations in education.

A number of features of the TVET system need to be highlighted:

- it has become increasingly focused upon responsiveness to employer demand. A new national training system was announced in November 2005 which emphasizes the role of employer / industry engagement in determining training policies and priorities to ensure that the TVET system is responsive to current and future demand in the labour market;
- the qualification system was made simpler with the introduction of the Australian Qualification Framework (AQF) in 1995. In relation to TVET, the AQF emphasizes competence in the workplace through a range of nationally endorsed, industry developed training packages. The Western Australia TAFE, for instance, reports that the AQF per se is less of a selling point in the international market than the fact that it is a Government scheme. There is a degree of uncertainty about the ability of the States and Territories to regulate offshore activities relating to the AQF;
- the qualifications system allows for APL to be taken into account in relation to TVET qualifications, thereby speeding up completion;
- the TVET system has national standards for the registration and auditing of training providers and accreditation of courses. To deliver TVET a provider must be a Registered Training Organisation (RTO) and comply with the standards in the AQF. There are public and private RTOs, but TAFE Institutes are the main (public) providers.

Whilst a number of private training organisations exist, TAFEs are the primary providers of TVET. In each State or Territory the TAFEs supply TVET through their educational institutions. They also have an international role, which typically includes the following:

- provision of assistance to people who want to study in Australia;
- provision of enrolment services and support for international students;
- provision of intensive English language programmes;
- the development and delivery of vocational education and training overseas;
- educational consultancy services for organisations and Governments;
- study tours;
- provision of teacher training; and
- consultancy services for change management within vocational education systems.

TAFEs have developed a strong reputation for creating partnerships with companies and industry in Australia and developing short-courses to meet the needs arising from structural adjustment which has been particularly beneficial in developing relationships in China. For example, there is a memorandum of understanding sponsored by the Australian Department for Education, Science and Training (DEST) between the TAFEs and the China Association for International Exchange relating to the enhancement and building of cooperation and partnerships in TVET.

At Federal level, where the TAFEs are represented by the TAFE Directors Australia (TDA), there is recognition that future growth in the number of international students coming to study in Australia needs consolidated action across the country. To this end, the TAFEs work with:

- the Department for Immigration on streamlining visa approvals;
- the AEI Counsellor Network; and
- AUSTRade to obtain market intelligence.

The visa issue is an important one because international markets are subject to visa changes and bilateral arrangements with some countries. In 2003, the market for students from India and Bali collapsed due to visa changes in the former and uncertain bilateral relations in the latter.

The scale of international activity is substantial. In 2005 there were 344,815 students from overseas in Australia with most coming from the Pacific Rim

and the USA, but with increasing numbers from the Middle East and South America. 51 per cent were enrolled in higher education, 18 per cent in TVET, and 16 per cent on English language courses.

The term 'transnational (offshore) activities' refers to activities in countries other than Australia delivered by accredited Australian organisations. This takes a variety of forms, such as Australian campuses, partnerships, etc. In 2005 there were 100,000 people enrolled on Australian courses – mainly studying at Australian universities (76,500) and 23,300 in TVET – in countries outside of Australia. It is estimated that 1 in 4 of international enrolments are accounted for by offshore activities.

There are a number of agencies – Federal and State – engaged in either promoting Australia abroad or supplying services abroad which need co-ordinating. Australia Education International (AEI), an agency of the Australian Government, has responsibility for integrating the international activities of Government with the international activities of the Australian education sector. Its responsibilities include implementing the Education Services for Overseas Students (ESOS) Act, the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS), as well as quality assurance mechanisms for overseas training / education programmes.

ESOS regulates the enrolment of overseas students studying in Australia. Providers must be registered with CRICOS, meet quality assurance standards, comply with tuition and financial assurance requirements, and ensure that their students meet the conditions of their visas. The Australian Government has been active in assuring the quality of education provision to international students through ESOS and this provides a strong signal to would-be clients. For example, a Transnational Quality Strategy Framework was agreed by Ministers of Education and Training in November 2005 to promote and protect the quality of education and training delivered outside Australia. Essentially, this guarantees that overseas courses are of the same quality as those delivered within Australia.

To illustrate how the Australian system works, it is useful to consider a few examples.

Australian Pacific Technical College (APTC)

Australia is to establish the Australia-Pacific Technical College (APTC). The College will work in partnership with industry and Pacific island governments to produce 'work ready' Pacific island graduates to Australian standards. The goal of the APTC is to increase the supply of skilled workers and increase productivity in specific target sectors in the Pacific region, and to improve the employability of Pacific islanders. The College

in conjunction with selected Australian RTOs, is expected to establish five schools (automotive; construction and electrical; manufacturing; health and community services; and hospitality and tourism) with training centres in four countries (Fiji, Papua New Guinea, Samoa and Vanuatu) and will be open to students from all Pacific Islands Forum countries. This development was led by AusAID but the TAFEs were able to work with the latter in putting together the tender package, so that the successful consortia for APEC included five TAFE Institutes.

Australia-China Chongqing Vocational Education and Training Project

The Australia China (Chongqing) Province Vocational Education Project is funded through the World Bank and AusAID. The project is aimed at assisting China with the reform of its TVET system to meet industry's needs and contribute to economic development. Important to the success of the programme is the establishment of strong Sino-Australian networks between Chongqing and Australian schools. The contract is worth AUS\$18.9 million and ran from 2002-2007.

Through five pilot schools and 25 partner schools, and with the involvement of five industry sectors, the project is developing a partnership between industry and vocational education and training agencies, schools and providers, aimed at improving both the quality and relevance of TVET. The project focuses on assisting the development of school planning, industry training standards, curriculum, teaching practice, course assessment and systemic monitoring and evaluation systems.

The relative strength of the Australian system is summarised in *Table 3.2*. A number of points should be noted here:

- there is a high level of integration between the demand and supply sides. AusAID (and to a some extent AUSTRade) are influential in establishing a demand for international services and then ensuring that Australian organisations, principally TAFEs, are capable of capturing that demand;
- the product offered by the supply side is a strong one. Course provision in Australia is backed up by a set of national standards which assure the quality of TVET. The effects of this spill over into the provision of services delivered by Australian organisations in other countries, in such a way that quality of these is assumed to be equal to that of domestic delivery;
- the Australian Government has been active in ensuring that the provision of the international offer meets rigorous quality standards;
- courses offered both in Australia or overseas are flexible and designed to meet the needs of the labour market;
- there is opportunity for progression – APL allows qualifications to be efficiently acquired and qualifications are designed to offer progression on to, for example, higher education programmes.

Table 3.2 Relative strengths and weaknesses of the Australian system

	Relative strengths	Relative weaknesses
Student recruitment	<p>Competition between providers</p> <p>ATQF / Strong TVET brand</p> <p>Quality Assurance provided by Government</p> <p>Support provided to international students when in Australia</p> <p>Strong Governmental links in main markets</p>	<p>High cost of study – have tended to concentrate on students from wealthier backgrounds</p> <p>Vulnerable to visa rule changes</p>
Offshore activities	<p>Expertise in providing courses aimed at meeting labour market needs</p> <p>Strong presence of AusAID / AUTrade in main markets</p> <p>Integrated activity between Governmental agencies</p>	<p>Difficulties transferring ATQF brand</p>

3.2.3 Germany

This section takes a closer look at TVET delivered principally by GTZ. The capacity of Germany to deliver TVET to the international market is strongly influenced by key features of the country’s own TVET system and thus a brief overview of key features of the German TVET system is given as an introduction.

The German TVET system

Vocational education in Germany is (mainly) provided at senior secondary level in vocational schools (*Berufsschulen, Berufsfachschulen, Fachoberschulen, Berufliche Gymnasien und Fachschulen*) and at tertiary level (*Berufsakademien, Fachhochschulen*).

The most popular destination on completion of compulsory education is dual education, delivered by a partnership between employers and vocational schools (*Berufsschulen*). The young person signs a private training contract with a company which meets the criteria of the Vocational Training Act and embarks on an apprenticeship for up to three years (depending on the chosen occupation). Training is provided both in the company and at the vocational school either on a one or two day a week basis, or via block release, hence the name ‘dual education’.

A key feature of the dual education system is the delivery of general education (which constitutes about one third of the curriculum) in combination

with occupationally specific education and training to provide the apprentice with a good grounding that does not quickly become outdated. During their period of training, the apprentices receive a certain amount of pay which increases over time. Training is largely delivered at public vocational schools, but private vocational schools can also play a substantial role in some States. Whilst public vocational services are free of charge, their private counterparts levy a monthly study fee, with funding options including a training loan. In recent years the percentage of young people embarking on dual education has dropped as fewer companies have been willing to train young people, due to the decreased level of labour demand in the economy – and more young people choosing to go to university. (For a detailed overview on the German vocational system see, for example, Hippach-Schneider et al 2007 or BMBF 2003).

The German dual education system is internationally well-regarded as it is strong in linking theory and practice, a feature which is less evident in the vocational systems of many other countries. A CEDEFOP report notes that the fact that there are some 500 ongoing international collaborations between German providers and organisations worldwide demonstrates a strong interest in the German dual education system (Hippach-Schneider et al 2007).

Critics argue that the system is less flexible in adapting to the changing needs of the economy and that there are few dual education programmes in new dynamic service areas (UNESCO-UNEVOC and UNESCO Institute for Statistics 2006). Training programmes, however, are continually being reviewed and tailored to changing needs of the economy. Efforts will be made to establish new training programmes in the service sector and in particular in growing and dynamic sectors (BMBW 2006). Progression from vocational education (certainly for those who have completed an apprenticeship) to higher education has, in theory, slightly improved over the past decades, but it is still far from common. Changes are currently being debated in the context of the new European Qualification Framework, which needs to be implemented via national qualification frameworks (BMBW 2006).

In an increasingly global world, the Federal Government aims to promote the internationalisation of vocational education and to increase the geographical mobility of young apprentices during their training period (which lasts between three weeks and three months). To facilitate this process the Federal Government is promoting the bilateral exchanges in TVET with a number of European countries (France, Great Britain, the Netherlands, Norway, Poland, Czech Republic and Italy) as well as those further afield (Israel, USA, Japan)¹⁵.

The number of foreign students taking part in dual education is relatively low, for example, in the state of Rheinland Pfalz 5 per cent of students in dual education¹⁶ were foreigners. It should be noted that in Germany many foreign students are children of migrants who might have lived in Germany for decades but do not have German nationality and, as such, these foreign students have not come to Germany solely or mainly for the purpose of study.

Public vocational schools may have some international partnerships, mainly in the area of student and staff exchanges but, unlike a number of FE colleges in the UK, few if any appear to be directly involved in capacity building, consultancy

work or the delivery of training programmes abroad. Vocational schools in Germany are unlikely to attract large numbers of international students, even if they aspire to do so, because vocational education does not offer the easy route into higher education which many international students require. In addition, the German language is also a barrier in those markets where students are looking to acquire English language skills in addition to their TVET.

TVET in the context of development collaboration (GTZ)

GTZ undertakes activities in the area of TVET as part of Government to Government negotiated technical cooperation on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ).¹⁷ The Federal Government owned company GTZ was founded in 1975 as a private, not for profit organisation. This set up was chosen to enable GTZ to provide non-government funded services, such as those which are chargeable to international organisations and those for developing countries which are funded from their own budgets. These services and the recently introduced public / private partnerships (PPPs) are delivered via GTZ International Services, a subsidiary of GTZ.

The main client of the GTZ is the BMZ, alongside other German ministries, State Governments, and international organisations, such as the European Commission or the World Bank. Most of GTZ's funding comes from the BMZ, with GTZ International Services accounting for about a fifth (18 per cent) of GTZ's total operating turnover. GTZ works closely with other organisations involved in economic development, in particular the German development bank (KfW, *Kreditanstalt für Wiederaufbau*), the German Development Service (DED, *Deutscher Entwicklungsdienst*) and Capacity Building International (InWent, *Internationale Weiterbildung und Entwicklung GmbH*), all of which are mainly or entirely funded by the BMZ. GTZ services are provided free of charge for the partner countries as part of the Government's development collaboration.

¹⁵ See www.bmbf.de/en/894.php

¹⁶ Statistisches Landesamt Rheinland Pfalz 2006/07

¹⁷ In addition to this kind of arrangement (known as technical cooperation in the narrow sense), the BMZ also supports private organisations to deliver technical cooperation in the wider sense, i.e. outside the scope of Government to Government agreements. The BMZ provides its services mainly in the form of financial cooperation (delivered via KfW, *Kreditanstalt für Wiederaufbau*, and the DEG, *Deutsche Investitions- und Entwicklungsgesellschaft mbH*, a subsidiary of KfW, primarily aimed at promoting the private sector in developing countries) and the technical cooperation (delivered via GTZ or other non-governmental and private providers). The BMZ also supports the training of professionals and managers from developing countries through various measures. It largely funds InWent – *Internationale Weiterbildung und Entwicklung GmbH*, a company set up five years ago following a merger between the Carl Duisberg Gesellschaft (CDG) and the *Deutsche Stiftung für Internationale Entwicklung* (DSE). The company has 850 staff and operates in various parts of the world, partly in collaboration with the KfW, the GTZ and others, with service offerings including preparatory training for German experts prior to taking up an engagement abroad. In addition, the BMZ supports a number of other organisations providing mainly bursaries / stipends in the area of higher education, such as the DAAD or the *Alexander von Humboldt Stiftung* (BMZ 2007).

GTZ operates in 122 partner countries and has offices in more than 60 countries. It has a total of approximately 12,100 staff, with just under 1,000 working at its headquarters in Eschborn, near Frankfurt and the remainder mainly abroad. The latter includes 9,000 staff recruited locally in partner countries, around 1,500 GTZ project staff based in Germany or abroad and in excess of 700 experts who are employed by local organisations in the partner countries to help alleviate indigenous staff shortages in these partner countries.¹⁸

Guided by the UN Millennium Development Goals and the Government's Agenda 2015 the overarching aim of GTZ (and the BMZ) is to reduce poverty. To this end, GTZ engages in a range of measures, including TVET, as it strives to enable people in developing nations to earn a (better) living. GTZ offers mainly consultancy services and services in kind. Capacity building in a range of TVET related areas, including TVET systems reform, is a key area of its work. In its brochure, GTZ makes particular reference to TVET measures in the informal sector (to help socially disadvantaged groups) and those relating to the adoption of new technologies (ICT and centres for advanced technology in the manufacturing sector) (GTZ, nd).

A 'snapshot' of the scenario about five years ago provides a useful overview of GTZ's TVET activities: "In the 55 countries in which GTZ is active in the area of vocational education, 42 projects relate to continuing education in modern firms, the non-formal sector or centres (management and training of trainers), 30 projects provide support for reforms in initial vocational education, at either ministerial or regional level, and 16 projects are establishing or consolidating dual education apprenticeships." (ILO, nd) By way of example, more detailed information about GTZ's work is provided in *Box 3.1*.

Key programmatic features of GTZ's work include:

- a combination of policy advice at macro level with pilot projects at local level and capacity development;
- engagement with stakeholders in the public, private and informal sector to achieve a consensus on the project objectives and the benefits it aims to achieve;
- flexible service offerings to suit existing structures. Services may combine elements from different TVET systems, including key principles of the German dual education system;
- linking TVET with job creation measures (promotion of the private sector and financial systems development), labour market policy measures, wherever possible (multi-level approach), in support of a labour market oriented approach;
- linking primary education and TVET;
- integrating tracker studies into the service package to monitor the outcomes of TVET programmes;
- selecting and designing TVET measures which aim to promote equal opportunities for men and women;
- aiming to achieve synergy with strands of development cooperation in other priority areas, such as health, water, resources and the environment. Driven by the BMZ there are also sustained efforts to provide a joined-up development cooperation to increase efficiency and effectiveness.

The GTZ prides itself on being a market leader in sustainable capacity development (GTZ 2005).

Export of the German dual education system to other countries was abandoned some time ago as, according to the GTZ, the prerequisites for a successful implementation of the system were absent and difficult to introduce. In particular, a strong industrial base and a commitment by industry to invest in TVET, in the absence of longer-term planning of investment in education, were missing (BMZ 2005d). Instead the focus has shifted to adopting, wherever this is appropriate, key principles of the German dual system such as work-based learning, close cooperation between the public and private sector, a mixed funding model for vocational education, training of vocational teachers and company trainers and development of teaching materials by the private sector (BMZ 2005e). Bilateral development work in the area of TVET may favour those areas where "there is a high demand for sharing experience of the German system" (BMZ 2005; 23). A key principle of GTZ's work is, however, achieving sustainability by working with existing structures in partner countries and developing measures designed

¹⁸ The latter group are typically German experts employed by organisations in partner countries, with differences in pay and social security paid by the GTZ. To facilitate recruitment of integrated experts the GTZ has set up the Centre for International Migration and Development (CIM) in collaboration with the Federal Employment Agency (*Bundesagentur für Arbeit*) (GTZ 2006).

Box 3.1: Examples of GTZ's TVET measures

- **Mainstream (BMZ) funding:** As part of a Government to Government agreement GTZ provided consultancy services in Egypt to help establish vocational education programmes which are modelled on the German dual system. This long-term project started in the metropolitan area of Cairo to meet a high demand for staff with intermediate skills. The initiative has now spread much more widely and covers around 30 occupations.¹⁹
- **International collaboration:** GTZ is also engaged in capacity building for TVET system reforms in Egypt, undertaken on behalf of the European Commission and in cooperation with a French and an Egyptian partner, thereby building on the above bilateral work.²⁰
- **Public / private partnerships (PPP):** As part of a measure aimed at helping to improve the medical equipment of public hospitals in Tanzania, GTZ conducted a feasibility study for a new enterprise (a joint venture between a German not-for-profit and a profit-making organisation to supply medical technology equipment and provide maintenance services), and plays an active part in the training of local technicians at a German polytechnic.²¹ The private sponsor funds the secondment of one of its engineers and coordinates the project in conjunction with a Tanzanian start-up company.
- Another example of PPP is the establishment of a training centre set up by DaimlerChrysler to deliver TVET in car mechanics in Blantyre, Malawi as part of a public / private partnership project with the GTZ.²²

to optimise best employment outcomes. To this end, GTZ may aim to combine strong elements from different TVET systems, including for example competence-based training (BMZ 2005e). GTZ can thus offer a flexible service that best suits a particular context, and in doing so, can promote the essence of a highly successful German 'mainstream product'.

TVET outside the scope of development collaboration (GTZ)

In addition to the GTZ, public, private and not-for-profit German providers of vocational training also operate in the international market. According to the most recent study, undertaken on behalf of the Federal Ministry for Education and Research (BMBW) in 2002, this group was relatively small (16 per cent of the total) compared with the situation in competitor countries such as the USA, Great Britain, and Australia. Decreasing state funding for continuing professional development and a perception of good opportunities for German providers in the international market for vocational education are, however, likely to provide strong incentives for targeting international markets. In practice, there are numerous challenges to be tackled in order to capture the market potential, including a stronger international focus on the part of independent providers, acquisition of better information about potential target markets, improved international marketing, development of products suited to the client needs (including modular courses) and establishment of measures to address quality assurance issues and accreditation of qualifications.

Against this backdrop, the International Marketing of Vocational Education (iMove) initiative was launched in 2001 to help interested providers position themselves in the international market for educational services. It was part of a wider joint initiative, led by the Federal Ministry for Education and Research, and it aimed to increase Germany's attractiveness abroad in three areas: higher education, research and TVET (mainly continuing technical vocational education and training). Located at the Federal Institute for Vocational Education (*Bundesinstitut für Berufsbildung*, BIBB), iMove provides support services for German

¹⁹ GTZ 2005

²⁰ GTZ 2006

²¹ See www.gtz.de/en/leistungsangebote/6388.htm

²² Another example of a public / private partnership project is the establishment of the first vocational school for meat processing in Jinang, Province Shandong, involving DEG, BMZ's delivery partner for financial cooperation, German industry and the Chinese Meat Association. Built on the German dual education system the school achieved accreditation with the Education Ministry in Jinang, by the end of the pilot phase in 2005 and will be run as a self-funding institution (BMZ 2005).

providers aiming to set up, establish or expand their international activities in specific 'target countries'. It also acts as a mediator, aiming to bring together German training providers and foreign customers as well as German stakeholders in vocational education (including GTZ, relevant federal ministries, BIBB, and industry organisations) to maximise synergy. (Gummersbach-Majoroh 2002). iMove's main services include:

- marketing abroad via road shows, fairs and conferences;
- market research (including a series of studies on the demand for TVET in selected countries);
- seminars and workshops for German providers (focusing on international marketing, intercultural competences; international education and training markets);
- an electronic trade platform to facilitate iMove's mediator role;
- a web data base of service offerings in seven languages (with search options by type of course, language, provider, region of delivery) alongside a directory of some 150 training providers with information in English, encompassing within one page:
 - the provider profile (overview, year of founding, number of employees and training staff, details of certification and membership of relevant organisations);
 - type of provision (target groups and main subject areas);
 - international orientation (language(s) of instruction, countries in which the organisation is already operating or is planning to operate, cooperation with partners abroad). For further information see <www.imove-germany.de>;
- from 2007 onwards iMove will conduct an annual survey of TVET providers engaging in the international market to capture emerging trends.

Providers advertising their services via iMove include private companies, private vocational schools, chambers (e.g. trade and industry or handicraft), associations, trade unions, and foundations. Some providers offer initial vocational education and training, including dual education, but this information is not captured explicitly in the directory.

Examples of how private providers operate in the international market are provided in Box 3.2 and Box 3.3²³, with the first one which markets its services via iMove, having embarked on an expansion strategy in China. Missions organised by iMove seem to have been quite successful in helping to market German educational services overseas (e.g. in areas such as the Gulf States and Turkey). It will be interesting to monitor the outcomes.

Like in other countries, segments of German vocational training provided abroad are geared towards producing internationally qualified staff for German industry or training foreign staff who are already employed or are to be recruited by German companies operating in the international market.

Box 3.2: TVET at the Chinese Centre of Hanover

Founded in 1997, the Chinese Centre of Hanover was set up as a non-profit association to promote economic, cultural and scientific contacts between Germany and China. Amongst other training courses, it has started to offer initial vocational education in the area of car mechanics (*KfZ Mechatroniker*) both in Germany and China to help redress the shortage of qualified staff in the area of car mechanics and CNC techniques in China. Following the success of a first cohort of 14 Chinese vocational trainees (*Auszubildende*), a second cohort started in 2006 in the Hanover area. Since the language of instruction is German, the second cohort took part in a six-month language training programme in China. Further language training

was then provided in Germany as part of the course. According to the Centre, German companies operating in China have already expressed an interest in employing the trainees upon completion of the course. In addition to the training provision in Germany, the organisation aims to establish a scheme based on the dual education system in China in collaboration with a Chinese partner, a reputable company which offers, amongst other services, education and training. This is seen as part of a long-term collaboration which will expand into other subject areas and across China. Curricula have been developed jointly by German and Chinese experts. The course will be taught jointly and is expected to lead to dual accreditation. For further information see www.ChinesischesZentrum.com

²³ For further examples see iMove (2006).

Box 3.3: Dual education at a private school in Hong Kong

The German Swiss International School in Hong Kong together with the German Chamber of Industry and Commerce offers a two-year dual education programme in (a) wholesale and foreign trade and (b) transport and logistics. This is primarily aimed at meeting the demand for internationally experienced staff for German industry, hence the delivery of the theoretical education in German and of the work-based learning element in German companies operating

in Hong Kong. Efforts are being made, however, to widen the recruitment base, to include, amongst others, Chinese nationals. Furthermore, there are plans to for a dual accreditation programme with the Hong Kong authorities which will help to facilitate the transition into higher education in Germany and Anglo-Saxon areas. The dual education programme in Hong Kong was set up in 1985 and currently offers 25 training places per year which generate a monthly fee income. For further information see: http://mygsis.gsis.edu.hk/GSISDept_Ausbildung.aspx

Table 3.3 Relative strengths and weaknesses of the German vocational system

	Relative strengths	Relative weaknesses
Student recruitment ¹	<p>Reputation of the dual education system</p> <p>No training fees for dual education in public vocational schools; instead it includes a small training allowance²</p>	<p>Language barriers (but more courses in the HE sector are delivered in English)</p> <p>Low permeability between dual education and higher education</p> <p>Dual education comes as a package rather than in modularised form</p> <p>Relatively high costs of living in Germany</p>
Offshore activities	<p>GTZ services are provided free of charge as part of the Government's development cooperation</p> <p>Partnership approach in development collaboration and minimal intervention</p> <p>Flexible TVET package</p> <p>Large proportion of GTZ staff in-country are locals (reduces costs and may increase acceptability)</p> <p>Demand-led training and tracker studies to monitor the employment impact of training</p> <p>Marketing initiative to support German training providers in widening their international focus and linking up stakeholder and providers</p>	<p>Export of TVET services (and international student recruitment) is lagging behind other key competitor countries</p>

¹ Note, student recruitment occurs on a much smaller scale than compared to competitor countries

² No or comparatively low fees for tertiary education (depends on the State)

Conclusion

Dual education is a strong brand which has attracted much interest worldwide. Its many strengths include a strong link between theory and practice and an element of general education, but unlike some other VET systems dual education is not available as a flexible package nor does it allow for an easy transition between VET and higher education (although the latter can be addressed by other countries' own qualification frameworks).

This brand is a vital part of GTZ's service offer. Following strategic changes implemented many years ago, dual education is not simply exported. Instead, its key features are adapted to suit other countries' circumstances and, where required, these are combined with elements from other TVET systems. GTZ's competitive advantage is rooted in its overall approach towards development collaboration (see *Table 3.3*).

Substantial efforts have been made at national level to facilitate market entry and development for German TVET providers, and as a result, they are beginning to engage more with a range of international markets. International student recruitment UK or USA style has played only a minor role and may continue to do so in the foreseeable future for a number of reasons: fewer historical ties between Germany and other countries than compared to the UK (including similarities between their education systems); language barriers; and lack of progression routes between TVET and higher education.

3.2.4 United States of America

The economic, political and cultural dominance of the USA serves to attract people from all over the world. Moreover, the strength of its higher education system also attracts some of the best students and scholars from around the world. In 2004, the most recent year for which data are available, around 500,000 people from abroad studied in the US tertiary education system. This represents around a fifth of the potential market. The largest proportion of this group was from eastern and central Asia.

Since September 11, 2001, visa restrictions have been tightened for students entering America. For example, all people aged 13 to 80 are personally interviewed for student visas, and the Office of Homeland Security has established a monitoring

system to keep track of foreign students. Since these increased restrictions, enrolments on English language programmes have dropped substantially. This is seen as a potential driver of offshore activities by US education providers.

The US education system has been subject to much criticism during recent years with concerns about decreasing levels of educational attainment and the potential for this to damage the economy in the future. The OECD PISA study which compared the competences of pupils across a large number of countries, showed the US in a relatively poor light. The driving force has thus been to improve the US education system for US students. Because education is not mentioned in the constitution, it falls outside the remit of the Federal Government and hence it has limited capacity to act, although some Federal funding has been provided over recent years following the 'No Child Left Behind' initiative.

The education system in the US is divided between:

- public sector;
- not-for-profit; and
- private sector organisations.

These can be found at every level of the education system. In relation to VET the US system has the following characteristics:

- numerous and varied private and public providers (a large training market);
- incorporation of a generic commercial curriculum;
- a fragmented accreditation system; and
- many competence-based qualifications which are outside of the State and regional authorities' responsibility.

In fact, the competence-based approach is writ large in the US system. Access to colleges and universities is somewhat varied. This notably includes the Scholastic Aptitude Test (SAT), but might also include High School grades, a Certificate of General Educational Development, ACT scores²⁴, or a High School Diploma. Access also depends upon standards and policies of individual institutions and individual States: for example, in some States, public two-year colleges (community colleges, vocational or technical institutes) are required by law to admit any applicant, and some states require the ACT instead of SAT test scores.

²⁴ ACT is a standardised test which is provided by a not-for-profit organization called ACT.

A key advantage of the ACT and SAT score in relation to international education is that it allows people around the world regardless of where they are domiciled, to take the test without necessarily having completed a preparation course for college entry.

Foreigners in the US education system must pay the full, unsubsidised fee for their education where this is undertaken in the public sector. The country has set itself the target of increasing the number of foreign students, especially in HE where foreign enrolments have been falling.

Until recently, the US has not shown much interest in the internationalisation of the VET market. The reasons for this are:

- the US market was sufficiently large;
- public community colleges lacked the capital to enter offshore markets; and
- there is no US accreditation system which can be sold abroad.

The reasons for the shift relate to the following factors:

- changing demographics. The number of young people entering upper-secondary education has been falling and colleges are increasingly dependent on adult students;
- the fact that this increased dependence upon adults means that new modes of delivery have needed to be developed, for example, distance learning;
- distance learning has resulted in an increased investment in ICT. The size of this investment, coupled with tightened budgets in the public sector, has resulted in mergers, partnerships, and strategic alliances between colleges.

US colleges are thus increasing in size and have the capital and distance-learning infrastructure to engage in offshore activities to a much greater degree than hitherto. Increasingly community colleges are beginning to recruit foreign students, develop satellite campuses and deliver training abroad. In addition, the US Government has been trying to promote US education in the context of world trade negotiations.

The competence-based approach is attractive to many countries. Indeed, even in the US there is concern that professional, competence-based certificates, especially in IT, are valued more highly by employers than college qualifications because they are so work focused. It has been suggested that this may be driving down demand for VET within the college system.

The competence-based system may also facilitate entry into higher education. As noted earlier, many overseas students are primarily interested in obtaining a Degree. In most of Western Europe, vocational education potentially provides access to higher education but in general this tends not to occur. In contrast, the Associate Degree provided in community colleges allows people to transfer into the university system much more easily. The individual student spends two years in the community college studying towards the Associate Degree, and then spends the next two years at university to obtain a full Degree.

The for-profit sector in the US VET system is growing and is increasingly looking to develop international links. In the past, these organisations provided a limited number of courses but they now offer a much fuller range, catering mainly for adults from lower socio-economic groups who are seeking work-related qualifications / training. There is evidence that these organisations are entering the distance learning market abroad. In the higher education sector there are also corporate universities which provide training to those outside of the multi-national of which they are part (i.e. they provide external training services). These also have international links resulting from the global reach of their parent companies.

In addition to the activities of public and private sector colleges in developing their own international markets, US foreign aid is also directly engaged in the provision of education and training through USAID. The latter runs programmes related to: basic education, education partnerships, higher education, workforce development and training.

Since 1998, USAID's education partnership programme has established over 160 collaborations involving more than 200 US colleges and universities from 40 States. The purpose of these is, amongst other things, to improve:

- the quality of teacher training;
- the administration of education and workforce institutions;
- agricultural productivity;
- workforce skills and economic productivity.

Since its inception, USAID has been a key player in the development of higher education in aid-recipient countries. Developing countries' workforce skills is an important area of focus for USAID. USAID's workforce development activities, known as Global Workforce in Transition, aim to help nations to develop systems to provide skills for employment. This works on:

Testimony of James Kunder, Assistant Administrator for Asia and the Near East, US Agency for International Development, to the Senate Foreign Relations Committee, April 19, 2005

"I welcome the opportunity to appear before you today to discuss the work of the U.S. Agency for International Development in Asia and the Near East on the theme of "Combating Terrorism through Education: The Near East and South Asian Experience." We appreciate the importance of education as a force for peace and progress, and welcome this opportunity to share the experiences of our ongoing education programs in these two critical sub-regions.

USAID works in 28 countries in Asia and the Near East – from Morocco to the Philippines and as far north as Mongolia. The region is home to 64

percent of the world's population and two-thirds of the world's poor. Across the region, there are many religious and cultural traditions. Some of the countries working to address terrorist threats have Muslim majorities. Some do not such as Nepal and Sri Lanka.

Understanding and responding to the drivers of terrorism in all the countries we work in requires a good knowledge of local conditions and putting in place programs that are directly relevant to those issues. Our field missions give USAID a capacity to act effectively to make appropriate education interventions. They do so within a framework of complementary investments which support stability, openness and economic opportunity. Education alone is not 'the answer' but it is absolutely critical to success."

- the demand side of the labour market – identifying where job opportunities are and where they can be expanded and assessing employer needs for skilled workers;
- the supply side of the market – equipping workers, job seekers and potential job seekers with the skills needed for employment; and
- the labour market – improving business competitiveness.

From a political perspective, a large element of US foreign policy is dependent upon the provision of those educational services abroad which US educational organisations are well placed to provide. The importance of educational provision in US foreign policy is summarised below in the testimony of Assistant Administrator for Asia and the Near East, US Agency for International Development to the Senate Foreign Relations Committee in 2005.

Table 3.4 summarizes the relative strengths and weaknesses of the US system. In relation to TVET student recruitment, the principal strength is access to the highly regarded US higher education system – arguably the US makes this transition for both foreign and domestic students easier than in other countries, although the cost of courses is a barrier. In relation to cost, the system is able to progress students through the system more quickly so that a Degree can be completed in two or three years rather than three to four years.

With respect to offshore activities, such as delivering courses abroad and capacity building, the principal disadvantage the US faces is that it has no single

system which it can transfer, unlike for example, the UK. That said, the US has considerable international reach not least through USAID and other trade links.

It is important that student recruitment and offshore activities are not viewed in isolation. As emerging economies develop their educational infrastructures there will be increasing synergy between offshore activities and student recruitment, especially through partnerships between host and client countries, in relation to delivering programmes of learning. It is not obvious from the data available on the US whether it is as far advanced as some other countries in this respect, other than in the higher education sphere.

In conclusion, it worth noting two important points in relation to the USA's position in the international market:

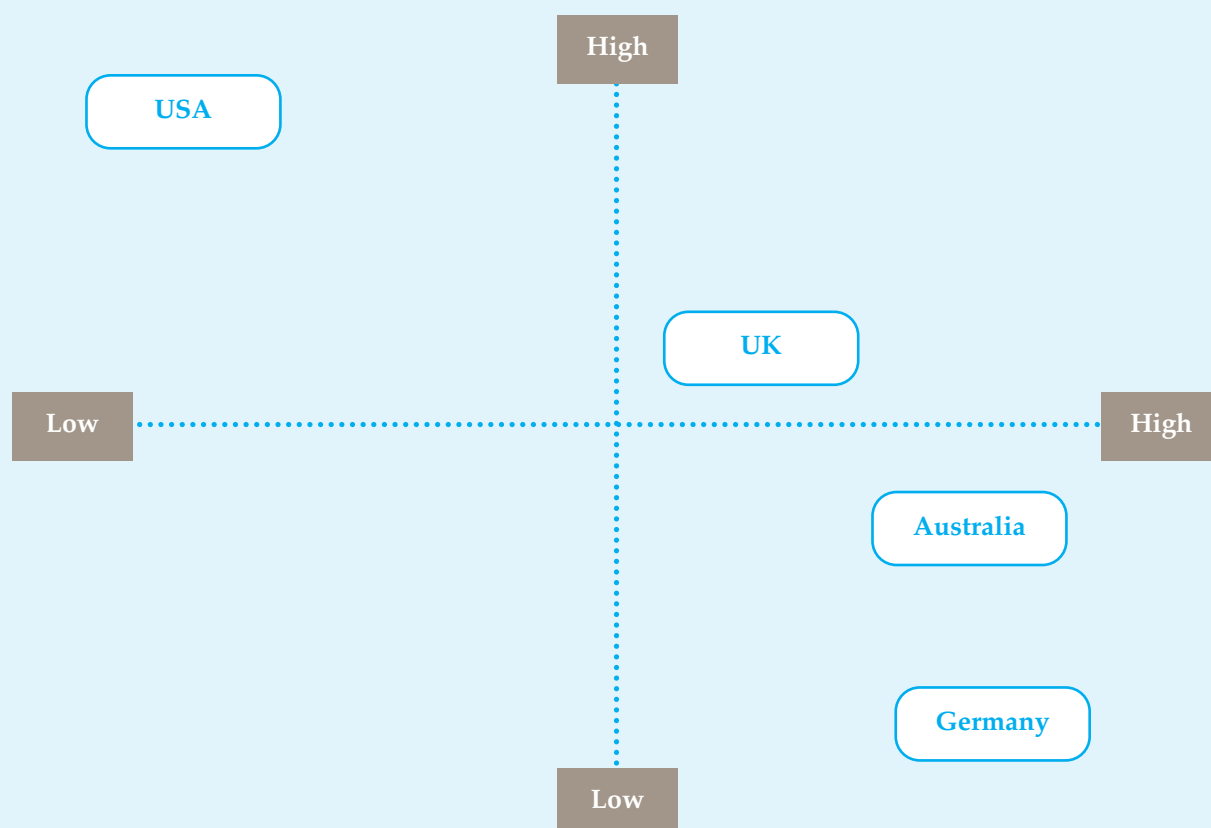
- the US education system proves attractive to many foreign students because of the opportunity to access some of the best universities in the world;
- the scale of US foreign aid and the centrality of education in US foreign policy potentially create a large market for US based education organisations.

With respect to TVET, the picture is rather mixed. In fact, given that the USA is a federal country which delegates responsibility for education to the States and has further layers of delegation at county level, it is somewhat misleading to speak of an American system.

Table 3.4 Relative strengths and weaknesses of the US system

	Relative strengths	Relative weaknesses
Student recruitment ¹	Reputation of higher education system Ease of transition between VET and HE Competency-based approach to course access Substantial levels of aid available to bring students from abroad via USAID	Full cost fees Difficulty entering USA on a student visa from some countries Qualification system fragmented Late entry to the international market below HE level
Offshore activities	Levels of capital available for subsidy Presence of USAID Relatively large private / corporate training sector willing to invest overseas	No single system that can be transferred Relatively late into the market

Figure 3.2 Classification of national TVET systems



3.2.5 Conclusion

The following schema is used as a means of classifying countries based on the level of integration between agencies responsible for establishing training markets for TVET providers and the extent to which TVET providers in each country are competing with one another for both domestic and export markets (see *Figure 3.2*). The UK is characterised by relatively modest levels of integration but relatively high levels of competition between TVET providers.

The Australian and German systems are characterised by high levels of integration but lower levels of competition between TVET providers than is found in the USA and the UK. For these countries, models of international TVET provision have been successful in delivering a high level of export activity. The UK system is somewhat different since it emphasises competition between providers much more and this is, ultimately, beneficial since competition is a driver of productivity and innovation. The issue is: what can be transferred from the competitor models to the UK system without the latter losing its defining characteristics?

The answer lies in improved provision of information about markets – their size, potential, and means of access. The UK has been successful in this regard, as the survey and college case studies reveal but information supply would appear to be the factor that could provide a competitive edge. There may also be scope for intermediary organisations to help facilitate the creation of networks and partnerships both within and outside of the UK. The direction of change is towards operating in partnership with other countries rather than importing students to the UK. Germany and Australia have an advantage here insofar as there are organisations in place that create the networks and partnerships of which GTZ and the TAFEs, respectively, are able to take advantage. Indeed, the size of GTZ is such that it creates its own networking capacity.

The UK's relative advantage is its more market driven approach which makes it more entrepreneurial in capturing new markets. Creating a strong network of information about market opportunities and facilitating the creation of networks of activity potentially provides UK TVET organisations with some of the relative advantages enjoyed by the more integrated, co-ordinated approaches common to Germany and Australia. With respect to the product on offer, Germany, Australia, and the UK have an advantage over the USA insofar as they have a strong brand underwritten by a high level of quality assurance. In all cases, there is a national system that can be exported. This is less obviously so in the USA where there is much less of a defined national system to export. In many respects Australia and the UK are exporting a similar competence-based qualification system which has sufficient flexibility to meet the economic needs of both host countries and those to which they export. In contrast, the German dual system is much less amenable to export given its dependency upon the institutions of the German labour market.

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4 Assessment of opportunities for UK FE / TVET in the international market

4.1 Introduction

This section provides a general assessment of opportunities in the international market and in selected five countries / regions:

- China;
- India;
- Russian Federation;
- Viet Nam, with statistical data provided for two other Mekong Delta countries (Thailand and Laos);
- United Arab Emirates (UAE), with statistical data provided for all other Gulf States (Bahrain, Kuwait, Oman, Qatar, and Saudi Arabia).

These countries form part of the PMI2 initiative and have been selected by key stakeholders on the basis that they offer specific opportunities for FE colleges and TVET providers. The selection has been guided by a number of factors, such as the support provided by the British Government in relation to a range of agendas, national policy towards TVET in the target countries, disposition of target countries towards the British education system and their historical ties with the UK. It is assumed that these factors may combine to offer a good platform for international activities. In addition, the level of information which is already available on other PMI2 countries which have particular relevance for the FE sector has also been taken into account.

Market related information is currently collected on a systematic basis by a number of organisations for a range of countries, but access to this may be limited as it is commercially sensitive or it is of commercial value (in relation to subscriptions). The main sources this report noted were:

- the British Council via its Education UK Partnership Service (for an annual subscription fee). More general country specific information is, however, publicly available;
- UKTI, although intelligence about demand for education services is being built up (access to detailed country and sector reports is granted via registration); and
- large awarding bodies (they operate in a vast number of countries and produce regular updates of country reports in which they are operating or which may be of interest for internal purposes).

Other than access to UKTI intelligence, none of the above sources was available to the research team for the purposes of conducting an assessment of opportunities in the international market. Instead

information was collated from a range of alternative sources, including:

- reports from international organisations, in particular the World Bank, the Asian Development Bank, OECD and UNESCO-UNEVOC / UNESCO Institute for Statistics for statistical data;
- VET research centres or networks in the target countries;
- information provided via the relevant ministries, in particular the Ministry for Education and the Ministry for Labour in each country (mainly education or economic development plans, VET reform and relevant news items);
- press articles from national newspapers in the English language.

The above was supplemented by an interview with a UKTI regional representative with expertise on India.

A desk research based assessment has limitations, in particular when relevant (policy) documents are only provided in the country's own language. Overall, the availability of documents in English language was much better than initially expected.

The assessments presented in this section cover the following topics for each country:

- overview: population, economic and political background;
- education system and participation rates;
- economic developments; and
- overall assessment of opportunities (including the integration of findings from the survey of colleges and the interviews with colleges and stakeholders). These contain occasional references to the two other Mekong Delta countries and the other Gulf States.

Annex 1 at the end of Section 4 provides an overview of statistical data on:

- (a) population, economic development and literacy rate and
- (b) enrolment in secondary to tertiary education for the five countries, the two other Mekong Delta countries, and the other Gulf States.

4.2 Overall assessment of opportunities in the international market as perceived by colleges and stakeholders

4.2.1 Overview

Stakeholders were asked to assess opportunities for TVET in the international market in terms of types of activities and regions. If one or more of the five selected PMI2 countries were not mentioned, stakeholders were specifically asked for their views on opportunities in these countries. Opportunities for collaboration or commercial contracts for FE providers often only arise after a longer period of relationship building at governmental level. Furthermore, opportunities will be driven by specific demand in specific countries related to specific needs. Potential customers will either detail their requirements at the outset (e.g. via tender specifications) or will choose from the range of options presented by providers or consortia which pursue a proactive strategy. One stakeholder strongly emphasised that opportunities should not be pursued along the lines of a 'donor' approach (i.e. where the country is seen as having a problem and UK providers have the solution to this problem). Instead scope for mutual learning processes should be actively explored. FE providers may also consider opportunities arising in the light of their own strategies and pursue those which potentially offer the 'best fit' in terms of providing

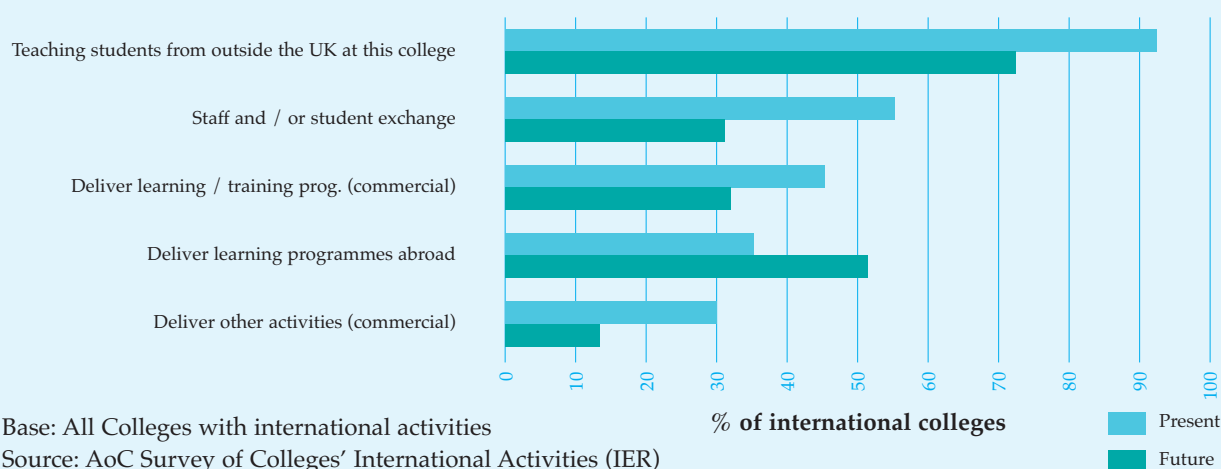
good value for the customer and enhancing their own reputation by effective delivery.

Against this background a number of general points about the range of opportunities can be made.

According to both stakeholders and colleges (see *Figure 4.1* for colleges' assessment) there will be further opportunities for international student recruitment, but these are perceived to be declining in favour of in-country delivery. Some stakeholders emphasised that the market for international student recruitment to the UK has become more competitive and that strategies to ensure more effective student recruitment would need to be put in place as this is "a fairly expensive business".

Delivery in-country can take a number of forms ranging from long-distance learning, to flying faculty to setting up a branch of the college in-country (i.e. in countries where such opportunities are being offered). These options were not explored in-depth, but some stakeholders mentioned, in particular, the delivery of joint courses to meet specific needs of the partner organisation (though at the same time it was conceded that there is very little slack in the system to enable FE colleges to pursue this type of development), the delivery of training for corporate companies abroad or more generally delivery of training programmes for in-country workforce development (i.e. teacher / examiner / assessor training).

Figure 4.1 International activities: present and future



Having established the IT structure to support virtual learning for home students, colleges could build on this to deliver blended or e-learning, according to one stakeholder. This may, however, give rise to other implications which need to be considered: e.g. there may be a demand for 24/7 teaching due to the time differences with the UK. It was also suggested that colleges need to think about which business models are most suitable in different situations (e.g. franchising or flying faculty). Another stakeholder emphasised that there is a need for products offering flexibility in terms of the geographical location of the delivery: higher education institutions were seen to be leading the way but it was not clear what flexibility FE might be able to offer.

Other opportunities which were identified or proposed included:

- capacity building / good practice / modernising TVET/ curriculum development/ teacher training for VET;
- global partnerships;
- EU funded programmes (some see this as a declining area and these programmes are also perceived to be bureaucratic and loss making);
- bidding for larger contracts;
- consultancy services (e.g. provision of expertise to help set up colleges or training facilities and / or manage the institution);
- progression from English language courses in the private sector to vocational or English courses in FE and HE was considered to be under-developed in Scotland. It was argued that it does happen but it was not perceived to be as systemised as it could be;
- English language training. Yet there was also the perception that overseas governments have put restrictions in place for students wishing to come to the UK for English language courses only, as they are expected to attend these in their home country. Delivering standalone English language courses overseas may not be viable, but there may be scope for integrating English language courses into vocational training programmes;
- foundation programmes introduced some six years ago as a one-year higher education entry programme offer opportunities for students to improve their English language skills in combination with subject specific skills. However, there is a perception that higher education has increased its market share by offering foundation programmes as a precursor to Degree

programmes (informally referred to as year zero of the programme). In the latter case, students do not have to re-apply for their visa;

- quality assurance services (advice, consultancy, training, development and operation of quality assurance and inspectorate type services; assessment services provided online);
- development of teaching materials for which students can choose the language of instruction (i.e. native language or English);
- some stakeholders suggested exploring market opportunities for VET programmes in particular industry sectors (hairdressing was mentioned as one example) or in contemporary niche markets (e.g. call centres, biotechnology and life sciences);
- whilst awarding bodies and colleges may often be competing for contracts, some stakeholders (awarding bodies and FE colleges) saw the potential for greater collaboration;
- one or two stakeholders reflected on whether there were opportunities for FE colleges to work collaboratively with higher education institutions to offer, for example, packages for workforce development relating to different levels of qualifications, as has been the case for current developments in health care education in the UK;
- demand for comprehensive ('end to end') solutions from some countries (most notably Saudi Arabia) gave rise to the question whether the UK FE sector would want to pursue such opportunities, due to the fact that the current system is not sufficiently geared up;
- capacity building, collaboration between institutions and to an extent consultancy services are non-commercial in nature. As relationships evolve there may, however, be opportunities for income generating activities for UK FE colleges. These can take the form of student recruitment to the UK, resulting directly from informal local marketing during visits of UK FE college representatives or through the new partnership arrangements offering completers of local courses the opportunity to progress to higher level courses in the UK. There could also be other spin off activities (e.g. sale of specific products).

Stakeholders also saw opportunities for staff and student exchanges. For some this may be an aim in itself, for others it is a means for exploring further opportunities for collaboration or a vehicle for agreed joint activity.

Overall, there was considered to be no shortage of opportunities in the international market, but there is rather a need to focus resources on selected areas whilst at the same time staying aware of other opportunities arising which may offer potential. It was perceived to be easier to pursue opportunities in countries where relationships had already been established, historical allegiances existed and/ or alumni were fulfilling a strong ambassadorial for the UK system (in particular, Government officials who had studied in the UK). Rather than relying on anecdotal evidence one stakeholder suggested that structured, research-based educational market evidence should be gathered to support the prioritisation of opportunities.

The following countries were ones in which respondents believed there to be substantial opportunities (those mentioned most often are highlighted in bold):

- Parts of Asia:
 - China
 - India
 - parts of south east Asia: Philippines, Indonesia, Malaysia, Viet Nam;
 - parts of the Indian subcontinent: Bangladesh, Pakistan, Sri Lanka;
 - South Korea;
- South east Europe (opportunities were considered to be good but some countries may be more open to collaboration than others);
- Russia;
- Middle East (in particular Gulf States, Libya, Jordan, Egypt);
- Africa was considered to have potential, but there were perceived to be difficulties in relation to negotiating with the relevant administrations in some countries. South Africa was thought to offer good opportunities in the area of TVET. It was pointed out that colleges already had links with, for example, Gambia, Namibia, Libya, and South Africa;
- parts of South America: Brazil (based on the population size and the growth of the middle class but, it was also argued, there are issues around affordability. Furthermore, one stakeholder stressed that the country already has as a good VET system and that provision needed to demonstrate added value); Mexico (but a note of caution was also advised here as it has a strong allegiance with America due to proximity); Chile, Argentina, Peru and Venezuela were considered as possibilities by one stakeholder;
- North America (exchange programmes).

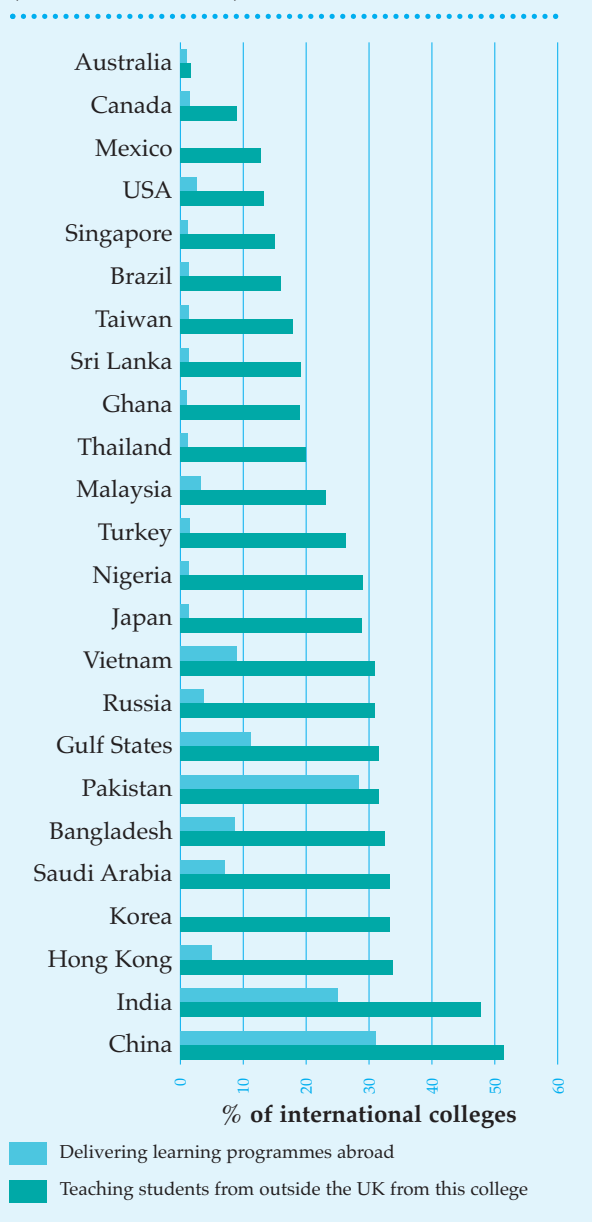
4.2.2 PMI2 countries

Assessments from stakeholders and colleges (see *Figure 4.2*) suggest that China and India offer many opportunities for the FE sector but they also present challenges. Good opportunities can also be found in the Gulf States and Russia according to both colleges and stakeholders, with colleges more convinced that the best opportunities are in south east **Asian countries (Bangladesh, Pakistan, Viet Nam)**.

China, India and the Gulf States are currently priority countries for a number of stakeholders. Although the emphasis is generally wider than education there may be scope for achieving synergy.²⁵

²⁵ China (UKTI, Scottish Executive (SE), Wales Assembly), India (SE, Wales Assembly), Gulf States (UKTI, SE) and Russia (SE).

Figure 4.2 Opportunities envisaged by colleges in PM12 countries (selected activities)



Base: All Colleges with international activities
 Source: AoC Survey of Colleges' International Activities (IER)

4.3 China

4.3.1 Overview

The People's Republic of China was founded in 1949 by the Communist Party. With its 1.3 billion inhabitants it is the largest country in the world, accounting for 20 per cent of the world's population. China has 33 regional units, with about a third of those having more inhabitants than the UK. The regions consist of 22 provinces (in addition to Taiwan, according to the Chinese Government), five autonomous regions, two special administrative regions (Hong Kong and Macau, after these were returned to mainland China in 1997 and 1999 respectively) and four municipalities reporting directly to Central Government (Beijing, Chongqing, Shanghai, Tianjin). Mandarin has become the dominant language spoken and understood by Chinese in all regions following Government policies relating to its adoption in education and broadcasting. At the same time, some parts of the country have a different first language (e.g. Cantonese in Hong Kong) or different dialects.²⁶

China has had one of the fastest growing economies and this growth is forecast to continue albeit at a slower pace over the medium term. The per capita gross domestic product has increased to US\$ 1,700 (classed as lower middle income) and the poverty rate, indicated as the percentage of the population who live on less than \$2 per day, has dropped substantially to 32 per cent in 2003. Not everyone has benefited from a better standard of living as income disparities between coastal and inland regions and between urban and rural areas show.²⁷ One of the key challenges for policy will be to help bridge these disparities to avoid social unrest. Despite its overall economic achievements, areas for concern include corruption, the Communist Party's tight control over the media, and China's human rights record.

China is undergoing a transition from a centrally planned economy to a socialist market economy which is expected to be fully developed by 2010 and to reach maturity by 2020. China is still in the process of substantial economic restructuring and this has major implications for the country's skills needs. As a result, China is continuing to expand its education system at all levels through the

²⁶ House of Commons (2006)

²⁷ WTO Secretariat (2006)

provision of public and non-public education (including via overseas providers) and to modernise the education system with the aim of meeting the economy's skill needs.

Since China proclaimed a new era of reform and openness some 30 years ago it has gradually established more relationships with the international community. China has recently (2001) become a member of the World Trade Organisation and will host a number of high profile international events over the next couple of years: the Beijing Olympics in 2008 and the Shanghai World Expo in 2010. China has also strengthened its international cooperation in education, particularly in the area of vocational education.

4.3.2 Education system

China's education system was initially modelled on the Soviet Union system but has since undergone a raft of substantial reforms. More recent key changes have included the expansion of the higher education sector; regulation of foreign investment (first introduced in 1995 with a focus on higher education and later extended to include vocational education²⁸); a stronger emphasis on vocational education with the enactment of the Law on Vocational Education about a decade ago to meet skills gaps at intermediate level; the encouragement of private education provision through the Law on the Promotion of Private Education in 2003 to facilitate the expansion of the education system²⁹; and the introduction of a system of lifelong learning.

English is the major foreign language in China, with children starting to learn English during their third year in primary school (House of Commons 2006).

The education system

After up to three years of pre-school or kindergarten, six-year olds embark on five or six years of primary education (depending on the system adopted in the region). This is followed by four or three years of education at lower secondary level. Whilst lower secondary level is mainly general education, there are also a significant number of junior secondary technical schools in rural areas designed to prepare students for work. The Government has made it a priority to achieve nine years of compulsory schooling (primary and junior secondary education) in all parts of the country within five years.

Having graduated from junior secondary school, students can either attend a general programme at an upper secondary school (usually three years) or embark on the vocational route. In the case of the latter, options include joining:

- (i) an upper secondary vocational school (vocational high school; two to three years), which provides a combination of general education and broad vocational training,
- (ii) a specialised vocational secondary school (three to four years), which prepares students for jobs at crafts or technician level; or
- (iii) a skilled worker training school (three years), which prepares students for employment in production. These schools are governed by employment authorities and the factories which subsequently employ these graduates.³⁰

(i) has developed since the late 1970s following major educational reforms, whereas (ii) and (iii) are more traditional forms of education and training.

Upon successful completion of a national university entrance exam, graduates from upper secondary schools can enrol at vocationally oriented tertiary programmes (higher vocational and technical colleges, three-year courses) or at universities (four years). Higher education has expanded rapidly since the second half of the 1990s, but critics argue that quality has not kept pace with quantity.

Figures for 2004 show that gross enrolment rate (percentage of students among the relevant cohort) was 94.1 per cent at junior secondary level, 45.5 per cent at senior secondary level, and 19.0 per cent at tertiary level.³¹ Overall, 11.3 million students were enrolled in upper secondary technical and vocational programmes in mainland China, an estimated 612 thousand on vocational programmes at post-secondary non-tertiary level and 7.4 millions at 1,200 vocational colleges at tertiary level. At upper secondary level 40 per cent of students were enrolled in vocational programmes and at tertiary level nearly 50 per cent. These figures are based on data for the Ministry for Education, but do not include statistics from Ministry for Labour and Social Security (MOLSS).³²

The responsibility for education rests with the Ministry for Education and MOLSS together with its equivalent departments in provinces. The MOLSS remit includes some types of formal training (this

²⁸ For a detailed overview of the 1995 and 2003 regulation see Garrett (2003)

²⁹ China in Brief (2006), private education

³⁰ A detailed overview on the Chinese vocational education system up until the second half of the 1980s can be found in Münch and Risler (1987).

³¹ Zeng and Wang (2006)

³² UNESCO-UNEVOC (2006)

constitutes about one fifth of enrolment at secondary level), non-formal vocational training, vocational skills standards, and skills accreditation policies.³³

Technical vocational education and training (TVET)

Vocational education and training (VET) comprises pre-employment training at schools, initial vocational training, on-the-job training and retraining of the unemployed, with training courses ranging from short courses through to four years.

VET has an important role to play in meeting China's current and future skills needs through a demand-led training system. Measures have been put in place to support the development of vocational education, but more remains to be done to modernise it, in particular:

- curriculum changes (course development, less emphasis on text book knowledge);
- more learning to occur outside the classroom in factories and via internships, yet , few internships exist as companies are less willing to engage in learning;
- training specialised teachers, as teachers currently have little practical experience in the subject they teach;
- building up a training system in response to local labour market demand; and
- supporting VET through increased resources.

VET is often considered to be a 'second choice' as most students who meet the entry requirements and have the financial means will opt for higher education. Placement rates of VET graduates are, however, reported to be significantly higher than those of graduates from higher education institutions, reflecting a high demand for intermediate skills. More detailed statistics indicate that 73 per cent of graduates from 'vocational schools' are employed, 10 per cent self-employed and 16 per cent embark on further studies.

Funding for vocational education

Current spending on education is 3.2 per cent of GDP. Despite regulations which state that 20 per cent of the education budget should be spent on vocational education, reports claim that actual figures are substantially lower and may vary from region to region.³⁴

It is expected that the education budget will rise to 4 per cent of the GDP by 2010, with US\$ 1.8 billion being pledged for vocational education during the current Five-Year Plan (2006-2010) for National Economic and Social Development. Reports indicate that initial measures will focus on relieving financial pressures on vocational schools (US\$ 384 million) as well as on improving teaching facilities and the curriculum at vocational colleges (US\$ 266 million).³⁵ Furthermore, around US\$ 64 million will be spent by Central Government on improving teaching standards in secondary vocational schools through teacher training (in-country and abroad) and the development of courses which are in high demand.³⁶

Internationalisation of vocational education

Reforms in vocational education and training are strongly influenced by models adopted in Western countries, in particular, it seems, the competence-based Australian and Canadian systems and the German dual system. In addition, inspiration is drawn from expertise provided by international organisation such as the International Labour Organisation and UNESCO, in relation to developing entrepreneurs and other areas.³⁷ Beijing, for example, has established cooperation programmes with 30 countries, including England, Germany, and Australia in a range of areas relating to vocational education and training, including curriculum design, certification, establishing joint training programmes and teacher training.³⁸

³³ World Bank (2007)

³⁵ Dalby (2006)

³⁷ Ministry of Education, Vocational Education in China

³⁴ Dalby (2006)

³⁶ Xinhua News Agency January 26, 2007

³⁸ Beijing Municipal Education Commission

Examples of international cooperation with Australia, the UK and Germany on vocational education and training include the following:

- supported by a large grant from the Australian Government via AusAID and funding from the Chinese Government, a demand driven vocational education system has been set up successfully in Chongqing as part of a five and a half year project, involving more than 50 schools and three universities. The project focused on five industry sectors / areas (automotive, information technology, ebusiness, hospitality and tourism as well as building and construction) and is regarded as a model which could be adopted in other parts of the country.³⁹

Partly due to its close proximity, China is one of the biggest markets for Australian transnational vocational education and training, accounting for two thirds (15,000 students) of Australia's offshore activities in 2004;⁴⁰

- the British Council has engaged in a number VET projects in collaboration with the Chinese Government, provinces, and municipalities. These projects focus on the introduction of NVQs, the construction of standards for a particular occupational group, curriculum design and teaching methodology reform, and involve a range of partnerships between UK and Chinese counterparts.⁴¹

Furthermore, figures from the British Council indicate that there has been a rapid growth in Higher National Diplomas (HNDs) during the past two years. Some 7,000 HNDs have been delivered by the Scottish Qualifications Agency and EDEXCEL through franchising of taught courses in Chinese colleges;⁴²

- examples of Sino-German partnership include the training of printers at a Sino-German vocational education centre for printing techniques since 1998 and the development of a two-year vocational education programme for media designers in the booming city of Shenzhen in the province of Guangdong.⁴³

The number of Sino-foreign joint venture educational programmes has increased rapidly after China joined the World Trade Organisation (WTO), and stood at 851 by the end of 2005.⁴⁴

The latest regulations, effective since October 2006, explicitly allow foreign investment in vocational training in joint ventures between foreign and Chinese education institutions. They stipulate that Chinese institutions need to have a specified minimum training capacity (at least 200 students), a threshold level of capital and assets (500,000 Yuan) and that they are not allowed to make a profit.⁴⁵ Officials have, however, expressed some concern about the lack of teaching quality within joint educational programmes and this has prompted a ministerial decision to postpone decisions about new joint educational programmes for "higher vocational occupations" until 2009 and to scrutinise new applications more closely. Whether this affects both vocational and higher education is not clear.⁴⁶

Internationalisation of higher education

Outward mobility: Ministerial figures for 2003 indicate that 134,000 Chinese students were studying overseas, the majority of which (90 per cent) were self-funded, with the remainder being supported either by the Government or the employer.⁴⁷ Europe was a key destination for outbound Chinese students (50 per cent), followed by Oceania (23 per cent), and North America (15 per cent).⁴⁸

Data provided by the Global Education Digest indicate far higher levels of Chinese students studying abroad: around 343,000 students, equivalent to 1.8 per cent of the Chinese student population, with favourite destinations including the USA (26 per cent), Japan (22 per cent), the UK (14 per cent), Australia (8 per cent) and Germany (7 per cent). Respective figures for Hong Kong are 34,200 students studying abroad (22 per cent of its student population), with 38 per cent choosing Australia, 31 per cent the UK, 22 per cent the USA, 5 per cent Canada, and 2 per cent Macao, China (Global Education Digest 2006). The UK, after the US, is one of the most popular choices for Chinese students. Overall they account for about a quarter of non-EU students in the UK. According to the British Council, competition remains fierce due to the recruitment activities of other countries and the increasing provision of courses taught in English by non-English speaking countries.⁴⁹

39 China Daily, May 10, 2007

42 House of Commons (2006)

45 Xinhua News Agency August 18, 2006

48 Ministry of Education, international education

40 Barnaart (2006)

43 Berliner Morgenpost 2007

46 Xinhua News Agency April 20, 2007

49 House of Commons (2006)

41 British Council (2007)

44 People's Daily online, February 25, 2006

47 Xinhua News Agency March 7, 2007

Inward mobility: At higher education level China has attracted an increasing number of international students. The majority of the around 163,000 students in 2006 came from neighbouring or near by Asian countries (74 per cent), followed by Europe (13 per cent) and America (10 per cent).⁵⁰

Transnational education: Research undertaken by Garrett (2004) suggests that transnational higher education in China (joint ventures approved by the Ministry of Education and others) has seen a rapid growth in recent years. Whilst Australian universities were pioneers of transnational higher education in China during the 1990s following the 1995 regulation, the UK has stepped up its activity in the meantime according to the British Council. The University of Nottingham Ningbo started recruiting students in 2005, a joint venture between Liverpool and Jiaotong University has been approved, and more applications for joint UK Chinese ventures have been submitted to the Chinese authorities.⁵¹ A recent report published by the Quality Assurance Agency for Higher Education indicates that half of the UK universities (82) had established or intended to establish links with China for the delivery of a UK higher qualification, mainly through undergraduate progression routes but also through a variety of other programmes.

Despite increasing competition, there are still opportunities for transnational education, according to a recent study undertaken by researchers at the Sheffield Hallam University on behalf of the British Council. These include in-country vocational education programmes, in-country dual qualification programmes which lead to higher education entry in China, in-country dual Degree programmes in collaboration with high-ranking Chinese universities, and in-country top-up qualifications.⁵²

4.3.3 Economic developments

The rapid growth of China's economy has led to a large foreign trade surplus, boosting the countries resources for investments abroad. There have been signs that the economy is in danger of overheating, but these fears may be exaggerated according to a recent analysis.⁵³

The restructuring and modernisation of China's industry is an ongoing process. The primary sector's share of total employment has fallen

by 15 per cent over the last 15 years, but it still accounts for 45 per cent of employment (see *Figure 4.3*), though only for 15 per cent of the GDP.⁵⁴ Despite restrictions on movement still being in place, each year millions of farmers migrate from rural areas to urban areas in pursuit of better opportunities elsewhere or because farmland has been converted into industrialised areas. Whilst booming coastal areas welcome an increase of their labour force, the skills of the migrating workforce often do not match local skills needs in terms of both level and type. To assist with the transformation of the primary sector, the Chinese Government intends to provide: (i) training programmes in agricultural technology (for 50 million farmers) to boost the sector's productivity; and (ii) training for jobs in other sectors (for 50 million farmers, equivalent to around 7 per cent of the current labour force) during the period of the current Five Year Plan (2006-2010).⁵⁵

Industry and services account for just over half of employment and produce 78 per cent of the GDP. China's main service areas, measured in terms of their share of total employment, include wholesale, retail trade and catering; transport; storage and communication; and education, culture, arts and media. Comparisons with other economies at a similar stage of development suggest "considerable scope for expanding the services sector".⁵⁶ In the meantime, a National Leadership Group for the Development of the Services Sector has been set up with equivalent groups to be established at more local level.⁵⁷

According to media reports, huge investments are planned in infrastructure projects during the current five-year planning cycle. This includes airports (upgrading existing ones and building 42 new ones to meet a forecast rise in tourists visiting China over the next 15 years)⁵⁸, ports (enlarging three existing ports and building 2 new ones as foreign trade is expected to increase).⁵⁹

50 Xinhua News Agency June 29, 2007

53 The Economist, July 27, 2007

56 WTO (2006), Economic environment, p 9

59 China Daily, May 8, 2006

51 House of Commons (2006)

54 World Bank (2007)

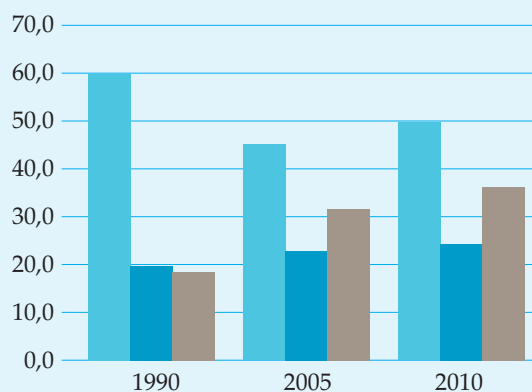
57 Hogan and Hartson (2007)

52 Tang and Nollent (2007)

55 GOV.cn (2006)

58 China Daily, May 9, 2006

Figure 4.3 Share of employment by sector (in percent)



Source: Yanbin 2007 (for 1990 and 2005) and People's Daily Online, March 3, 2005 (for 2010)

During China's transition to a socialist market economy there has been a reduction in the number of state-owned businesses and in the number of staff employed in those companies in order to increase their productivity and competitiveness. Retraining those who had been made redundant in this process has been and still is an enormous challenge.

Projections for 2010 indicate an estimated shortfall of 10 million jobs.⁶⁰ To help bridge this gap, the Government has promoted the establishment of small and medium sized enterprises. In the past, private enterprises have been a major driver of job growth, but further increases could be achieved by addressing regulatory issues (including protecting property rights), according to a recent OECD report.⁶¹ Promoting labour intensive industries was also considered a viable strategy for job growth. A greater diversification of modes of employment (including part-time work) in response to market demand may, to some degree, help to reduce the overall shortfall in jobs. However, creating the required volume of new jobs whilst keeping the registered unemployment rate at below 5 per cent, remains a challenging task. From 2010, when the country's transition to a market economy is expected to come to an end, it will be up to the job seekers themselves to find employment.

Matching supply and demand during a period in which the country is undergoing substantial economic restructuring is a formidable task. To help facilitate this process, the Government has promoted the development of local labour market information (some 100 cities have set up web based information on the local labour market), has increased the number of agencies helping to guide job seekers (public and private job centres), is endeavouring to introduce a market driven wage structure and is providing training which is responsive to labour market needs.

Vocational training has an important role to play, according to the Government. It needs to become more demand-led to help reduce the shortages in intermediate skills (including technicians and skilled workers in the automotive industry).

4.3.4 Conclusion: assessment of opportunities for UK FE / TVET

Literature based assessment

The further expansion of the vocational education system in the most populous country in the world together with an invitation for foreign investors in the TVET sector appears to open up a range of opportunities for joint ventures in China. Foreign providers can offer valuable international expertise at a time when the system is being reformed and when there is a demand for capacity building. Regulation of foreign engagement may, however, be subject to change resulting in either a more favourable or a more restrictive situation, as recent media reports on a temporary suspension of all new applications show, and thus it needs to be monitored.

Advice from UK agencies and anecdotal reports from people with first-hand experience of vocational transnational education in China suggests that any engagement in China should be approached with a longer-term view due to the importance of the time-consuming nature of relationship building⁶² and the length of time it takes for decisions to be made by various authorities. There is also some evidence of the importance of high level relationship building and national initiatives which provide fertile ground for successfully establishing partnerships at local level.⁶³

⁶⁰ People's Daily Online

⁶² For further details see Lasserre and Schütte (2006)

⁶¹ OECD (2005)

⁶³ House of Commons (2006); Tang and Nollent (2007)

Recent research on UK transnational education in China suggests that there are opportunities for more in-country vocational programmes (e.g. in Guandong and Congqing).⁶⁴ Although largely focused on higher education, this seems to be equally applicable to further education. As lifelong learning becomes more important, there seems to be growing demand for continuing professional development and distance learning. English language teaching programmes also seem to be in high demand, according to the British Council.⁶⁵

Entrepreneurship and inclusion of under-represented groups (e.g. disabled people or women) are cross-cutting themes in vocational education in China and foreign expertise might also be welcome here.

In the education sector itself, there seems to be a need for specialist training for teachers in secondary vocational schools (teaching methods and technical training) and for training more teachers in accordance with the expansion of the sector.

Opportunities emanating from sectoral changes or expansion are more difficult to pin down at national level. There appears to be a need for modernising the banking sector and building up the legal system and the expertise that goes with it. Demand for intermediate level skills is likely to arise from planned infrastructure projects, the retraining of farmers for new jobs and the planned expansion of the service sector. More specific education and training needs will have to be explored at a more local level, with labour market information being provided by a substantial number of cities.

Under PMI2 there are also specific opportunities for colleges with existing relationships with Chinese colleges to bid for global FE partnership projects and to participate in British Council led strategic dialogues.

College and stakeholder assessments

China was identified by stakeholders as a key market for FE. It was emphasised that China is a large fast growing country which wants to reform its VET system swiftly and introduce English as a key skill. Even at regional level the demand was considered to be huge, e.g. for teacher training and there are opportunities for lifelong learning according to the current Five Year Plan.

However, a number of challenges were also identified, with some stakeholders even stressing that capturing the market in China is problematic

as a result of some of these. The key perceived challenges are listed below.

- Market access was seen as an issue, largely due to the size of the country. Rather than trying to access the market at national level, regional approaches were regarded as more appropriate. Even so, some argued that more partnerships would be needed to meet high demand in certain areas (e.g. teacher training).
- Navigating the administrative system can be difficult as TVET is the responsibility of different ministries – notably the Ministry of Education and the Ministry of Labour – and of authorities at national and regional level. Recognition of qualifications may be required from regional and national authorities.
- A number of stakeholders have highlighted the importance of building relationships over time, of having patience with the decision-making process and of an in-country track record for an organisation to qualify as a serious business partner.
- One stakeholder reported that a recent increase in the rejection of visas for Chinese students by the Foreign Office seemed to have affected re-application rates. Having gained support from the Communist party in the first instance, it was argued that rejected applicants did not want to risk being turned down again.
- The status of UK FE colleges was perceived to be a problem in China as FE colleges deliver standalone qualifications but the institutions themselves are not accredited by their own Government. However, the latter is a requirement of the Chinese Government for the issue of visas. UK FE colleges which offer courses accredited by UK higher education institutions also found themselves at a disadvantage if their UK partner was not on the accredited list issued by the Chinese Government.
- Accreditation of qualifications can be a slow process.
- For those operating in-country attracting the right calibre of local people and complying with employment regulations can prove to be a challenge.
- Bureaucracy, corruption and intellectual property rights were mentioned as causes of concern.
- Making a profit and repatriating money has proved to be difficult.

⁶⁴ Tang and Nollent (2007)

⁶⁵ British Council (2007)

Figure 4.4 Assessment of opportunities in China (present and future)

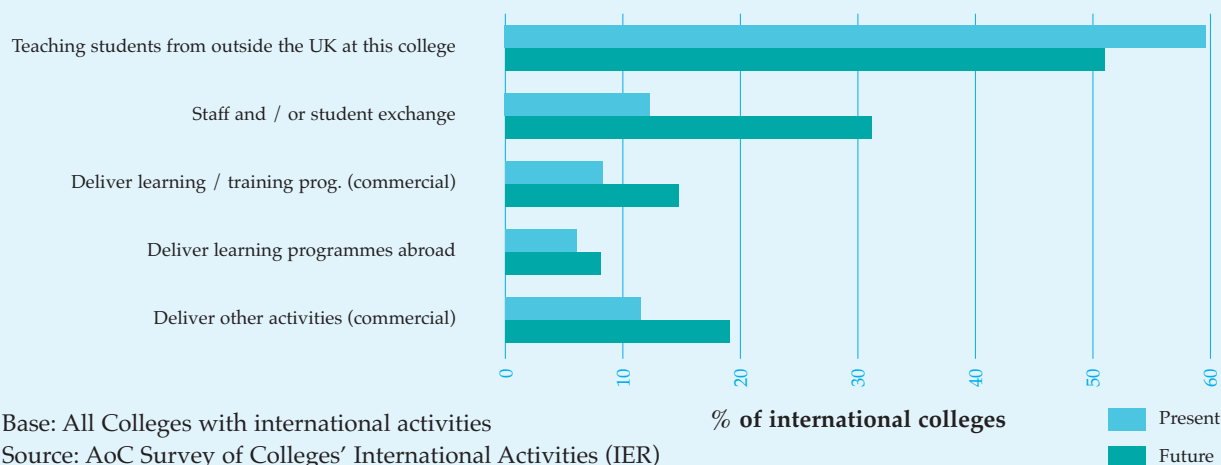
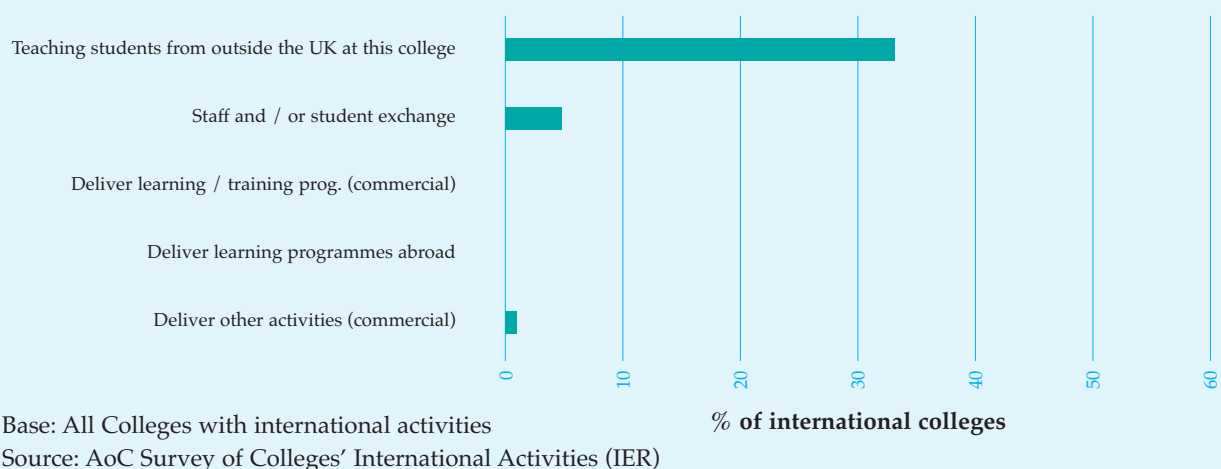


Figure 4.4 Assessment of opportunities in Hong Kong (future)



As *Figure 4.4* shows, FE colleges foresee potential in a number of areas, with growth envisaged in the delivery of learning programmes abroad, staff / student exchanges, and commercial contracts (teaching / learning programmes and other activities). *Figure 4.5* presents the perceived opportunities for Hong Kong separately, with the focus clearly being on teaching international students in the UK and delivering learning programmes abroad.

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4.4 India

4.4.1 Overview

With a population of 1.1 billion, the Republic of India is the world's largest democracy and the second most populous country. It covers an area of approximately 1.2 million square miles (excluding Kashmir), and has Hindi, English and at least 16 others as official languages.⁶⁶ India has a parliamentary system of Government and the President is the head of the Executive of the Union. There are 28 States and seven Union Territories in India, with the latter being administered by the President.⁶⁷

The GDP in India recently reached US\$1 trillion⁶⁸ and its GDP has been growing at an annual average pace of 8 per cent since 2003, reaching 9.2 per cent in 2007.⁶⁹ GDP growth of 3.5 per cent between 1950 and the 1970s, and of 6 per cent in the 1980s and 1990s was drastically increased by reforms made in the early 1990s. Barriers to trade were lowered and capital markets were liberalised through these reforms, resulting in an increased trade in goods and services and attracting foreign investment.⁷⁰

4.4.2 Education system

Structure of the education system

The education system in India is divided into pre-primary, primary (also called elementary), secondary and higher education. Pre-primary education starts at the age of five and is not compulsory. Elementary education is compulsory and starts at the age of six and lasts until age 14. There are, however, some variations and in some State and Union Territories (S/UT) elementary education lasts eight years and in others seven years, depending on the number of lower and upper primary school years required.

Secondary education lasts four years in twenty S / UT and five years in twelve of them. Secondary education is divided into secondary and higher secondary education. In the former case, cycles may last two or three years; in the case of higher secondary education, cycles always last two years. Higher secondary education can be general or vocational, with the uptake for general education being higher than that of vocational education (only 4.8 per cent of students chose the vocational stream in 2000).⁷¹

Higher education includes undergraduate, postgraduate, pre-Doctoral and Doctoral programmes. Undergraduate and postgraduate programmes lead to Bachelor's and Master's Degrees, respectively; diploma-leading courses are also offered. Bachelor's degree programmes last between three and five and a half years, depending on the area of study. Master's Degree programmes last two years and can be coursework or research-based. Pre-Doctoral programmes leading to an M.Phil. Degree are research-based but can include coursework as well. A Doctorate Degree requires completion of a thesis based on original research. Admission to postgraduate programmes in engineering and technology requires successful completion of the Graduate Aptitude Test in Engineering or the Combined Medical Test.

Vocational and technical education and training

Vocational education at the higher secondary level was introduced in 1998 with the aim of preparing individuals for the labour market and meeting the demand for skilled workers. It also provided an alternative to general education for students less inclined to academic focused education. Vocational education courses are offered in six disciplines: agriculture; business; humanities; engineering and technology; home science; and health and paramedical skills. Curricula for around 82 competency-based specialisations were developed by the National Council of Educational Research and Training (NCERT). Course programmes include 70 per cent of vocational theory and work-based training, as well as 30 per cent of courses covering general education, foundation courses and language learning.

Unlike vocational education, vocational training comprises programmes which fall outside the formal education system. These programmes include training for crafts level occupations and apprenticeship training, and are provided by Industrial Training Institutes (ITIs) and Industrial Training Centres (ITCs). ITIs are financed and managed by state labour ministries, whereas ITCs are owned, financed and managed by private organisations or non-governmental organisations (NGOs). There are around 3,358 ITIs and 1,895 ITCs and they provide places for approximately 400,000 and 340,000 students, respectively. Admission to ITIs and ICTs are made on the basis of the grades obtained in public examinations. As in the case

66 BBC Country Profiles

67 Know India. State and Union Territories

68 The Economic Times

69 The Economist. India Overheats

70 The Economist. India On Fire

71 UNESCO: International Bureau of Education

Table 4.1 Number and Capacity of ITIs and ITCs, in States and Union Territories, 2005

States	Number of Institutions			Total Capacity			Population (millions)	Capacity per million population			Ratio of private to public	
	ITIs	ITCs	Total	ITIs	ITCs	Total		ITIs	ITCs	Total	Institutes	Seats
States with Dominant Private Sector												
Andhra Pradesh	92	476	568	24,239	87,346	111,583	75.7	320	1,153	1,474	5.2	3.6
Tamil Nadu	71	605	676	24,812	62,191	87,003	62.1	399	1,001	1,401	8.5	2.5
Kerala	82	467	549	16,176	43,945	60,121	31.8	508	1,380	1,888	5.7	2.7
Karnataka	131	610	741	21,340	38,576	59,916	52.7	405	732	1,136	4.7	1.8
Orissa	27	147	174	7,328	16,660	23,988	36.7	200	454	654	5.4	2.3
States with Dominant Public Sector												
Maharashtra	347	267	614	67,390	29,794	97,184	96.8	697	308	1,004	0.8	0.4
Gujarat	135	129	264	70,500	16,626	87,126	50.6	1,393	329	1,722	1.0	0.2
Uttar Pradesh	185	128	313	38,644	13,284	51,928	166.1	233	80	313	0.7	0.3
Madhya Pradesh	136	33	169	19,538	2,860	22,398	60.4	324	47	371	0.2	0.1
Punjab	110	71	181	14,351	4,716	19,067	24.3	591	194	785	0.6	0.3
Bihar	29	29	58	10,496	4,472	14,968	82.9	127	54	181	1.0	0.4
Haryana	81	25	106	13,477	1,428	14,905	21.1	639	68	707	0.3	0.1
Chhattisgarh	80	57	137	8,984	5,880	14,864	20.8	432	283	715	0.7	0.7
West Bengal	49	18	67	11,956	964	12,920	80.2	149	12	161	0.4	0.1
Delhi	14	48	62	6,088	1,592	7,680	13.8	442	116	557	3.4	0.3
Uttaranchal	57	16	73	6,088	1,592	7,680	8.5	718	188	906	0.3	0.3
Himachal Pradesh	55	8	63	5,649	980	6,629	6.1	930	161	1,091	0.1	0.2
Jharkhand	14	22	36	2,564	3,124	5,688	26.9	95	116	211	1.6	1.2
Assam	24	3	27	4,536	84	4,620	26.6	170	3	173	0.1	0.0
Jammu & Kashmir	38	0	38	4,332	0	4,332	10.1	430	0	430	0.0	0.0
Goa	11	4	15	2,652	420	3,072	1.3	1,973	313	2,286	0.4	0.2
Combined other States	23	142	165	2,784	320	3,104	12.4	225	26	250	6.2	0.1
Combined UTS	13	8	21	3,316	664	3,980	2.7	1,242	249	1,491	0.6	0.2
Total all India	1,895	3,358	5,253	396,712	341,386	738,098	1,027	386	332	719	1.8	0.9

Source: The World Bank (2006); DGET, data as at January 2005

of vocational education, students who undertake vocational training are generally those whose performance in general education is relatively poor.⁷² As can be seen in *Table 4.1*, the ratio of private to public ITIs and ICTs is particularly high in States such as Andhra Pradesh, Tamil Nadu, Kerala, Karnataka and Orissa.⁷³

The vocational education and training (VET) system in India is seen as a key supplier of the skilled workforce required to sustain the growing economy. The system, however, has failed to meet targets and is facing a number of challenges. Uptake of vocational education at secondary level has remained low in spite of reforms aimed at increasing enrolment levels to 25 per cent of the

population entering higher secondary education.⁷⁴ This may not be unrelated to the fact that VET graduates face poor employment prospects and that the skills acquired do not always meet the needs of the labour market. In addition to this, there is a lack of information and guidance available in relation to the training offered and industry is only just starting to get involved in the system.⁷⁵

Technical education in India is an important driver of the economy and has been given particular attention, especially during recent years. It comprises courses which award qualifications ranging from craftsmanships and Diplomas, to undergraduate and postgraduate Degrees and research-based specialisations. Training and

⁷² The World Bank (2006)

⁷⁴ UNESCO: International Bureau of Education

⁷³ The World Bank (2006)

⁷⁵ The World Bank (2006 and 2007)

research areas that are classified as belonging to technical education include: engineering; technology; architecture; town planning; management; pharmacy; applied arts and crafts; and hotel management and catering technology.⁷⁶ The administration, planning and development of technical education, as well as the approval of foreign universities / institutes to operate in India, are responsibility of the All India Council for Technical Education (AICTE).

An important aspect of the Indian education system is the co-existence of the private and public sector at all levels. For instance, due to a combination of lack of places and poor quality education, around 50 per cent of all school-age children attend private schools. This is considered an issue of concern since pressure to increase quality in public state schools usually comes from middle-class parents who, in the case of India, are more likely to opt for private schooling for their children. Moreover, it has been suggested that an important factor contributing to the IT boom in this country has been the proliferation of private colleges in the non-formal sector. These colleges, besides complementing the opportunities that the public-sector offers, have had the advantage of being demand-driven since their inception.⁷⁷

Education priorities for the 11th Five Year Plan (2008 – 2013)

According to the constitution, education is the responsibility of both the Central and State Governments, with the Central Government being solely responsible for standards in higher and technical education and institutions of national importance. Depending on the state legislation, responsibility for education up to secondary education level, as well as vocational education, adult and non-formal education can be devolved to local organisations (municipalities or Panchayati Raj bodies in rural areas).⁷⁸

Vocational education and training is the responsibility of a number of ministries, with the Directorate for General Education and Training (DGET) at the Ministry for Labour and Employment and the Ministry of Human Resource Development (MHRD, with both its departments having assumed responsibility for VET) being the key ones.⁷⁹ DGET's responsibilities include the Industrial Training

Institutes (ITIs) offering one to three year craftsmen training schemes for school leavers (above grade 8, 10 and 12) and the apprenticeship training schemes, run by different institutions, provide courses for between six months to four years for a similar target group. The responsibilities of the MHRD include the school-based vocational stream (two year programmes), the Community Polytechnic schemes and the distance vocational education programmes (six-month to two-year programmes).

Education is a key priority for India. As a result the education budget for the 11th five year plan (2008-2013) is expected to rise substantially, from 7.7 per cent to 20 per cent of the overall budget. Current GDP expenditure on education is 3.6 per cent.

The expected budget increase will be a substantial contribution to the Government's pledge to increase spending on education to 6 per cent of GDP⁸⁰.

In recent years central taxes have been increased to fund the rise in the education budget. During the five year period the Government has committed itself to expanding the education system, to achieving universal education of children aged between 6 to 14 years by 2010, and to improving secondary and technical education. The Prime Minister recently announced plans for expansion of education at all levels: 6000 new schools, 370 colleges (mainly in deprived areas) and 30 central universities. In the area of technical and professional education, the set-up of eight new Indian Institutes of Technology (IITs), seven Indian Institutes of Management (IIMs), twenty Indian Institutes of Technology and five new Institutes of Science and Education Research is envisaged,⁸¹ as is the vocationalising of secondary education. In addition there are plans to increase substantially the intake of existing IITs and IIMs.⁸²

More emphasis is to be placed on vocational education under the 11th Plan to provide the skilled workforce required to sustain economic growth. In his Address to the Nation in 2006 the Prime Minister announced a Vocational Education Mission and set up a Task Force on Skills Development within the Planning Commission to develop strategies for vocational education. The report of this Task Force, published in May 2007, sets out 26 recommendations mainly concerning the provision of training and regulation. The Task Force argued,

⁷⁶ AICTE

⁷⁷ Indo British Partnership Network

⁷⁸ See website of the MHRD:
www.education.nic.in/sector.asp#res

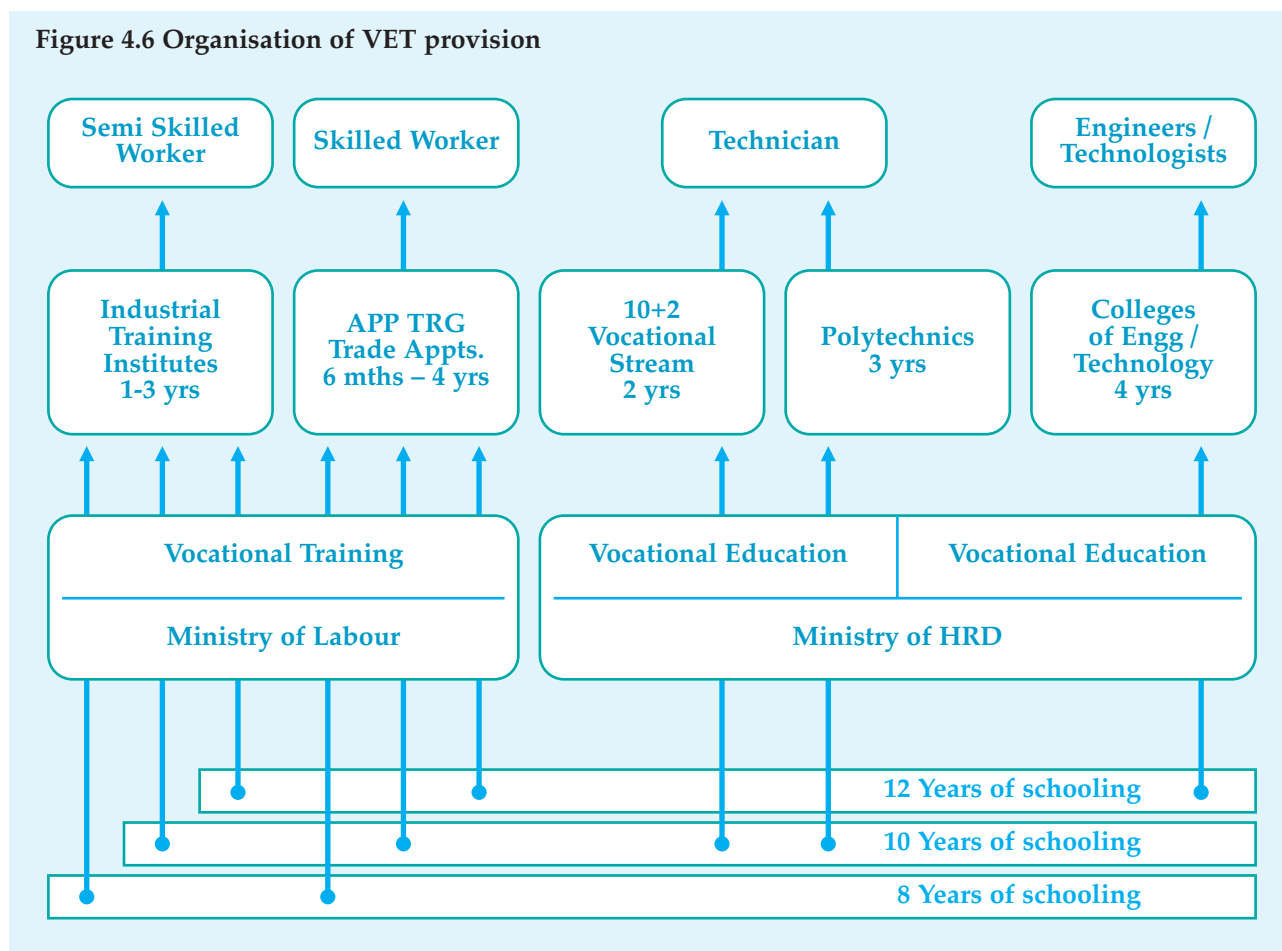
⁷⁹ A fairly comprehensive overview on TVET programmes run by various ministries can be found in the Planning Commission report (2007, Annex 1). More detailed information on the development of the main TVET programmes in the formal and the informal sector are summarised in Rajput (2007).

⁸⁰ Cited in the National Knowledge Commission (2007)

⁸¹ Prime Minister's Address to the Nation from the Red Fort on Independence Day 2007

⁸² India Education News, September 14, 2007
www.indiaedunews.net/Career/Existing_IITs,_IIMs_can_take_thrice_as_many_students_-_PM_2052

Figure 4.6 Organisation of VET provision



Source: Courtesy of AoC

amongst other things, for a shift from supply to demand-led provision, for the private sector to play the lead role in training provision as this provides the employment opportunities, for the encouragement of ITIs to grow until they reach their full capacity, for the significant expansion of distance learning education and for the set-up of training institutes in agriculture – mainly via a private public partnership (PPP) model – in recognition of the importance of skills development in agriculture (Planning Commission 2007).

The National Knowledge Commission (NKC) set up in 2005 as a high level advisory body to the Prime Minister for a three-year period also made recommendations on education, including vocational education, higher and technical education and English language skills. For vocational education the NKC advocated a range of measures to improve the quality of existing ITIs and ITCs, such as more autonomy to provide demand-led courses, regular up-dating of curricula, introduction of modules on generic skills and the

delivery of courses in English and in local languages. Furthermore, it was recommended that VET should be made more “flexible” (e.g. through retaining the generic skills element), that VET should be re-branded (for example, as skills development) to eliminate the negative connotations associated with it, and that the impact of VET on employment should be monitored. The NKC also asserted the need for the expansion of training opportunities for the informal sector, a substantial increase in training capacity through measures such as PPP or distance learning and a rise in public spending on VET to at least 10 to 15 per cent of the education budget. It argued that expansion of training capacity will, however, need to be based on an assessment of the skills needs. Other recommendations were made regarding regulation, certification and the remit of particular organisations. The NKC also recommended the introduction of English as a compulsory subject starting from grade 1 on a nationwide basis, and the use of English for selected non-language based

subjects starting at grade 3. This would have wide-ranging implications in terms of teacher training, development of learning materials, setting up of testing centres and funding. English language skills are seen as essential for improving access to higher education, employment and social opportunities, yet too few can afford acquire these on a self-funded basis, according to the NKC (NKC 2007b).

The following key VET-related measures have been or will be approved by the Government.

- The Government began the process of modernising and improving the quality of the ITIs in 2005 and intends to up-grade 500 ITIs to Centres of Excellence, with 100 being funded through the Indian Government and 400 through a recently approved World Bank credit of US\$ 250 million. The upgrade of the majority of the Government funded ITIs (around 1,400 out of a total of around 1900) will be undertaken via public private partnership – at least 300 ITIs per year from 2007/08 onwards. Rs25 million will be provided by the Government as an interest free loan for each ITI. Institutions will also be encouraged to expand their capacity.⁸³
- In an effort to increase the percentage of technically qualified people from currently 5 per cent to a targeted 50 per cent by 2021 the Central Government plans to set up 500,000 new vocational schools across the country.^{84 85}
- The Ministry of Human Resource Development also plans to launch new vocational training institutes catering for 14 to 18 year olds from disadvantaged groups who have dropped out of the education system.⁸⁶

Internationalisation of Higher Education

India has 124,000 students studying abroad, equivalent to 1.1 per cent of its student population. Nearly all opt for English speaking countries for their tertiary education overseas, the vast majority of them going to the USA (65 per cent), followed by Australia (13 per cent), the UK (12 per cent) and New Zealand (1 per cent), with 3 per cent studying in Germany (Global Education Digest 2006). In UK

higher education, Indians are the second largest group among international students, totalling 19,200 in 2006/07. This figure had increased significantly by 15 per cent from the previous year.⁸⁷

Since 2000, 100 per cent foreign direct investment in education has been allowed via the “automatic route” (i.e. requiring no clearance from the Foreign Investment Promotion Board). A new draft Foreign Education Providers Bill paving the way for 100 per cent direct foreign investment in all higher education institutions in India has recently been approved by the Government, but still needs to go through Parliament where it is anticipated to meet with some opposition. The Bill, the details of which are still the subject of debate, would facilitate the set-up of foreign branch campuses in “bricks and mortar” in India.⁸⁸ The establishment of Special Education Zones for Higher Education, mainly for foreign education providers is being deliberated.⁸⁹

4.4.3 Labour market, skills and the economy

In order to sustain its economic growth, India needs to address development ‘bottle-necks’ such as inadequate infrastructure, poor public services, skills shortages, and rigid labour laws.⁹⁰ In the case of skills shortages, there is a need for further investment in the education sector and for the adoption of strategies that will ensure the workforce has the skills which employers demand. As has been suggested, a growing population “by itself does not add to prosperity, unless young people are educated and new jobs are created”.⁹¹

Research suggests that education and skills acquisition plays an important role in India’s economy. Educational attainment of a company’s workforce has been associated with higher productivity levels and higher wages.⁹² At the same time, the demand for skilled workers has increased as technological innovation and economic growth take place. This positive picture of the relationship between education and training, however, does not apply equally to all sectors and the VET system seems to be failing to respond to employer needs.

⁸³ Referenced in the Planning Commission (2007)

⁸⁴ India Education News, January 14, 2008. www.indiaedunews.net/Career/50,000_more_vocational_schools_soon-Union_Govt_3137

⁸⁵ There have been recent newspaper reports that Punjab plans to introduce vocational courses at schools and that Delhi plans to open 50 vocational schools.

⁸⁶ India Education News, December 16, 2006. www.indiaedunews.net/Today/MHRD_plans_vocational_institutes_for_SC_ST_drop-outs_66

⁸⁷ Universities UK (2007 and 2006)

⁸⁸ Financial Express, 25 November 2007 www.financialexpress.com/old/fe_full_story.php?content_id=143739

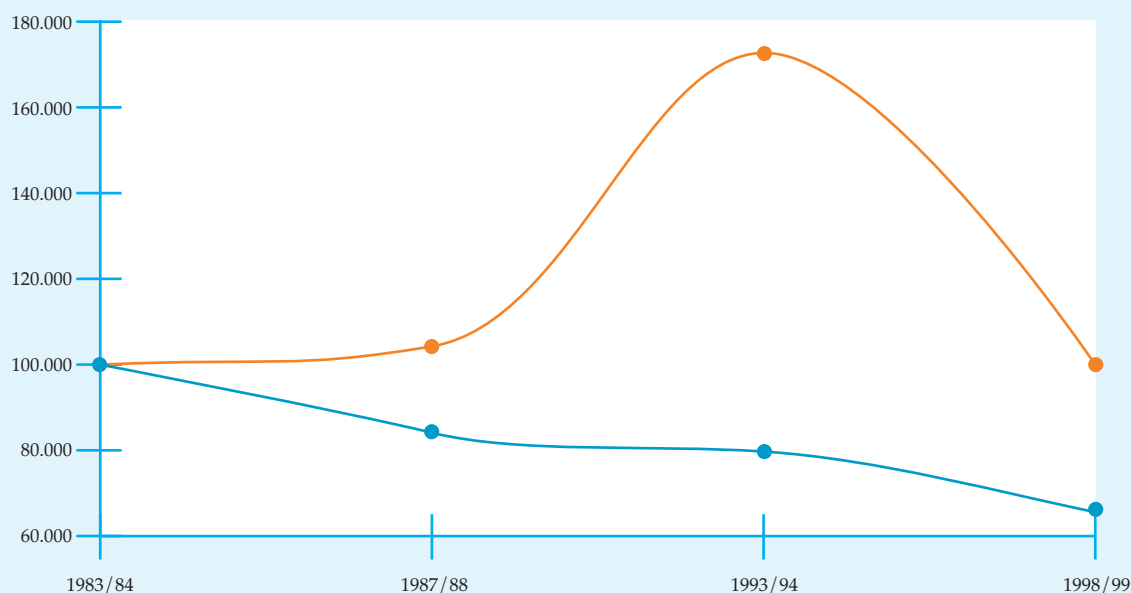
⁸⁹ India Education News, 24 October 2007 <http://www.indiaedunews.net/Universities/Govt_opens_door_for_entry_of_private_varsities_in_India_2302>

⁹⁰ The Economist. India On Fire

⁹¹ The Economist. India Overheats

⁹² The World Bank (2006)

Figure 4.7 Relative wages and relative supply of workers with technological / vocational skills



The graph shows the wages (and supply) of the group as a ratio of wages (supply) of workers with no more than secondary education. The solid line represents wages and the dotted line represents supply. The ratios are indexed to a value of 100 in 1983-84.

Source: The World Bank (2006); NSS data

As can be seen in *Figure 4.7*, wages for workers with vocational and technical skills decreased between 1983 and 1999, as the supply surpassed the demand at different rates during the same period. This suggests a decline in the demand for workers with certain VET qualifications and indicates problems such as a mismatch between the skills that VET programmes offer and those required by the labour market.

The vocational training sector in India grew from less than 100 ITIs and ITCs in the 1950s, 1960s and 1970s, to more than 4,000 in the year 2000, and more than 5,000 in 2004.⁹³ This means that more students are graduating each year from these institutions. Their prospects upon graduation, however, have not necessarily improved. Data from the World Bank suggests that of students who graduated from an ITI in 1998, 38 per cent were employed and 61 per cent were unemployed in 2001 (slightly more than 17 per cent were still studying, suggesting that some of those employed or unemployed were also in some sort of education).⁹⁴

In addition to this, evidence suggests that employers still face difficulties finding people with the right skills, despite the number of ITI and ICT graduates in relevant areas. A survey conducted by the Federation of Indian Chambers of Commerce and Industry (FICCI) which elicited the views of 55 enterprises on the quality and relevance of vocational and technical training suggests that employers see the system as being limited. Among the problems highlighted, respondents indicated that institutions were not aligned effectively to enable them to meet the needs of the industry, that they were not prepared to meet the challenges of the global economy, and that they should have greater exposure to industrial practices.⁹⁵

Training needs are largely a result of market demand. The Task Force on Skills Development recommended the establishment of new polytechnics in areas of demand, e.g. in retail (restructuring), tourism (expansion), health (expansion) and domestic services (employment opportunities). A lack of capacity for training

⁹³ The World Bank (2006, p. 22)

⁹⁴ The World Bank (2006, p. 26)

⁹⁵ The World Bank (2006, p. 28)

instructors to meet the growing demand for vocational training was also highlighted in a document provided to the Skills Task Force (Planning Commission 2007).

The informal sector: training and skills requirements

Although there is no statistical definition of the informal sector in India, it has been estimated that this provides over 90 per cent of the country's employment opportunities.⁹⁶ As defined by the Government of India, the informal sector:

"is broadly characterised as consisting of units engaged in the production of goods and services with the primary objectives of generating employment and incomes to the persons concerned. These units typically operate at low level of organisation, with little or no division between labour and capital as factors of production and on a small scale. Labour relations, where they exist, are based mostly on casual employment, kinship or personal or social relations rather than contractual arrangements with formal guarantees."⁹⁷

The informal sector absorbs a high proportion of the working age population and thus it has a large capacity for income and employment generation. This suggests the need to invest resources in improving the skills of those involved. Nonetheless, the main (or immediate) challenges facing those in this sector do not relate to training or the acquisition of skills, but access to capital and equipment and dealing with bureaucratic procedures. As for the supply side, training relevant to the informal sector is less organised than that of the formal education and training sector, and is limited in terms of its offer to employers and employees.⁹⁸

Informal training is currently provided by Community Polytechnics (CPs); Jan Shikshan Sansthan; the National Institute of Open Schooling (NIOS) and other agencies providing smaller programmes. CPs are entities within polytechnics offering vocational education courses but with a focus on the informal rather than on the formal sector and without leading to any recognised qualifications. Jan Shikshan Sansthan was originally an adult education programme but it now targets newly literate workers and unskilled or

unemployed young people in both rural and urban areas. As for the NIOS, these institutes offer programmes aimed at improving the basic education skills of people from disadvantaged groups, with the aim of improving their opportunities in the (informal) labour market.⁹⁹

In spite of this apparent lack of recognition by employers and employees of the need to develop the skills of the workforce in the informal sector, a number of opportunities have been identified. Table 4.2 provides a list of training needs for the informal sector.

Employment by sector

As indicated earlier, the vast majority of Indians work in the formal sector (in excess of 90 per cent), where agriculture provides most job opportunities (64 per cent), followed by trade, hotels and restaurants (10.5 per cent) and manufacturing (10 per cent) (see Table 4.3 for absolute figures). According to government statistics, around 26.5 million work in the formal sector, the large majority (70 per cent) in the public sector. Further details concerning changes in sectoral employment in the formal sector are provided in Figure 4.8.

The Planning Commission (2004, cited in Rajput 2007) identified the following sectors as those with high employment potential: commercial agriculture; construction; garment industry; retail and wholesale trade; tourism; housing; transportation and communication; information technology; education; health; financial services; and community services.

⁹⁶ Government of India

⁹⁷ Government of India

⁹⁸ The World Bank (2006, p. 45)

⁹⁹ The World Bank (2006, pp. 45-47)

Table 4.2 Skills requirements in the informal sector

Skill Area	Training Needs
Technical	<ul style="list-style-type: none"> ● General upgrading of technical skills used in trade ● Improved knowledge of materials utilized in trade ● Practical ways to cut down on waste of materials ● Basic reading of designs and drawings ● Repair of own equipment ● Additional skills required for new product designs ● More advanced equipment and improved technologies ● Basic knowledge of industrial production techniques
Management	<ul style="list-style-type: none"> ● Costing and pricing and related aspects of financial administration ● Various aspects of marketing, including carrying out rudimentary market research ● Customer relations, including setting up a customer data base ● Division of labor in the workshop and personnel management ● Input stock planning ● Quality control ● Workshop layout ● Legal and fiscal regulations
Literacy and Numeracy	<ul style="list-style-type: none"> ● Low educational attainments limit trainability and consequent skills achievements. Studies on the training needs of operators in the informal sector reveal a need for functional language.
Others	<ul style="list-style-type: none"> ● Knowledge of recent technological developments in the trades ● Teaching skills: improvement in the teaching skills of master crafts persons to increase the effectiveness of the training. Apart from the naturally gifted, masters typically know little about effective training methods for (young) adults. ● Cooperative work: why and how to work together, informally or as a trade association. This would include the role of groups in micro and small enterprise development, structures and processes of an association, group dynamics, etc.

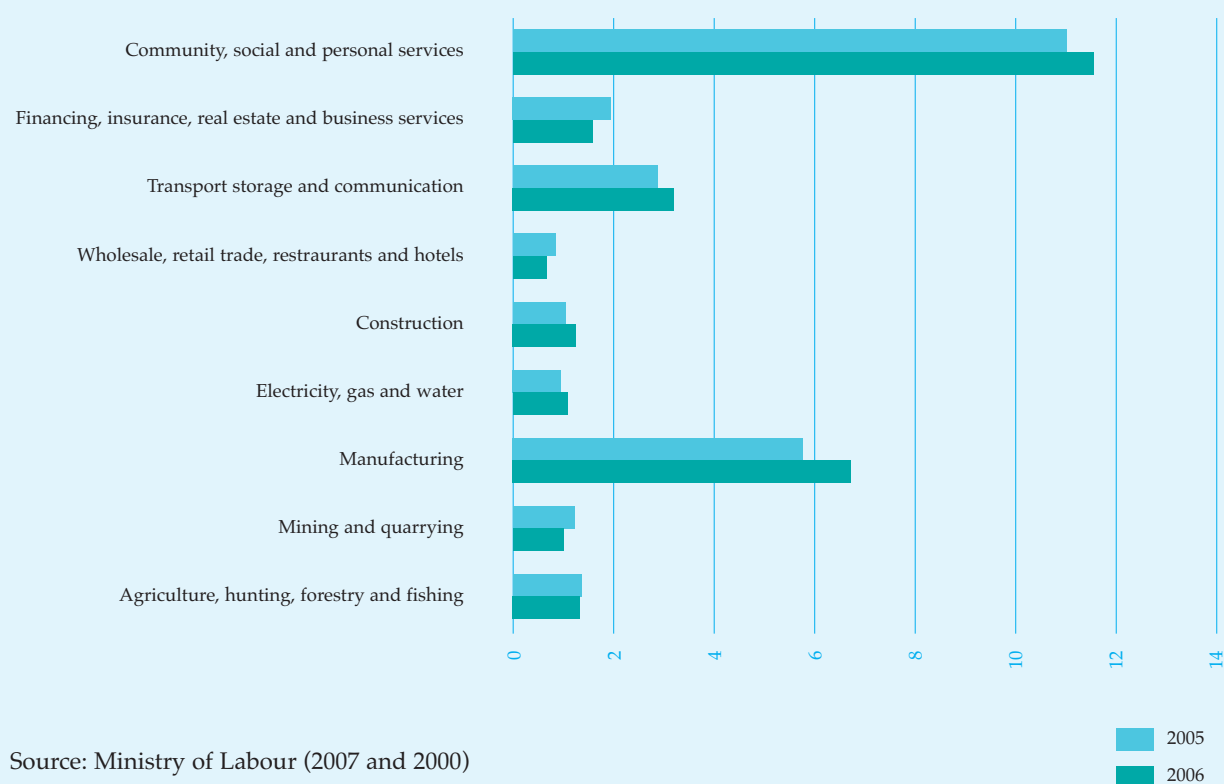
Source: The World Bank (2006); Johanson and Van Adams (2004)

Table 4.3 Employment by industry sector and formal / informal sector in 1999-2000 (in million)

	Formal Sector	Informal Sector	Total
Agriculture, hunting, forestry and fishing	1.4	238.6	240.0
Mining and quarrying	1.0	1.3	2.3
Manufacturing	6.5	37.2	43.7
Electricity, gas and water	1.0	0.3	1.3
Construction	1.1	16.4	17.5
Wholesale, retail trade, restaurants and hotels	0.5	40.1	40.6
Transport storage and communication	3.1	11.4	14.5
Services	13.2	24.7	37.8
Total	27.7	370	397.7

Source: Sakthivisl and Joddar (2006)

Figure 4.8 Employment in the formal sector in India by sector in 2004 and 2005 (in thousands)



4.4.4 Conclusion: assessment of opportunities for UK FE / TVET

Literature based assessment

The economic growth that India is experiencing, together with its large student-age population and its vast, yet insufficient educational system means that there are numerous opportunities for overseas education institutes at all levels. Currently, the market concentrates predominantly on higher education, including undergraduate and postgraduate courses, but there are growing opportunities in other sectors. The further education market, for instance, is currently relatively small but the opportunities are increasing as the service sector expands and other sectors (such as IT) are increasing the range of vocational skills that are required from employees.¹⁰⁰

There are also opportunities for overseas institutions to address the training needs outlined in Table 4.3. Some suggest that due to its flexibility and ability to react to the changing needs of employers and employees, the private sector is better suited than the Government to develop courses which meet the needs of the informal labour market. Courses in the informal sector may focus on technical, managerial, and basic skills as required in a particular industry or segment of this. Finally, the input of the Government is important since it can play a key role as facilitator and ensure that institutions receive as much support and resources as possible to enable them to fulfil their function.¹⁰¹

Recently, the British Prime Minister launched the UK-India Education and Research Initiative (UKIERI), following consultations with stakeholders in both countries. This five-year initiative (2006 – 2011) aims to develop and strengthen educational links between the two countries in three areas – higher education, schools and professional and technical skills (PTS) – and is supported by a high level policy dialogue. A total of £50 million is available, with awards for collaboration between institutions in both countries made on a competitive basis.¹⁰² The PTS strand (which constitutes a very small proportion of the programme) focuses on building partnerships between UK and Indian centres of excellence, initially in the area of financial services and creative industries. Some UK colleges are also engaged in school partnerships. The signing of two Memoranda of Understanding in January 2008, one between UK Skills and WorldSkills India, is expected to boost collaboration in VET between the two countries.¹⁰³ In

particular, discussions concerning British engagement in capacity building for existing and new Industrial Training Institutes are underway.¹⁰⁴

Under PMI2 there are also specific opportunities for colleges with existing relationships with Indian colleges to bid for global FE partnership projects.

College and stakeholder assessments

India was also identified as a key market by stakeholders. The size of the country, its growth prospects and also the need for capacity building makes it interesting. But some perceived there to be more demand for higher education than further education due to the fact that this is what people aspire to and where they see their future. Training needs certainly exist in the informal sector but are not matched by resources. There might be demand for special needs education or improving efficiency in certain areas (e.g. transport and logistics for perishable products). Opportunities and initial contact can arise from existing links, such as historical connections and UKIERI (although largely focused on HE, with some FE/VET level activities relating to the Financial Services and Creative Industries) and the use of English in India, for official purposes. Challenges experienced by stakeholders were fewer than in the case of China, with some of them being similar.

- Given the size of the country, market access was thought to be most appropriately gained at sub-national level.
- One stakeholder reported “a massive credibility problem with the status of FE colleges in some sectors”. Some Indian Government officials have reservations about the fact that quality assurance for in-country delivery is provided by commercially operating awarding bodies.
- Another stakeholder argued that there might be issues concerning the affordability of HNDs, given people’s salaries, and also problems obtaining a visa to study for an HND in the UK as the seriousness of the study may be doubted.

As Figure 4.9 indicates, FE colleges identified teaching international students in the UK and delivering learning programmes abroad as key growth areas, with some scope for engagement in commercial contracts / commissioned work. Whilst a number of overseas countries had already started to increase in-country delivery of education, there was a perception that India may follow suit in a couple of years.

100 See British Council

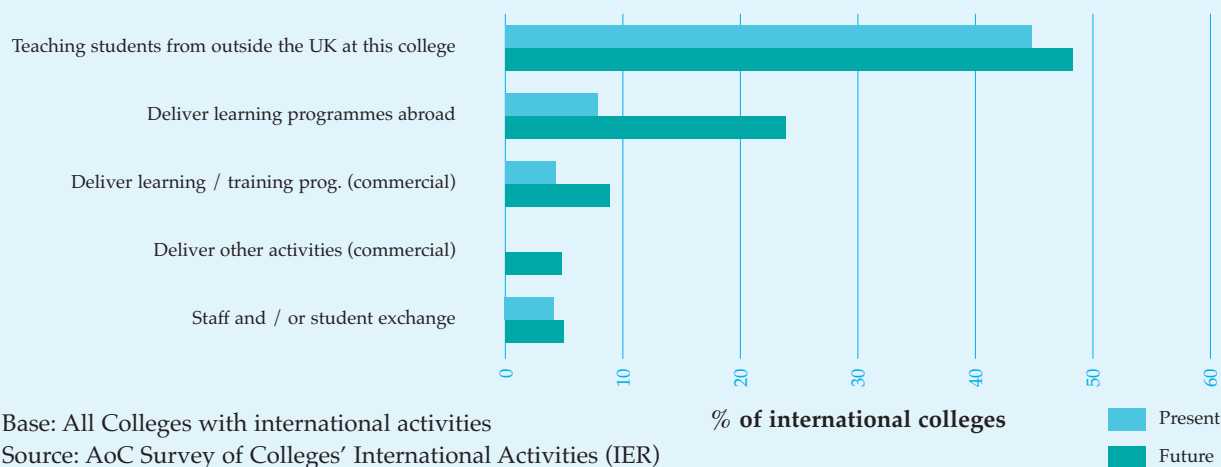
102 Further information on UKIERI, including newsletters, can be found on at <<http://www.ukieri.org/>>/

101 See The World Bank (2006)

103 See www.indiaedunews.net/Career/India_UK_ink_MoU_on_skills_and_innovation_3185

104 India Education News, 4 December 2007 www.indiaedunews.net/International/Britain_will_offer_vocational_training_to_Indians_Envoy_2740

Figure 4.9 Assessment of opportunities in India (present and future)



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4.5 Russian Federation

4.5.1 Overview¹⁰⁵

Russia extends over Eastern and Central Europe, covers an area of 17,075,400 km², has a population of 145.5 million and has a GDP per capita of US\$1,726. The Russian Federation came into existence after the dissolution of the Soviet Union and comprises eight federal areas. These are grouped into economic regions for economic and statistical purposes. In addition to this, federal subjects are grouped into federal districts, which allows the Government to ensure that they comply with federal laws.

Russia has adapted relatively rapidly to being a market economy. Investment and consumer-driven demand have contributed to the country's economic growth since 2000. Growth, however, has been geographically uneven and some areas lag behind in terms of resources and development. In the case of education, the shift from being supply-led to operating on the basis of demand has posed both qualitative and quantitative challenges to the system.

4.5.2 Education system

The education system in Russia comprises *general* and *professional* education. General education is considered to be the core of the system and includes primary, basic and secondary (complete) general education. Professional education refers to programmes that lead to Diplomas and / or Degrees which give the holder the right to work in specific professions. These programmes include:

- vocational education (*nachalnoe professionalnoe obrazovanie*);
- university level higher education (*vysshee professionalnoe obrazovanie*);
- doctoral study programmes (*aspirantura and doktorantura*).¹⁰⁶

Vocational education. Vocational education is the first stage of training for professional workers and can be accessed upon completion of basic or complete secondary school. Basic vocational education lasts between two and four years and, as well as providing students with specific vocational skills, it allows students to continue in the education

system and to complete their general education studies. Technical secondary education lasts between four and five years and its aim is to prepare students for mid-level specialist and technician occupations. Around a quarter of all technical secondary schools have been upgraded to 'colleges' since the decline of technical secondary education in favour of post-secondary education. Colleges offer advanced studies at higher (non-university) levels and can be either independent or part of a higher education institution. Between 40 and 45 per cent of all enrolments in secondary education relate to basic vocational education, and 15 per cent are for technical secondary education (40-45 per cent relate to academic secondary education).¹⁰⁷

University level higher education. University level higher education is provided by universities, academies and institutions. The main difference between universities and institutions is that the latter specialise in a single major area of science, technology or culture, whereas universities cover a wider range of areas. Higher education institutions award the following Degrees and Diplomas:

- Intermediate Diploma (*Nepolnoe vysshee*; at least two years of study);
- *Bakalavr* Diploma (at least four years of study);
- Specialist Diploma (five to six years of study); and
- *Magistr* Diploma (six years of study).¹⁰⁸

The first two years of basic higher education lead to the *Intermediate diploma*, which certifies the completion of first-stage studies. Two more years of education lead to the *Bakalavr* Degree. This Degree is awarded upon successful completion of studies consisting of academically oriented subjects and is a pre-requisite for admission to *Magistr studies*. The *Specialist Diploma* is granted after five years of study and gives access to the labour market in professions such as engineering, teaching and chemistry. *Specialist* graduates may also continue their studies in Doctoral programmes. As for *Magistr Degrees*, these are awarded to students completing a two-year research programme following completion of a *Bakalavr Degree*.

Doctoral study programmes. Doctoral programmes consist of two levels: *aspirantura* and *doktorantura*. Students completing the first level are awarded a

¹⁰⁵ Some of the information was provided courtesy of the AoC. Policy documents were less readily available in the English language.

¹⁰⁶ Ministry of Education of the Russian Federation. National Information Centre on Academic Recognition and Mobility. Available at <<http://www.russianenic.ru/english/rus/index.html>>

¹⁰⁷ Tacis Programme. Addressing the Social Impact of Economic Restructuring and Privatisation in Russia. Available at <<http://tacisreform.org/page.php?id=358>> [Accessed 07/2007]

¹⁰⁸ Ministry of Education of the Russian Federation, 'National Information Centre on Academic Recognition and Mobility'. Available at <<http://www.russianenic.ru/english/rus/index.html>>

Candidate of Sciences Degree (Kandidat Nauk). This level normally requires three years of study and can be accessed by *Specialist* or *Magistr* diploma holders. *Doktorantura* graduates are awarded a *Doctor of Sciences Degree (Doktor Nauk)* after five to fifteen years of study beyond achieving a *Candidate of Sciences Degree*. Doctoral programmes are offered by universities, academies and institutions with the necessary resources and accreditations.

Developments in vocational education and training

In comparison with the higher education sector, the reform of the initial vocational education and training sector (IVET) has attracted less investment. This sector was developed in response to previous industrial labour market needs and thus its transformation has proved to be a complex and sizeable task. Besides having been purposefully established to provide factories with qualified workers, technical schools and colleges had strong links with industry during the Soviet period and, in some cases, they were physically attached and even administered by their 'base' enterprises.

The decline in the primary and manufacturing sectors following the collapse of the Soviet Union resulted in IVET institutions loosening their links with and receiving less support from, enterprises. For technical schools and colleges this meant losing benefits such as the right to use facilities, training placements, and even job opportunities for students. Although this situation emphasised the need to reform the IVET system, changes did not take place immediately and education and training providers still maintain some of their old ways of working. The challenges identified included the need to create relationships with industry which benefit both the IVET system and enterprises and to help technical schools and colleges adapt to the demand-driven approach of the new market economy.

The approach adopted by the Government to meet the challenges of the IVET system can be summarised in the concepts of 'social dialogue' and 'social partnership'. As set out in key documents issued by the Russian Ministry of Education since 1997, the aim behind the ideas promoted is to develop a partnership between key stakeholders, industry and education providers to replace the old mandatory relations between enterprises and the IVET system. It is envisaged that this approach will help to address the current mismatch between the

training options offered by vocational education institutions and the needs of the labour market. As has been suggested by Walker (2006) "what is hoped for is a system very much akin to the tri-partite German type of vocational education management, which has long served as the gold standard in this area."¹⁰⁹

Although the creation and dissemination of social partnerships and dialogue seem to have led to improvements, there are limitations to the changes which have been achieved via this route to date. Suggested reasons for this include the lack of hands-on measures such as training for practitioners and the lack of efficient dissemination routes for the concepts, ideas and actions proposed. Effective social partnerships are not easy to establish and promoting them might require bottom-up changes together with changes in policies and regulations.

In spite of the difficulties of establishing an IVET system with the characteristics intended by the social dialogue and partnership concepts, a comparison between the system as it was before the collapse of the Soviet era and how it is currently reveals considerable differences such as:

- increased autonomy for school directors;
- diversification of financial resources;
- a reduction in the number of occupations from 1200 to 287 (resulting in a reduction of overspecialisation);
- an increase in the number of service-related occupations;
- the accreditation of private, non-state training institutions and permission to operate with minimum restrictions; and
- an increased labour market demand for vocational skills.¹¹⁰

These changes are not entirely attributed to policy but also to 'spontaneous and natural responses' to the new political and economic context. Financial constraints have led policy makers to look for new ways of dealing with difficulties and their responses have contributed to achieving swift and positive changes in the system.

According to the European Training Foundation, the Russian VET system still faces a number of key challenges, in particular: the revision of outdated occupational standards; a lack of labour market forecasting to help align supply with demand; overcapacity in education given the decrease of the

¹⁰⁹ Walker (2006, p. 1429)

¹¹⁰ Tacis Programme. Addressing the Social Impact of Economic Restructuring and Privatisation in Russia. Available at <<http://tacisreform.org/page.php?id=358>> [Accessed 07/2007]

population; an appropriate 'road map' for the development of the VET sector; creation of a legal framework to ensure the involvement of stakeholders; better management and leadership skills for VET administrators and the need to increase the efficiency of the funding system.

Reforms have begun to address some of these issues. Since 2006 the modernisation of VET schools has become an integral part of the National Priority Project on Education, with substantial funding being provided by the Federal Government for the upgrading of facilities and the modernising of curricula over the next couple of years.

Furthermore, the devolution of VET management and funding functions from the federal to the regional level is expected to facilitate the provision of training programmes which meet the demand of local and regional labour markets, primarily through the monitoring of the regional labour market and engagement with employers in the area. At the same time regional centres for quality assurance are being set up.¹¹¹

Russia is also in the process of developing a national qualifications framework, in line with the European Qualifications Framework. The latter is a vehicle to achieve the harmonisation of VET qualifications across Europe as part of the Bologna Process and the Copenhagen Declaration.

Financing the educational system

The funding of both basic and secondary vocational education is the responsibility of the Russian Federal Government. The size of the education system is one of the main reasons why the Government is failing to provide almost 50 per cent of the required budget. Previous attempts to introduce changes in the way education is financed have not contributed to improving the situation. Although it was stipulated in 1992 that at least 10 per cent of the GDP would be dedicated to education, this figure is currently 3 per cent. Furthermore, a decision to delegate operational and financial responsibilities for vocational schools to regional and municipal Governments in 1994/95 was met with resistance and had to be revoked six months later.

In this context, schools are left with the task of looking for financial resources elsewhere. Other sources of income include regional and local Governments, marketing goods and services, charging tuition fees for courses and leasing

premises for commercial purposes. However, there are limitations to the resources produced via these channels: for example, as well as having to pay taxes for the goods and services they produce for the market, schools must submit 90 per cent of the income generated from leasing to the Federal Government. As a result, many vocational schools face major funding deficits and experience difficulties due to lack of resources.

The devolution of VET management responsibilities and funding from the federal to the regional level has been ongoing since January 2005. To date, this process has been completed for nearly all initial vocational education and training schools, whilst it is still in progress for secondary vocational education and training. The intention is to establish a model in which funding for VET is shared between Federal and Regional Government, but some financially less well-off Regional Governments are expected to struggle to provide the budget.¹¹² A large part of the funding may be obtained from employers through a levy system.

International support for TVET reform in Russia¹¹³

Major VET reform programmes in Russia have been funded by the World Bank (2001 – 2006) as part of the Education Reform Project and the EU Technical Aid for Commonwealth Independent States (Tacis) programme (1999 to 2005). The World Bank project was implemented by the Russian National Training Foundation and focused on general secondary education schools and initial vocational education schools in three pilot regions (Chuvash Republic, Samara and Voronezh). The overarching aim of the VET strand was to improve the flexibility and market relevance of initial VET. As a result of the project, a total of 27 VET Resource Centres (similar in nature to the English Centres of Vocational Excellence – CoVEs) have been established. Their remit is to provide education programmes for selected professions to other schools in their region and to act as a mediator for the transfer of good practice in training and assessment methodologies.¹¹⁴ In the meantime, more Resource Centres have been set up in another eight regions to promote the VET reform process. An ongoing World Bank programme (2005-2007) supports e-learning in general and vocational education.

EU programmes set up under Tacis included the Development of Educational Links and Professional and Higher Education Initiatives (Delphi) and the

¹¹¹ ETF (2007), ETF (not dated)

¹¹² ETF (2007)

¹¹³ For a comprehensive overview see ETF (2005)

¹¹⁴ For further information on the outcomes see (a): The World Bank. Report no: ICR 00000393, available at <<http://www-wds.worldbank.org>> and (b) a conference presentation by Tatiana Trofimova, available at <<http://ns.worldbank.org.ru/ecaedu/ppts/Oct5-Trofimova-Eng.ppt#2>>

Manager's Training programme for short-term on-the-job based training. Under Delphi 1 (1998 to 2002) the focus was on: (i) strengthening education management; (ii) teaching of economics, business management and law (including vocational education); (iii) VET (initial VET, secondary VET and continuing education), with activities focusing on advice and development of innovation; and (iv) development of open and distance learning (ODL) in five pilot areas (Saint-Petersburg, Novosibirsk, Republic of Komi, Samara and Yekaterinburg). Following its success, a three year follow-up programme was set up (Delphi 2: 2003-2005) to continue the process of aligning supply more closely with demand, with programme strands including VET (with a stronger focus on continuing VET) and ODL. Whilst Delphi 1 was managed by the European Training Founding (ETF), Delphi 2 was run by the EU delegation in Moscow.

In 2005 the EU and Russia agreed on four areas (so-called Common Spaces) in which they would strengthen their strategic partnership. Research and Education is one of these areas' but VET will not assume the prominence it had within previous programmes.

The ETF continues to be involved in Russian VET, with the work programme for 2007 focusing on support for the development of a national qualification framework in the tourism sector and measures to support decentralisation.

Internationalisation of Higher Education

The Russian Federation has 34,500 students studying abroad, equivalent to an estimated 0.4 per cent of its student population. Favourite destinations are Germany (33 per cent), USA (16 per cent), France (8 per cent) and Kazakhstan (6 per cent). The UK ranks fifth with 5 per cent (Global Education Digest 2006). The EU funded Tempus programme made a significant contribution to the mobility of staff and teachers to EU countries.

In 2003; Russia signed the Bologna Declaration which aims to facilitate the mobility and employability of EU citizens through the harmonisation of higher education qualifications and quality assurance by 2010. Anecdotal evidence suggests that meeting the requirements of the Bologna Declaration may prove to be a challenge for many universities.

4.5.3 Economic developments

Demand in training and skills, and demands of the vocational education and training sector, are strongly linked with a country's economic growth. The oil and gas industry in Russia is struggling. Having been the country's mainstay for years, already low outputs in natural gas and oil showed only modest growth during the first quarter of 2007. In contrast to this sector, the construction, manufacturing and trade sectors have experienced strong and steady growth for six years and a robust domestic demand indicates that there will be no significant slowdown in the near future.¹¹⁵ The implication of this for the labour market is that the demand for skills will be influenced by the growth sectors. In turn, the education and training sectors will face the challenge of adapting to these changes and working towards providing their students with the skills that will make them employable in Russia's economy.

Economic and political changes in recent years have led to a massive restructuring of the education system. Reforms have affected the way schools and other education institutions are organised, managed and financed. In some cases, the changes have been drastic and new structures have replaced old ones. In other cases, change is taking place at a slower pace. Looking at models adopted by Western countries has been among the strategies used to develop plans and reforms that will help the country meet the demands of the relatively recent market economy.

4.5.4 Conclusion: assessment of opportunities for UK FE / TVET

Literature based assessment

The Russian IVET system has been going through a major transformation since the collapse of the Soviet Union. Like other sectors, it seems to be adapting to the new market economy and a demand-led system is replacing the old supply-led approach. The information available suggests a growing internal market for IVET providers and the need to open to, and explore, further opportunities.

Besides the growing internal market for education, there has been an increase in demand for international education. International education offers opportunities to develop the workforce skills that the country's growing economy increasingly requires. It also gives access to internationally recognised qualifications which have potential to

¹¹⁵ The Economist. Russia's Booming Economy. Updated 18/06/2007. Available at www.economist.com/research/articlesBySubject/PrinterFriendly.cfm?story_id=9354403 [Accessed 07/2007]

enhance the career prospects of individuals. The UK is well placed to participate in this evolution and to support the reform process. Links between Russian and UK institutions have already been established and exchanges of experience, expertise and resources are currently taking place.

The advantages which the UK has in relation to enhancing its educational links with Russia include the geographical proximity of the two countries as well as cultural connections via the Russian population that live and work in the UK (around 250,000 part-time and full-time). In addition to this, English language courses are becoming increasingly popular, with 18 per cent more Russians coming to study English in the UK in 2005 than in the previous year. There is also a growing Russian interest in A-level and international Baccalaureate programmes, as well as a demand for short courses offered by FE institutions.¹¹⁶

At the end of 2006 mutual areas for collaboration through college partnerships were explored in a meeting between representatives of the British Council, the then DfES, the AoC, and the Federal Ministry of Education and Science and related projects are now in progress (as below). The Quality Improvement Agency (QIA) report, commissioned by the British Council in 2007, identified support for development of occupational standards and employer engagement at regional level as key areas for collaboration.

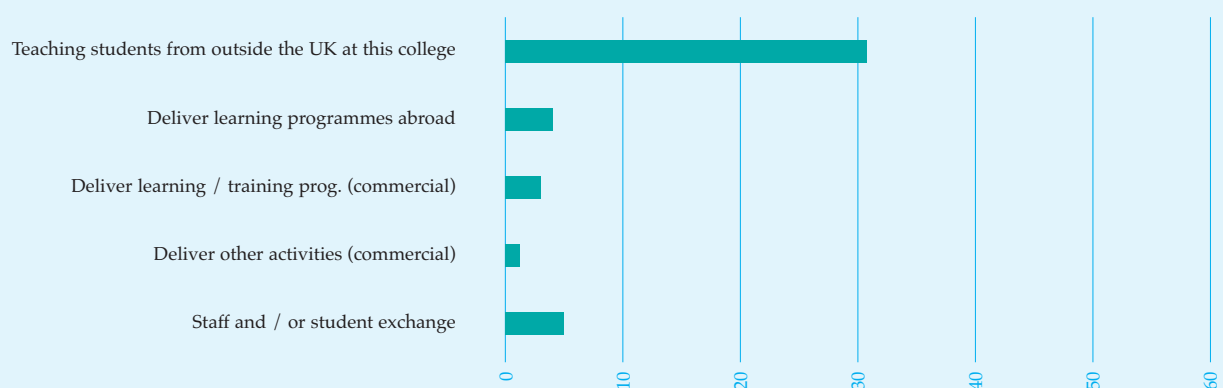
College and stakeholder assessments

In the case of Russia, stakeholders' opinions were divided, perhaps with caution dominating. Comments from stakeholders on market opportunities ranged from interest to scepticism to "unconvinced" due to the nature of the Russian administrative system.¹¹⁷

Others, however, stressed that there is potential. For the first time, Russian Central Government funding had been made available for VET to develop resource centres, similar in nature to the Centres of Vocational Excellence. UK FE colleges are currently engaged in a range of capacity building programmes focusing on such areas as curriculum development linked to occupational standards and youth at risk, some of which have received support from PMI2. Work is also in progress via these programmes on the development of transferable products and models which could be marketed to more affluent Russian colleges. Furthermore, there may be medium-term opportunities in the context of international events, notably the Winter Olympics in Sochi, 2014.

FE colleges mainly see future opportunities as relating to teaching international students in the UK, as *Figure 4.10* shows.

Figure 4.10 Assessment of opportunities in Russia (future)



Base: All Colleges with international activities

Source: AoC Survey of Colleges' International Activities (IER)

116 British Council

117 One stakeholder had experienced problems setting up business.

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4.6 Viet Nam

4.6.1 Overview

Viet Nam has a population of 85 million people. Its GDP is US\$ 61.6 bn (based on official exchange rates, 2006). It is a communist country of the Leninist variety. The country was unified in 1975 when the USA left the south, but the Vietnamese invasion of Cambodia in 1978/9 led to its dependence on the former Soviet Union. With the collapse of the Soviet Union and the introduction of the 'Doi Moi' reforms in 1989, the country has liberalised certain aspects of its economy. That said, the reform of state-owned enterprises is considered to be one of the biggest challenges over the medium term.

Viet Nam is a predominantly rural society (70 per cent) with the majority of the population engaged in agriculture, forestry, and fisheries. It is a relatively poor country, and though the poverty rate has decreased over recent years from 59 per cent in 1993 to 19 per cent in 2004, it remains relatively high in the more remote, sparsely populated areas to the north of the country.

Around a quarter of the population is engaged in services and just under a fifth in industry. Economic growth has been relatively strong in the country – estimated at around 7 per cent a year over recent years – but this is weaker than in some other countries in the area (such as China). Estimated growth of 8.5 per cent in 2007, which is expected to continue in 2008, compares well with other economies in South East Asia. A degree of macro-economic stability is forecast with inflation remaining below the rate of GDP growth. The country has made it easier for foreign investors to enter Vietnamese markets (through reforms introduced in 2006) and it has recently joined the World Trade Organisation (January 2007). This will further stimulate foreign investment.

With the growth in the GDP, which has been driven by investment (including much foreign direct investment), the Government has the opportunity to develop the country's infrastructure, including making substantial injections of funds in all levels of the education system as set out in the long-term education development plan for 2001 to 2010. There are concerns that Viet Nam's shortage of skilled workers will inhibit growth in both the production and service sectors. Increasingly, Viet Nam is looking for international assistance to develop its education system.

4.6.2 Education system

The 'Doi Moi' reforms, introduced in 1989, opened up the economy to market forces and encouraged private sector investment. They created a considerable demand on the education system to provide a labour force capable of producing goods and services that would attract investment. This resulted in both a substantial increase in investment in education by the State, and greater private sector involvement in education and training.

Access to education is provided under the constitution and primary education is mandatory and free. The general structure of the education system is as follows:

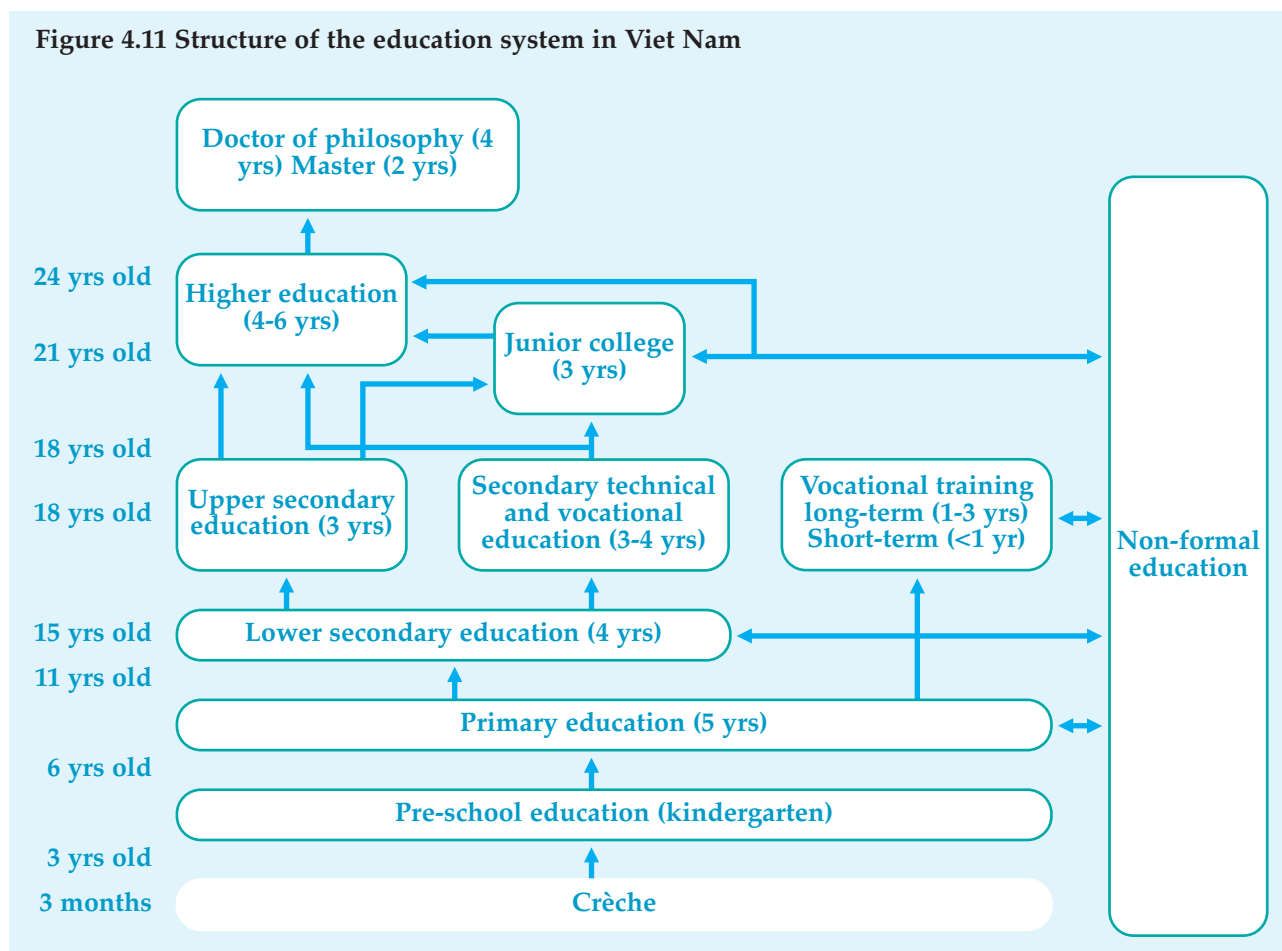
- pre-school education for 3-6 year olds (non-compulsory);
- primary education 6 to 11 years but can be extended to 14 years of age (compulsory) (grades 1 to 5);
- secondary education for those aged 11 years and over and divided between lower (grades 6 to 9) and upper levels (grades 10 to 12). There is both a general and technical stream to upper secondary education (see below);
- higher education which provides courses at a number of levels (see below).

Participation in grades 1 to 9 is compulsory. *Figure 4.11* provides a more detailed picture.

Participation in primary education is around 94 per cent and this has contributed to high levels of literacy in the population. However, access to higher levels of the education system has historically been much more limited with an enrolment rate of around 65 per cent (2002/03). At the beginning of this century, less than a fifth of those aged 15 years or over had completed secondary education. In an economy still dependent upon agriculture (around 60 per cent of employment in agriculture, forestry, and fishing), skilled people are located around the two main urban centres (Hanoi and Ho Chi Minh City), and enrolment rates have a regional bias (see *Table 4.4*). However, the education system is being reformed, in line with economic development plans and the aim is to increase the proportion of primary education age group children who attend school from 95 per cent in 2000 to 99 per cent by 2010.

The organisation of education and vocational education and training is complicated, with cross-cutting responsibilities at both national and local levels. Whilst general education is the responsibility of the Department of Education and Training

Figure 4.11 Structure of the education system in Viet Nam



Source: <<http://en.moet.gov.vn/?page=6.7&view=3401>>

Table 4.4 Net enrolment rates in primary education

	90-91	94-95	98-99	00-01
Nationwide	86.0	91.3	94.8	97.5
Red river delta	96.4	94.7	98.0	97.6
Northwest region	61.3	90.4	94.8	91.6
North of Central Viet Nam	84.8	92.1	96.4	97.6
Highlands	92.5	90.7	89.2	99.1
Cuu Long river delta	81.2	87.5	90.8	96.7

Source: <<http://en.moet.gov.vn/?page=6.10&view=4401>>

(MOET), TVET is the responsibility of the Ministry of Labour, War Invalids, and Social Affairs (MOLISA), except where it takes place within the secondary education system and is then the responsibility of MOET. Within MOET, the Secondary Technical and Vocational Education Department (STVED) is responsible for developing policies on TVET. The division of responsibilities both nationally and locally results in the complexity of the education and training system.

Increased participation in education at lower and upper secondary levels revealed weaknesses in the educational infrastructure. With assistance from the Asian Development Bank (ADB), Viet Nam has increasingly looked to international sources for the skills development of its educators, in relation to both the management and delivery of education. There have been a number of ADB projects over recent years which have addressed teacher training, secondary school education, and upper secondary level education with a focus on both capacity building and curriculum development and these have been dependent upon the involvement of foreign consultants. Evaluation reports for these programmes are available at www.adb.org/Projects/reports.asp?key=subj&val=PCR&scpe=83.

Apparent from these reports, and other information sources, is the following:

- Viet Nam is heavily dependent upon outside assistance to develop its education programmes at all levels;
- in the past, the provision of overseas training for Viet Nam educators and policy makers has not been regarded as a good use of resources because the education systems in countries visited have little to offer in terms of transferable policy and practice.¹¹⁸

More generally, the evidence demonstrates that:

- the public sector has struggled to achieve sufficient capacity and has increasingly relied upon non-public organisations (often public – private partnerships) to provide upper secondary education especially in more rural areas; and
- lifelong learning is important in relation to providing a proportion of the population with the skills required of a more market oriented economy.

TVET at secondary level

During recent times, reform of the economy has continued, especially in terms of its openness to foreign direct investment. Alongside this, the need for the vocational education and training system to keep pace with change has been recognised. The Government is committed to making substantial investment in vocational training between 2007-10 (around Dong 7 trn), and aims to ensure that 1,000 training establishments are open by 2010.

In the recent past, young people have been reluctant to enter the vocational stream of upper secondary education. With the move to a more market-orientated economy the TVET system struggled to meet the demands of the economy, and young people preferred to take the general education route through secondary school in order to gain access to University. Thus, during the 1990s, University enrolments increased and participation in TVET declined.

There are now 300 colleges across the country providing:

- **short-term vocational training / re-training programmes** via which individuals obtain certificates in vocational skills areas;
- **vocational training programs** lasting for between one and three years. Entry is dependent upon graduation from lower or upper secondary education and leads to the award of a certificate at different levels depending upon the duration of the training. Upon graduation, students can be employed as skilled workers;
- **vocational and technical education** lasting for between three and five years. This combines general education and training for a specific occupation leading to the award of a Diploma. The Diploma potentially allows access to higher education.

In addition, there are a range of other courses available to individuals and organisations.

TVET is important in developing the economy because around 20 per cent of the workforce have received vocational education and training. To this end, GTZ has been implementing a programme aimed at improving the skills of the workforce so that they may enter employment in sectors which are expected to experience growth. The emphasis is upon: "...the provision of job market-oriented modules of vocational education and training and the further education of specialists."¹¹⁹

¹¹⁸ See the Technical Assistance Completion Report for the Upper Secondary Education Technical Assistance provided by the ADB at <http://www.adb.org/Documents/TACRs/VIE/tacr-vie-4122.pdf>

¹¹⁹ See <http://www.tvet-vietnam.org/home/?tmn=3&lang=us>

TVET at tertiary level

Short-cycle courses over three to three and a half years are provided in colleges and junior colleges. Around two thirds of Degree-granting junior colleges are concerned with teacher training. There are also long-cycle courses (four to six years leading to a Bachelor's Degree) as well as postgraduate courses. Degree courses are divided between general education in the first half of the course and a more specialised focus in the second half.

There are three types of university:

- i. specialised universities which provide education in a single discipline;
- ii. multi-disciplinary universities (five have opened recently);
- iii. 'open university' system, based on individual students' ability to pay to study on certain courses.

There is a general move away from the single discipline university now that the economy is no longer centrally planned and jobs cannot be guaranteed upon graduation. The emergence of "semi-public"¹²⁰, "people founded"¹²¹ and private institutions¹²² is also evident at all levels of the education system.

From 1951, the Soviet Union and other communist-bloc countries provided training to over 30,000 undergraduates, 23,500 postgraduates, and 25,000 technicians. This ceased with the collapse of the former Soviet Union.

Internationalisation of Higher Education

According to the Global Education Digest (2004), Viet Nam has around 15,800 students studying abroad – an estimated 1.9 per cent of its student population. The top five destination countries are: the USA (21 per cent), France (19 per cent), Australia (17 per cent), Germany (13 per cent) and Japan (8 per cent). Figures published by Universities UK (2007) indicate that 1,450 Vietnamese students were enrolled with UK Higher education institutions.

4.6.3 Economic developments

The overall aim of the TVET system is to equip the economy with people who are well-versed in science, technology, and / or business management. Since the 'Doi Moi' reforms the economy has performed well, but this has led to problems of adjustment within the education system, essentially

as a result of the shift from a centrally planned economy to one which is a much more market-orientated.

There have been changes in the organisation, structure and delivery of education in Viet Nam but a number of weaknesses in the education system generally, have been identified:

- the quality of education is considered to be low;
- there is a high drop-out rate from courses (around 70 per cent at secondary level);
- there is a shortage of teaching staff and teachers are often inadequately prepared;
- the curriculum is too focused on passing examinations;
- the management of the education system is weak.

In the TVET arena specifically, the following have been identified as weaknesses:

- the TVET system has struggled to meet the needs of the economy and may even have contributed to the level of skill shortage faced by the economy. As in Western economies, prospective students are not attracted to vocational education, preferring instead to take a more general, academic route which will enable them to gain access to higher education;
- the quality of management of the TVET system has been questioned and there is a need to improve this if TVET is to meet the needs of the economy;
- many TVET institutions, especially outside the main urban areas, are small and have limited capacity;
- there has been a shortage of teachers (in part due to the low wages paid to them).

Overall, the general picture emerging is that of a system which has struggled to keep pace with change in the wider economy. The Vietnamese Government has a seven point plan for the upgrading of the system. This includes:

- i. revising curricula so that these compare better with those of other countries in the region and worldwide;
- ii. improving the provision of teacher training and the methodologies for delivery;
- iii. improving education management;

¹²⁰ Owned by the State but operating costs come from student fees.

¹²¹ Owned and managed by non-Governmental organisations or private associations.

¹²² Owned by private individuals / businesses – not allowed to operate at primary or secondary levels.

- iv. bringing about improvements to the structure of the education system by adapting models from abroad for use in Viet Nam;
- v. increasing investment in education from 15 per cent of the State budget in 2000 to 20 per cent by 2010;
- vi. increasing participation in education for all ages (lifelong learning);
- vii. increasing international support for education (e.g. to help build capacity; obtain financial assistance; gain cooperation on science projects; persuade foreign businesses to establish education institutions).

4.6.4 Conclusion: assessment of opportunities for UK FE / TVET

Literature based assessment

The opportunities for investment in Viet Nam are potentially good because:

- the economy appears to be relatively stable and is projected to remain so over the short-to medium-term;
- large-scale investment in TVET and in education generally, is planned over the medium-term.

On a more negative note, whilst there is political stability there is a lack of transparency and accountability in relation to Government actions and concerns about human rights persist.

Viet Nam has strong trade links with surrounding countries, the USA, and the EU.

The number of students able to afford study abroad is small and is concentrated around the urban centres.

A closer look at what the Vietnamese Government is seeking to achieve over the short- and medium-term (via the seven point plan detailed above) suggests that there is considerable scope for UK providers to engage in:

- capacity building;
- training of trainers / teachers;
- delivery of courses; and
- participation in joint projects.

Growth in the economy will be increasingly dependent upon the provision of skilled labour, especially in relation to more hi-tech activities. It is apparent that the education system is struggling to keep pace with economic growth and, in an effort to avoid this inhibiting progress the country has increasingly looked for technical assistance outside the country, with financial assistance provided by the Asian Development Bank. Recently, for example, it has engaged in a dialogue with the European Union about assistance with the development of higher education, and Australia is already active in this area. Upper secondary level education, and vocational training at this level, is increasingly being recognised as an area of importance.

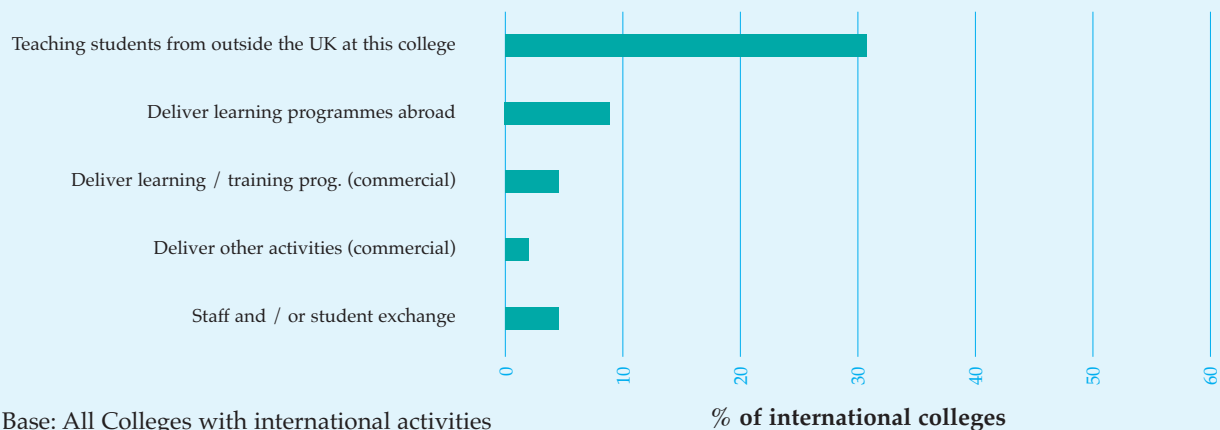
Under PMI2 there are also specific opportunities for colleges with existing relationships with colleges in Viet Nam to bid for global FE partnership projects.

College and stakeholder assessments of opportunities in the Mekong Delta countries

According to stakeholders there are good opportunities in Thailand, Laos and Viet Nam. These countries were seen to be scaling up their education and modernising their VET systems. Moreover, there is perceived to be a “huge” desire to work with the UK as it can assist these countries in setting up the VET systems they require. That said, progress on a major project on qualification frameworks in Thailand has been interrupted as a result of recent political changes. There were only a few comments on Viet Nam, with one stakeholder summarising prospects as “promising but risky”.

Figures 4.12 and 4.13 shows that FE colleges mainly foresee potential to lie in teaching Vietnamese and Thai students in the UK.

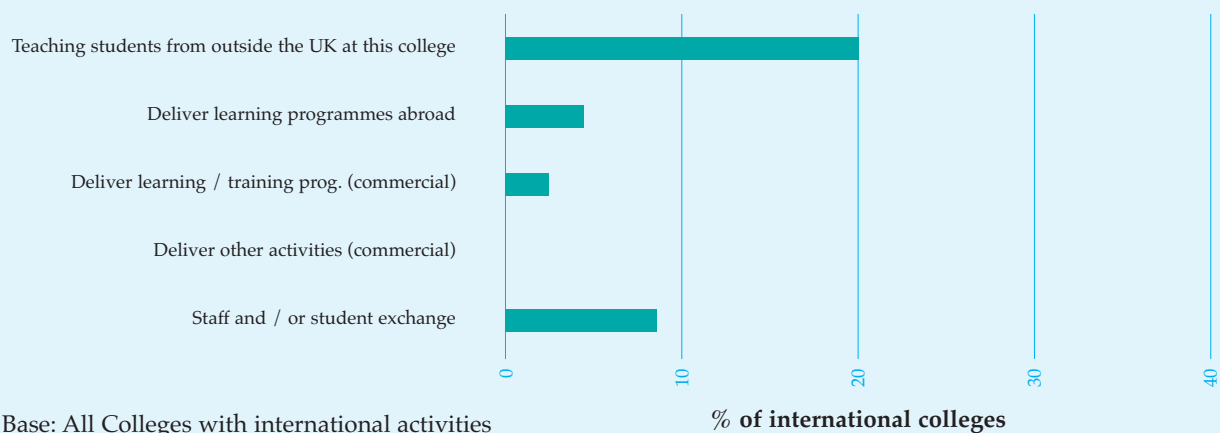
Figure 4.12 Assessment of opportunities in Viet Nam (future)



Base: All Colleges with international activities

Source: AoC Survey of Colleges' International Activities (IER)

Figure 4.13 Assessment of opportunities in Thailand (future)



Base: All Colleges with international activities

Source: AoC Survey of Colleges' International Activities (IER)

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4.7 United Arab Emirates

4.7.1 Overview

The UAE is a federation of seven Emirates: Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al-Quwain, Ras Al-Khaimah and Fujairah, with Abu Dhabi and Dubai being the largest and most prominent ones. The Emirates have retained a relatively high level of autonomy from the Federal Government, known as the Federal Supreme Council.¹²³

The Emirates are governed by the ruling emirs, one of which is elected as President. The UAE is considered to be politically stable, despite its geographical proximity to volatile areas, and to be one of the most liberal Gulf States. The major religion is Islam.

UAE's economy is one of the fastest growing in the Gulf States, yet growth is expected to slow down, from its current annual rate of 9 per cent to an estimated 3.9 per cent in 2012.¹²⁴ However, inflation has increased substantially over the years (presently standing at around 10 per cent), mainly being fuelled by rising property prices. With the Gross National Income (GNI) per capita reaching US\$ 23,770, UAE is classed as a high income economy. Its prosperity largely derives from its oil resources, currently accounting for 36 per cent of GDP. The UAE continues to diversify its economy in view of its finite natural resources. The currency is pegged against the US Dollar (US\$ = 3.67 Dirham). There are plans to move towards a common currency in the GCC (Gulf Cooperation Council) by 2010.

There appear to be good opportunities for foreign investors. Restraints applied to foreign investment have been further reduced and there are plans for more free trade zones¹²⁵ offering a range of benefits to foreign investors (100 per cent foreign ownership, tax breaks, no restrictions on repatriating money). Two such zones exist in the area of education, with one mainly focused on higher education.¹²⁶ The operational business environment also seems to be largely positive, certainly in relation to the enforcement of anti-corruption laws and protection of intellectual property rights.¹²⁷ Despite constitutional freedom of speech, censorship is practised with regard to foreign publications and media reports.^{128 129}

The UAE covers around 83,000 km² of the Arabian Peninsula and has a population of around 4.1 million (2005). Most of the people live in the urban centres along the Persian Gulf coast line, with the largest ones being Dubai, Abu Dhabi and Sharjah. As a result of job opportunities in the oil industry and construction, the UAE has attracted large shares of foreign nationals, mainly from south Asia, other Arab countries, Europe and North America. Amongst these is a high proportion of unskilled workers, particularly from the Indian sub-continent. The UAE Government has put in place measures aimed at significantly increasing the number of nationals among the UAE workforce, but it is expected that foreign nationals will play an important role in the UAE workforce for some time to come. Currently just more than one in five of the inhabitants are UAE nationals with about one in two being under the age of 20 and a small proportion being 60 or older. The rapid expansion of the population is expected to continue.

Arabic is the official language, but English plays an important role in business, trade and commerce, with large companies conducting training in English only.¹³⁰

4.7.2 Education system

Introduction

The current education system has evolved since the 1970s when the first oil exports provided the financial means for its transformation. The education system is still expanding at all levels and is changing to meet the needs of the economy. This makes it a highly dynamic environment. There is also an openness to benefiting from the expertise and experience of international educational organisations, according to the UAE's Minister of Education¹³¹, as the UAE is striving to adopt international best practice.

Education at all levels is provided free of charge to UAE nationals, with the Federal Government spending around 25 per cent of its budget on education. At the federal level the responsibility for Education lies with the Ministry for Education, which is about to undergo a substantial restructure¹³², and at Emirate-level with the

¹²³ BBC: Country Profile: United Arab Emirates

¹²⁴ Business Monitor International (2006) UAE Q1 2006

¹²⁵ For an overview of the 23 existing free trade zones, see Statistical Yearbook 2006

¹²⁶ Knowledge Village in the Dubai Free Zone for Technology and Media (established in 2003) and Dubai International Academic City (expansion over the next couple of years)

¹²⁷ Business Monitor International (2006) UAE Q1 2006

¹²⁸ BBC: Country Profile: United Arab Emirates.

¹²⁹ Human rights issue appear to be given more emphasis in the Gulf States with the planned integration of the subject area into school curricula.

¹³⁰ Wilkins (2001)

¹³¹ See Khaleej Times, October 18, 2007

¹³² See Khaleej Times, October 21, 2007 (UAE: education ministry to be restructured)

Education Councils. The literacy rate of the entire population is around 91 per cent (2006), but it is assumed that this is lower among UAE nationals. Major reforms to public schools,¹³³ are being implemented to improve the quality of teaching and learning, with measures including the introduction of modern teaching methods (student-centred learning, less emphasis on memorising facts), the development of curriculum standards¹³⁴ and improvements to infrastructure, including IT. Enhanced curricula for mathematics and science were introduced for the first grade in 2003 / 04 to address existing skills gaps at secondary school level. The reforms have been driven by a concern that many students are ill-prepared for higher education, often requiring gaps to be filled through one-year pre-university programmes.^{135 136}

Around 40 per cent of pupils attend private schools, with many of these catering for the education of foreign nationals. However, according to newspaper reports, more and more UAE nationals opt to send their offspring to fee-charging schools which follow a British or American curriculum. This is largely attributed to 'poor standards' in public schools.

English seems to be increasingly deployed as a medium of instruction, not only at higher levels of education. According to newspaper reports¹³⁷ a pilot

programme has been launched at 50 UAE public schools to teach mathematics and science in English as part of the Ministry of Education's *Tomorrow's Schools* project.

The education system

Following kindergarten (at age four to five), pupils embark on nine years of compulsory education at the age of six. The first six years are spent in primary schools and the following three years at preparatory schools. After grade nine, pupils can opt to stay on for a further three years at secondary school which offers specialisations in either arts or science in the second year. Gross enrolment rates at lower secondary (73 per cent) and upper secondary level (59 per cent) are far lower than in other smaller Gulf States, as *Table 4.5* shows.¹³⁸

The six year technical secondary education starts at grade seven and offers three main specialisation options: technical, commercial and agricultural. Technical secondary education comprises a preparatory cycle (leading to an Intermediate Certificate) and a secondary cycle (leading to a technical secondary certificate).

In 2005, newly established Institutes for Applied Technology (IAT) replaced existing technical schools. The IATs offer a three-year course (grade 10 to 12) in five schools for some 2,200 students and a

Table 4.5 Structure of the UAE education system

Type of education	Age	Duration (years)	Certificates / qualifications
Primary education	6-12	6	
Preparatory education	12-15	3	
General secondary education	15-18	3	Secondary School Leaving Certificate
Technical secondary education (preparatory & secondary cycles)	12-18	6	Technical Secondary Certificate
Higher education			
Higher Colleges of Technology		3	Higher Diploma (with further options for Bachelor degrees)
University		4 (to 6) 1	Bachelor (6 years for medicine) Master Doctorate

¹³³ For further details see Statistical Yearbook 2006. An overview of the reform process in the technical schools, which have since been transformed into the Institutes for Applied Technology, can be found in Harnish, D. (2003) *Camels and camshafts: career and technical education in the Persian Gulf*. Available at www.goliath.excet.com

¹³⁴ See, for example, NSW DET International, Project Fact Sheet, K-12 Curriculum 2006-2008

¹³⁵ 10 February 2006: Upgrading education top priority for new minister

¹³⁶ More detailed information about perceived deficiencies of the UAE education system and its causes based on a survey of policy makers and experts in sub-sectors of the manufacturing industry can be found in: Mysken, J. and S. Nour (2006) *Deficiencies in education and prospects for economic growth in the Gulf States. The case of the UAE, Journal of Development Studies*, Vol. 42, No. 6, pp 957-980.

¹³⁷ Gulf News, May 23, 2007

¹³⁸ UNESCO (2006)

range of specialist programmes, including nursing (grade 7 to 9). The medium of instruction is English (except for Arabic and Islamic studies). The three-year course leads to a vocational Diploma, accredited by TAFE. The final year of the training consists of placements in selected industries.¹³⁹

Tertiary education consists of Higher Education Colleges of Technology (first established in 1988) and universities (with the first public university having opened in 1977/1978). Around 68,000 students are estimated to study at tertiary education institutions, equivalent to an estimated gross enrolment ratio of 22 per cent.¹⁴⁰

Higher Education Colleges of Technology (HCTs) offer technical and vocational education mainly in the areas of business studies, engineering, health and communication technologies. The three-year courses at HCTs lead to a higher Diploma. Currently around 15,000 students study in 12 men's and women's colleges with further expansion planned for the future. HCT also established a business arm about ten years ago, called the Centre of Excellence for Applied Research and Training. It caters mainly to the needs of large private and public sector organisations and has plans for diversification into all levels of education.

UAE has two public universities (United Arab Emirates University and Zayed University, with campuses in Abu Dhabi and Dubai) in addition to a large number of private international universities or colleges (the latter offering Bachelor's Degree courses), with more HEIs being planned. Within the next five to seven years the educational free zone Dubai International Academic City plans to host another 18 international universities bringing its overall capacity to 25 universities, which are expected to cater for 30,000 students.¹⁴¹ Officials are however keen to establish a wider range of course options at undergraduate and postgraduate level than has hitherto been available.¹⁴²

Expansion and restructuring of vocational education

Up until recently expansion has focused on schools and tertiary education. Vocational and technical education at intermediate level was only provided at a number of specialised colleges, in areas such as medicine, nursing, aviation or banking at, for

example, the Emirates Aviation College for Aerospace and Academic studies, the Emirate Institute for Banking and Finance and the Dubai School of Government.

This is beginning to change¹⁴³ with the recent establishment of two new institutions.

- The National Institute for Vocational Education (NIVE) enrolled its first cohort of 200 students in 2006 and plans to double the intake during the following year. In response to local market needs, it offers BTEC courses in business, information technology, finance and accounting, sales and marketing, public relations and human resources. The two-year course provides a one year foundation before students specialise in the second year. The language of instruction is English. There are plans for provision of a wider range of specialisations and levels that will meet the training needs of local businesses. Initiated by the Dubai Education Council, NIVE is owned by the Dubai Knowledge and Human Development Authority and is working in collaboration with Assessment and Qualification Alliance, UK (on pre-course assessment) and EDEXCEL, UK (on quality assurance and accreditation).¹⁴⁴
- The Abu Dhabi Vocational Education and Training Institute (ADVETI) plans an initial intake of 400 students in September 2007, for five areas of study: information technology, design, para-legal studies, project management and property management and marketing. The courses will lead to certificates and after three years of study, to diplomas. The last year is spent part-time in relevant employment. ADVETI is owned by the Abu Dhabi Education Council and is initially being run by TAFE NSW.¹⁴⁵

In addition, there appear to be a number of new joint ventures offering specific courses in a range of areas or suites of professional qualifications.¹⁴⁶

According to newspaper reports, the Knowledge and Human Development Authority (KDHA), in Dubai, plans to restructure the vocational education sector in relation to both quality and quantity, in line with the economic priorities set out in the Dubai Strategic Plan 2015. It also aims to promote vocational education as a route to attractive careers.

¹³⁹ Gulf News, October 28, 2007; website of the IAT www.iat.ac.ae

¹⁴⁰ UNESCO (2006)

¹⁴¹ Gulf News, April 12, 2007

¹⁴² Gulf News, September 9, 2007

¹⁴³ The current three-year UAE strategy document refers to the establishment of a "vocational training unit with the collaboration of the private sector."

¹⁴⁴ For further information see www.nive.gov.ae

¹⁴⁵ For further information see www.adveti.ac.ae and NSW DET International Project Fact Sheet on ADVETI.

¹⁴⁶ e.g. Zayed University and Dubai Municipality in cooperation with the Institute for Motor Industry in the UK have started to offer a 12 month course for car mechanics and car electricians in 2007 (press news November 5, 2006). Schlumberger, an oilfield services company, and Abu Dhabi National Oil Company are planning to set up the Schlumberger Middle East Learning Centre in Abu Dhabi which will provide specialist training programmes for oil and gas industry professionals. (Gulf News, March 13, 2007).

The KDHA is seeking to develop a vocational education sector which provides opportunities for progression to higher education, direct links with industry, opportunities for up-skilling the workforce and demand-led courses.¹⁴⁷

Internationalisation of higher education

According to the Global Education Digest (2006), the UAE has around 4,400 students studying abroad (an estimated 6.4 per cent of its student population). The UK is the favourite destination (38 per cent¹⁴⁸), followed by the USA (29 per cent), Australia (20 per cent), Ireland (3 per cent) and India (2 per cent). Malaysia hopes to attract more students from the UAE into its higher education programmes as part of its recruitment drive in the Middle East and the North African region, aiming for a total of 15,000 students from this region, according to recent press reports.¹⁴⁹ Figures for international students studying at UAE universities have not been readily available. Some reports predict that Zayed International College, part of Zayed University, will admit 200 foreign students who are resident in the UAE.

The UAE Government is keen to attract international higher education institutions (HEIs) to the UAE to provide opportunities for less well-off students. There are numerous examples of foreign institutions from across the globe providing courses in the UAE, mainly in higher education. UK universities involved include Heriot-Watt University, Manchester Business School Worldwide, Middlesex University, and the British University in Dubai¹⁵⁰, which seems to be partnering with different UK HEIs depending on the subject area of focus. A recent THES article identified good opportunities for British universities in the UAE and other Gulf States as the Governments of these countries are keen to increase the share of Degree-level educated nationals to support the move towards a knowledge-based economy. A sound business plan is, however, considered crucial in order to mitigate against the “significant risks” associated with in-country delivery.¹⁵¹

4.7.3 Economic developments

UAE’s economy has experienced high growth rates in recent years. Growth is projected to continue albeit at declining levels. A key driver of the economic performance has been the diversification into areas such as aviation, ports, tourism, finance, construction and telecommunications, to reduce dependency on the oil sector. Thus, expansion has largely occurred in the private sector, particularly the services sector.

These developments are reflected in the employment data, as *Figure 4.14* shows. Employment has increased substantially in large sectors, such as wholesale / retail or construction, as well as in smaller ones, such as transport & communications and restaurants & hotels.

The economies of the larger Emirates, Abu Dhabi, Dubai, Sharjah and Ras Al-Khaimah will undergo reforms to make them more market-driven.¹⁵²

Whilst overall sectoral forecasts do not appear to exist, there are some indications regarding potential areas of growth.

- Economic development features as one of five areas of the Dubai Strategic Plan 2015, published in the first quarter of 2007. According to this document, Dubai aims to sustain economic growth at a high level (11 per cent), increase real GDP per capita, continue the diversification of the economy and promote growth in six strategically important and globally expanding sectors. These are: travel and tourism, financial services, professional services, transport and logistics services, trade and storage and construction. The document also asserts that the strategic aims require a substantial increase in the labour force (effectively to double it), and a move towards higher skilled employment.
- The travel and tourism sector in the UAE was also identified as a growth sector by the World Travel and Tourism Council in a study undertaken by Oxford Economic Forecasting, with a projected annual average growth rate of 3.2 per cent between 2006 and 2015.¹⁵³

¹⁴⁷ Available at www.ameinfo.com/7129910.html [Accessed: 25 August 2007]

¹⁴⁸ According to UK Higher Education Statistics Agency 1810 students studied in the UK in 2004 / 05 with about half of them registering for postgraduate degrees.

¹⁴⁹ See Khaleej Times, January 5, 2008

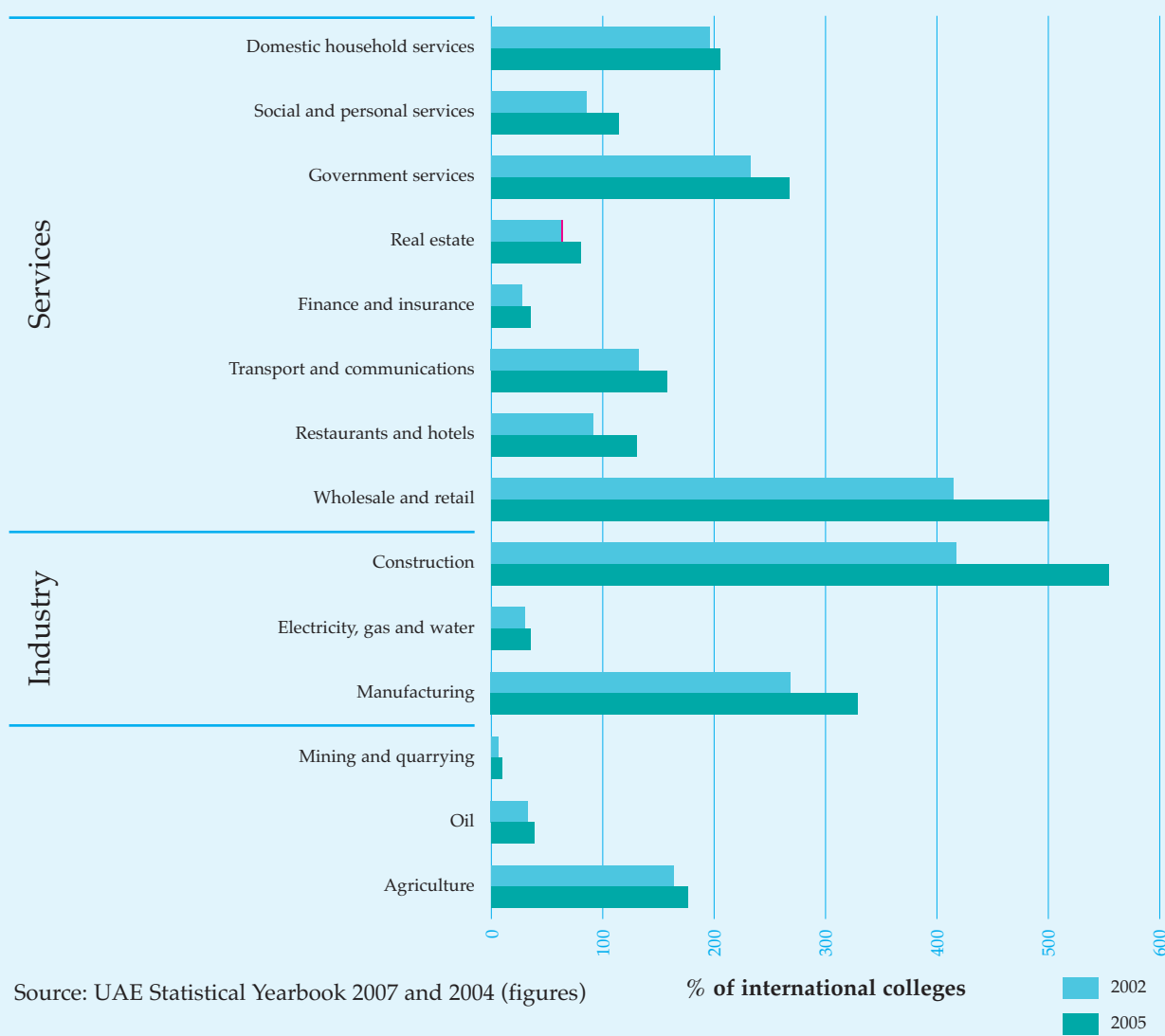
¹⁵⁰ An overview of private universities located at the Dubai Knowledge Villages is provided at www.kv.ae/en/partners/default.asp?cid=1&menu=side&menuid=76. There have been reports that Qatar Education City seems to have been more successful in attracting Ivy league US universities.

¹⁵¹ Times Higher Education Supplement, November 9, 2007: UK is urged to look towards Gulf States

¹⁵² Dubai Strategic Plan 2015 and Global Insight 2007

¹⁵³ For the detailed report see <http://www.wttc.org>

Figure 4.14 Employment in the UAE – 2002 and 2005 (absolute figures)



- Abu Dhabi intends to invest over US\$ 150 billion over the next five years in the construction sector, tourism, the oil and gas sector, power and water projects.¹⁵⁴ There are also plans for a substantial extension of the railway network to ease road congestion, a metro in Dubai and other investments in the transport infrastructure.

Training needs in connection with national initiatives

As indicated earlier, providing job opportunities for UAE nationals (Emiratization) remains a high priority within the national and local policy agenda. Since the labour market in the public sector is

saturated, such opportunities need to be found in the growing private sector. However, the latter is not the preferred option for many UAE nationals, with differentials in working hours and pay being key factors. Quotas for the percentage of UAE staff apply in banking, insurance, professional and distribution services¹⁵⁵ and teaching (with the aim of achieving 90 per cent in 2020).¹⁵⁶ To facilitate the employment of UAE nationals an Emirate National Development Programme was launched in 2005 to provide nationals with long-term career prospects in six sectors: trade, hospitality, real estate, quasi-government, insurance and banking.

¹⁵⁴ UAE Statistical Yearbook (2007)

¹⁵⁵ UAE Statistical Yearbook (2007)

¹⁵⁶ According to newspaper reports Taqa, the Abu Dhabi national energy company, plans to increase the percentage of UAE nationals among its staff from currently 20 to 40 per cent by the end of 2008.

In support of the UAE Government plan, the need for a number of training initiatives has been identified including, for example, continuing education programmes for principals and teachers, health management training programmes for senior managers, leadership training programmes for civil servants and training programmes for the management of small and medium sized enterprises (SMEs).¹⁵⁷

4.7.4 Conclusion: assessment of opportunities for UK FE / TVET

Literature based assessment

The overall background appears to be one of political stability, economic growth and fairly conducive conditions for foreign investment. However there are some concerns about growing inflation and a possible devaluation of the currency.

Education expansion in the past has focused on the school sector and higher education. There is a now growing realisation that the small vocational education sector needs to be restructured and enlarged to meet the needs of the economy.

National and local policies aimed at increasing the representation of UAE nationals within the workforce need to be underpinned by a range of training measures, as there appears to be a mismatch between the skills required and those which are available. Vocational and technical education is likely to play a vital role in this process, but it may not be the preferred option for many.

Examples of training requirements for TVET include:

- capacity building measures in connection with ongoing education reforms;
- continuing professional development for teachers (particularly in relation to ongoing educational reforms);
- English language skills: general and in certain areas (e.g. aviation, due to new English proficiency tests and the police force, due to Government policies);¹⁵⁸
- TVET in booming sectors and priority areas for the Emiratisation, e.g. tourism / hospitality, trade and financial services.

The technical and vocational education and training market appears to be buoyant and has already attracted local and international providers.¹⁵⁹ On the other hand, local Governments, notably that of

Dubai, have only just embarked on restructuring the vocational education sector.

Links between Britain and the UAE in the area of vocational education already exist through the UAE technical training project for the UAE military. Co-ordinated by the college in Bexhill-on-Sea, the project has been running successfully for about a decade.

A PMI2 supported scoping visit to the UAE led by the British Council took place during the last quarter of 2007 with the aim of assessing the potential for collaboration between UK and UAE institutions. Funding to support the development of partnerships between UK and UAE institutions in selected key sectors will be available in 2008 and 2009 and may be accessed on a competitive bidding basis.

Given the population figures, transaction costs are likely to be relatively higher in the UAE than in some of the larger Middle East countries.

Nevertheless, according to newspaper reports, the UAE population includes one million people under the age of 18, with less than half of these being UAE nationals. The UAE may be particularly attractive for providers already operating in the Gulf States or those seeking to build partnerships in the UAE and beyond, as the other Gulf States are also aiming to drive up the proportion of nationals in the labour market.

College and stakeholder assessment of the Gulf States

The Gulf States, and in particular Saudi Arabia, were thought to be offering good opportunities due to the age profile, the nationalisation of the workforce and a recognised need for a better preparation for employment. Saudi Arabia has embarked on a large scale investment in new colleges throughout the Kingdom. The demand for 'turnkey solutions' or comprehensive suites of qualifications makes it, however, difficult for the UK FE sector to capture the market unless providers operate in consortia. There was also a perception that the Gulf States are planning to introduce their own quality assurance system for which overseas providers will need to prepare themselves.

Particular training needs were thought to exist for the provision of general English and English tailored to particular areas of work as well as for mathematics and science. Good prospects were also perceived in the oil and gas sector as the UK is in

¹⁵⁷ See Highlights of the UAE Government Strategy (nd)

¹⁵⁸ Gulf News, November 28, 2006

¹⁵⁹ One example is Emirates Aviation College offering aviation English training courses in partnership with RMIT English Worldwide, Australia.

a good position to compete for provision in this area, due to its work on standards.

In contrast to other countries there are arguably more opportunities to obtain funding from large companies.. There was also a note of caution, as one stakeholder argued that margins are tight and that there may be no long-term prospects due to the requirement for the handover to nationals after the start-up phase.

The market is sensitive to political developments; thus opportunities can either flourish or vanish. It was stressed that in the case of Saudi Arabia, cultural briefing for UK providers is absolutely essential.

A large corporate UK company is already working in Saudi Arabia to deliver a large project in collaboration with UK FE colleges. There are also

plans for a Government framework for the Middle East and for engagement in more promotional work in Bahrain and Oman.

FE colleges are expecting a sharp drop in international student recruitment in the future, as *Figure 4.15* shows. The delivery of learning programmes abroad is expected to increase from a low base, whereas few opportunities are anticipated in the area of commercial contracts. It is worth noting though that the Gulf States are among three PMI2 countries where colleges see most opportunities for delivering learning programmes abroad. *Figure 4.16* provides separate data for Saudi Arabia, with anticipated opportunities being fairly similar to those relating to the other Gulf States.

Figure 4.15 Assessment of opportunities in the Gulf States (present and future)

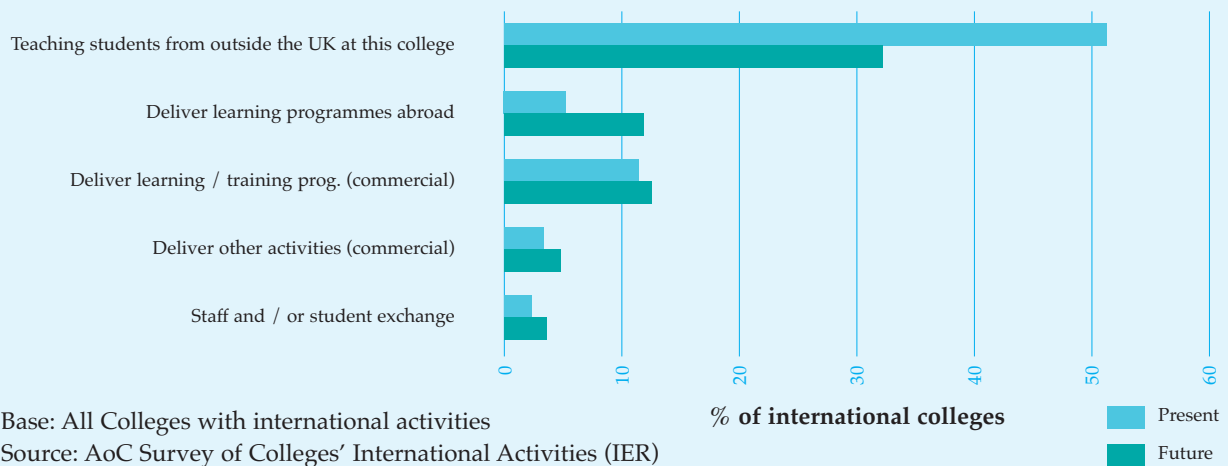
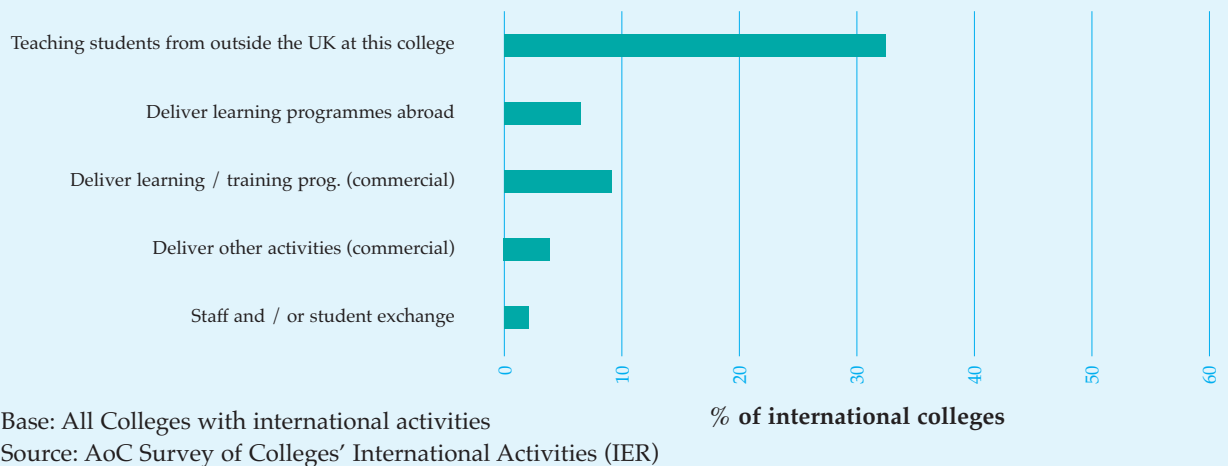


Figure 4.16 Assessment of opportunities in Saudi Arabia (future)



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- Various newspaper articles and internet sites, as indicated in the footnotes

4.8 Conclusion

There appears to be a development pattern to international activity which has moved from an initial focus on providing courses in the UK to international students to the establishment of partnerships between UK colleges and colleges in the client country delivering a range of activities, not just teaching. This transition occurs as a consequence of the maturity of VET provision in the client country, but it is not without its complications: for example, awarding bodies are not subject to the same regulations (guaranteeing quality) as they are in the UK, and the process of examination and assessment when carried out at a distance can be both costly and complex. Opportunities for the UK and other countries to offer assistance to, and engage in, collaboration projects with these countries depend on whether and to what extent Governments, individuals,

businesses or international organisations are able to fund vocational education. In the case of higher education, for example, there is evidence to suggest that individual Chinese and Indian families are able and willing to invest in foreign education for their sons and daughters. As vocational education is not the typical choice for those sections of the population who can afford to pay for their education, it is unlikely that funding will come through this route. Instead funding through other channels is likely to play a larger role in capturing the international market, such as the Government, corporate companies or industry bodies. Overall, vocational education is not held in the same esteem as higher education. At the same time, however, countries are starting to recognise the importance of VET for the economy and the fact that education reforms might be needed to satisfy future demands for skills.

Table 4.5 Structure of the UAE education system

	Population (millions, 2005)	Population growth (average 2000-05)	% of people under age of 15 (2005)	Income group (2007)	GDP per capita (% growth 2004-05)	PPP GNI per capita ² (2005)	Population below US\$2 per day	WTO membership	Adult literacy rate (2000-04)
China	1,305	0.6	21	Low middle	9.2	6,600	46.7 (2001)	2001	91
India	1,095	1.5	32	Low	7.1	3,460	79.9 (1999-00)	1995	61
Russian Federation	143	-0.4	15	Upper middle	6.9	10,640	12.1 (2002)	no	99
Mekong Delta									
Thailand	64	0.9	24	Low middle	3.6	2,750	25.1 (2002)	119	93
Viet Nam	83	1.1	30	Low	7.4	3,010		2007	92
Laos PDR	6	2.3	26	Low	4.6	2,020	74.1 (2002)	no	69
Gulf States									
Bahrain	-	-	-	High	-	-	-	1995	
Kuwait	3	2.9	24	High	5.3	24,010		1995	99
Oman	3	1.0	35		-	14,680		2000	81
Qatar	-			High				1996	
Saudi Arabia	25	2.7	37	High	3.9	14,740		2005	39
UAE	-	-	-	High	-	-		1996	

Source: World Development Report 2007 and World Bank data (income group)

Legend: ¹ The groups are defined as follows, according to 2005 GNI per capita low (US\$875 or less), lower middle (US\$876 – 3,365), upper middle (US\$3,366-10,725 and high (US\$10,726 or more).

² PPP: Purchasing Power Parity (conversion used by the World Bank which uses country specific price survey to determine the equivalent purchasing power of the domestic GNI)

GDP: Gross domestic product

GNI: Gross national income

WTO: World Trade Organisation

Table A.2 Enrolments in lower secondary to tertiary education – overall and vocational education (2004) (absolute figures are rounded to the nearest thousands)

			CHINA		INDIA	Russian Federation	Mekong Delta		
			China	Hong Kong	India	Russian Federation	Thailand	Viet Nam	Laos PDR
Lower secondary education (International Standard Classification of Education level 2 (ISCED2))	GER (in %)		101	108	70 (2003)	90 (2003)	89	87	56
	Vocational education	Entrance age	N/A	N/A	14	N/A	N/A	11	11
		Duration	N/A	N/A	2	N/A	N/A	3	4
		All progr. 1000s	67,153	257	47,523	9,615	3,051*	6,498	229
	Enrolment	Vocational progr. 1000s	N/A	N/A	678	N/A	N/A	N/A	0.3
		Enrolment in TVET (%)	N/A	N/A	1	N/A	N/A	-	0
		VGER (in %)	N/A	N/A	2	N/A	N/A	N/A	0
Upper secondary education (ISCED3)	GER (in %)		45	69	39 (2003)	99 (2003)	65	55	35
	Vocational education	Entrance age	15	15	16	15	15	15	14
		Duration	3	2	2	2	3	3	3
		All progr. 1000s	28,471	230	33,526	4,907	2,313*	2,768	124
	Enrolment	Vocational progr. 1000s	11,298	12	32	1,413	0,610*	310	5
		Enrolment in TVET (%)	40	5	0	29	26*	11	4
		VGER (in %)	17	7	0	29	18*	6	1
Post-secondary non-tertiary education (ISCED 4)	Enrolment	All progr. 1000s	612*	33	522	234	19*	N/A	20
		Vocational progr. 1000s	612*	...	93	234	N/A	N/A	16
		VGER (in %)	1*	...	0	5	N/A	N/A	7
Tertiary education (ISCED 5 and 6)	GER (in %)		19	32	11 (2003)	68*	41	6	10*
	Enrolment	All progr. 1000s	15,186	159	11,295	8,115	2,206*	797*	28
		Vocational progr. 1000s	7,363	68	88	2,014	416*	221*	19
		5B progr. GER (in %)	18	35	0	41	18*	7*	8

Source: World Development Report 2007 and World Bank data (income group)

Legend: ¹ The groups are defined as follows, according to 2005 GNI per capita low (US\$875 or less), lower middle (US\$876 – 3,365), upper middle (US\$3,366-10,725 and high (US\$10,726 or more).

² PPP: Purchasing Power Parity (conversion used by the World Bank which uses country specific price survey to determine the equivalent purchasing power of the domestic GNI)

GDP: Gross domestic product

GNI: Gross national income

WTO: World Trade Organisation

Table A.3 Enrolments in lower secondary to tertiary education – overall and vocational education (2004) – cont. (absolute figures are rounded to the nearest thousands)

			Gulf States					
			Bahrain	Kuwait	Oman	Qatar	Saudi Arabia	UAE
Lower secondary education (International Standard Classification of Education level 2 (ISCED2))	GER (in %)		102	90	93	101	69	73
	Vocational education	Entrance age	N/A	13	N/A	N/A	15	N/A
		Duration	N/A	4	N/A	N/A	2	N/A
		All progr. 1000s	37	136	153	29	1.116	173
	Enrolment	Vocational progr. 1000s	N/A	0.5	N/A	N/A	34	N/A
		Enrolment in TVET (%)	N/A	0	N/A	N/A	3	N/A
		VGER (in %)	N/A	0	N/A	N/A	4	N/A
Upper secondary education (ISCED3)	GER (in %)		95	90	79	92	66	59
	Vocational education	Entrance age	15	17	N/A	15	15	15
		Duration	3	3	N/A	3	3	3
		All progr. 1000s	30	124	126	23	879	100
	Enrolment	Vocational progr. 1000s	15	13	N/A	0.6	35	1.7
		Enrolment in TVET (%)	49	11	N/A	2	4	2
		VGER (in %)	45	12	N/A	2	2	1
Post-secondary non-tertiary education (ISCED 4)	Enrolment	All progr. 1000s	3.7	16	...	N/A	...	N/A
		Vocational progr. 1000s	3.3	9.6	...	N/A	...	N/A
		VGER (in %)	15	14	...	N/A	...	N/A
Tertiary education (ISCED 5 and 6)	GER (in %)		34*	22*	13	18*	28	22* (2003)
	Enrolment	All progr. 1000s	19	...	...	7.8	525	68*
		Vocational progr. 1000s	3.4	...	...	0.1	69	...
		5B prog. GER (in %)	16	...	...	1	8	...

Source: World Development Report 2007 and World Bank data (income group)

Legend: ¹ The groups are defined as follows, according to 2005 GNI per capita low (US\$875 or less), lower middle (US\$876 – 3,365), upper middle (US\$3,366-10,725 and high (US\$10,726 or more).

² PPP: Purchasing Power Parity (conversion used by the World Bank which uses country specific price survey to determine the equivalent purchasing power of the domestic GNI)

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GNI: Gross national income

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In conclusion, a comparison can be made between the demand for further education from various PMI2 countries, the supply available to them from both UK FE colleges and those in Australia, Germany, and the USA, and the role of intermediary organisations in matching demand to supply.

There is evidence of a wide range of demand on the part of a number of countries. The nature of this demand varies according to the relative wealth of the country or region concerned. For the wealthier countries the demand is focused on sending students abroad to study for the whole or part of a course in order to gain experience of studying abroad, as well as on a range of exchange programmes and commercial opportunities. In the case of poorer countries the capacity to send students abroad is much more limited due to cost factors – hence the relatively greater emphasis upon domestic capacity building in FE.

There are huge differentials in the nature of international demand from Western countries, countries in the former Eastern bloc (e.g. Russia), those which have experienced rapid recent growth (e.g. India and China) and those where growth has been much more modest (e.g. Viet Nam, parts of Africa). This is somewhat of an oversimplification but it is true in relation to the main characteristics of demand.

The evidence suggests that both the UK and Australia have been successful in attracting students

from relatively poor countries – measured by income levels – but anecdotal evidence suggests that these are often the children of relatively affluent parents in countries such as China. Whilst the number is proportionately small in the context of the total student population in, for example, China, the absolute numbers are often substantial.

However, as the UK FE college case studies suggest, colleges are now moving towards developing capacity in the countries from which they have recruited students. This takes a variety of forms, including forging partnerships with institutions in-country and developing satellite campuses. Though this is very much a developing trend, it still forms only a small part of colleges' overall activity.

From a supply side perspective, the main international activities of colleges are still very much focused on the provision of learning places in UK colleges to international students. In comparison with this the scale of other international activities is very modest. That said, there is evidence to suggest that colleges have moved into new areas of activity such as capacity building projects and activities aimed at raising the international profile of the college. The majority of colleges perceive that the international market has grown over the recent past few years and will continue to do so in the future. The key question is how can the activities of FE colleges be promoted effectively and equipped to compete with countries such as Australia, Germany, and the USA?

Figure 5.1 Relative strengths and weaknesses of international provision in selected countries

	Strong brand	Single regulator for international students	High levels of co-ordination between agencies	Flexible provision of courses	Ease of access to country	Relative cost of living / courses
Australia	✓	✓	✓	✓	✓	
Germany	✓		✓	✓		
UK	✓			✓	✓	
USA				✓		✓

The relative strength of each system is summarised below as indicated by a $\sqrt{\quad}$ (see *Table 5.1*). The relative strengths of the UK system include international perceptions of the brand, the flexibility of the system which enables it to respond to demand from different countries, and comparative ease of access to the country. To some extent these are also strengths of the Australian system in addition to others which include a regulatory body (established by the Education Services for Overseas Students (ESOS) Act), a mechanism to ensure the quality of provision of international services and a possible advantage in relation to price.

Australia (and to a certain extent Germany) has a highly co-ordinated approach to establishing international markets: For example, TAFEs, as quasi public sector bodies, are well integrated into the overall promotion of Australian education products and services abroad. GTZ is attached to the Federal Government of Germany by an 'umbilical cord'. It can be argued that in contrast to this, UK colleges operate much more independently in international markets. Whilst this encourages an entrepreneurial approach and facilitates a flexible response to the needs of the international marketplace, it can result in disproportionately high transaction costs compared to other countries, and potentially prevent optimal economies of scale being achieved to the same extent as elsewhere.

Risk management is also an issue. The costs of investing in international activities are substantial, and these also need to be developed over a long time. Furthermore, some of the countries where future export opportunities might arise may have experienced recent political and economic stability, but this situation does not necessarily characterise them over a rather longer time span. In addition, the relative risk of investing in countries where colleges act independently may be higher than in those countries where the public sector bears more of that risk.

The key question is how to provide the UK system with the capability to match the advantages enjoyed by countries such as Australia without compromising the key strengths of the existing system, so that new markets (both by country and service area) can be captured.

The UK has two major competitive advantages:

- the English language;
- a flexible TVET system that is able to meet the needs of employers and individuals.

As the case studies of Australia and Germany illustrate, its competitors have a more integrated

and co-ordinated approach to capturing their share of the international market. In many respects these countries have adopted a top-down approach with centralised co-ordination and management.

A further strength of the UK system is the relative autonomy of colleges which enables them to respond to those market opportunities which best fit with their own strategic objectives. As the case studies illustrate, many colleges have developed considerable expertise in navigating their way through the international market.

The key recommendation for policy relates to the need for co-ordination and promotion of UK colleges in a way that does not threaten their autonomy but at the same time is able to mediate some of the transaction costs of engaging in the international market.

Given the structure of the UK FE sector, this has to be a bottom-up initiative. Individual colleges need to find a means of collaboratively promoting the UK FE / TVET system and brand, which equates (in terms of effectiveness) to mechanisms used by key competitor countries' international markets. Some agencies are already supporting colleges with these developments (such as the Association of Colleges, the British Council, UKTI, English UK etc.). However, a key issue for consideration is whether there needs to be a single and more co-ordinated 'voice', or whether the *status quo* is adequate.

Without doubt, other countries have identified the international market as an important source of revenue and they monitor the competition closely. There needs to be a corresponding overall international strategy for UK colleges that is 'owned' by them, in order that they will commit to an active role in its implementation as well as investing in collaboration with the UK Government.

To cater effectively to the demand for TVET in key international markets greater capacity than that which can be offered by an individual college is often required. This can only be generated by more collaborative approaches between colleges and / or colleges and other stakeholders, e.g. awarding bodies and materials / equipment suppliers. In the past the British Council, the AoC and colleges themselves have led consortia for specific projects, but more recently momentum has gathered amongst the provider organisations themselves in relation to the establishment of co-ordinating structures with a wider and longer-term remit. Whilst this approach has been broadly welcomed by the FE sector, some reservations have been expressed, mainly in relation to the challenges these newly emerging consortia

will need to address in fulfilling the role of intermediary.

The debate has also focused on the issue of what kind of promotion strategies are best suited to capturing the demand for TVET in the international market. Active recruitment of international students to the UK has traditionally involved working with education agencies, participating in exhibitions and self-organised overseas visits. However, a more proactive pursuit of other strategies may also yield benefits, in particular the recruitment via industry representatives (notably training managers or industry bodies) as they are more likely to be the sponsors of TVET than are individuals. Such an approach would also emphasise the value of vocational education and training as a product in itself, whereas, according to some, FE is currently marketed largely as a pathway into higher education. If TVET proves to be a growing market in some overseas countries – a scenario that, some argue, is emerging – alternative strategies, such as recruitment via industry, are likely to gather momentum.

Many of the activities referred to above are already being undertaken by one or more organisations. The key question for those engaged in the promotion of UK TVET overseas is whether the UK brand is currently being effectively promoted or whether the message becomes dissipated as a consequence of UK colleges competing with one another as well as with overseas competition. A detailed exploration of these issues is outside the scope of this modest research project, but sufficient evidence is provided in the main body of this report to suggest that the competition continues to gain strength.

Based on the results of the study the recommendations are as follows:

- the UK needs to study the models used by other countries to promote vocational education and training but needs to be cautious about 'borrowing' solutions without considering the way in which these models are conditioned by the domestic education system and the national approach to export promotion;
- the UK should focus attention on improving information about international markets and on better ways to promote the UK system. In order that colleges can minimise the transaction costs associated with entry to international markets, concerted action on the part of colleges, their representative organisations, other national agencies and Government departments is required. There would be a strong advantage in

having a body (or bodies) which would co-ordinate and manage colleges' international activities. This would effectively facilitate some sharing of the risk involved in entering international markets and increase capacity in relation to achieving economies of scale. Such an approach would be a strong asset in the context of capturing new markets and maintaining existing markets where UK providers are well established;

- Government or quasi-government agencies may want to review direct or indirect incentives which may encourage TVET providers to engage in international markets (e.g. bringing international activities into the reporting framework or facilitating collaborative approaches);
- colleges contemplating international activity can learn from successful approaches utilized by their peers but need to understand that there are high threshold costs which can take several years to recoup. On the other hand, there are examples of relatively low risk strategies adopted by colleges when embarking on entry into the international market;
- it may be advantageous to consider widening the scope of marketing strategies, where appropriate. In addition to the range of educational agencies used traditionally to attract students, strategies such as marketing via industry bodies, industry representatives or large companies may prove to be effective options;
- transnational education is becoming more and more important. The introduction of a robust regulation of learning and training programmes delivered overseas or via franchise may therefore be opportune, as this would facilitate promotion of UK FE / TVET abroad;
- developing strategic approaches, adopting partnership approaches and pursuing long-term relationships should form part of the colleges' planning in relation to pursuit of opportunities in international markets. However, more shorter-term engagements which result from response to identified needs or specific invitations, may well also yield benefits which complement the overall portfolio.
- although (with one exception) outside the scope of PMI2, opportunities for international activity within Europe should not be overlooked.

Annex A: Survey questionnaire¹⁶⁰

UK Further Education / Technical Vocational Education and Training

Opportunities in the International Market

The Association of Colleges, on behalf of the PMI2 Strategy Group, has commissioned the Warwick Institute for Employment Research (IER) to conduct a survey on the nature and extent of international activities UK FE colleges engage in and the colleges' assessment of key opportunities in the international market.

Colleges currently engaged in international activities will be asked to provide background data, information on international activities, recruitment of students from EU and non-EU countries, and delivering teaching and learning abroad in partnership with overseas institutions.

Colleges currently not engaged in international activities will be navigated through a short questionnaire, exploring potential barriers to entering the international market and past international activities. Your reply is equally important, even if international activities have not been or will not be on the agenda.

The responses will remain confidential and will be handled by an external organisation, QUAD research (read our Privacy Statement). The resulting

data will be submitted to the IER, and will be treated in strictest confidence. At the end of the questionnaire you will be asked whether you agree to our making the data you have provided available to the AoC (or the Association of Scotland's Colleges (ASCOL) only in the case of Scottish Colleges) to assist them in ensuring that as many colleges as possible are made aware of opportunities which may be relevant to them.

Please give your best estimate or best approximation if you do not have the data requested to hand. Note that not all questions will apply to you. You will notice this in the question numbering. If you need to postpone the completion of the questionnaire, press the save button. When continuing the survey please ensure that you follow the survey link on the same computer you used previously.

If you have any queries please do not hesitate to contact:

Beate Baldauf, Research Fellow, IER, University of Warwick, B.Baldauf@warwick.ac.uk, Telephone: 024 7652 3531, OR

Terence Hogarth, Principal Research Fellow, T.Hogarth@warwick.ac.uk, Telephone 024 7652 4420

Please scroll down and click the Next button to begin the survey.

¹⁶⁰ The formatting is slightly different to the appearance of the online survey. In some instances questions appear to be missing, whereas in fact they are not. This is due the automated generation of questions numbers.

Background Information

Q1 Name of college

Q2 Is the college a...

- Sixth form college
- General further education college
- Specialist college
- Other

Q3 Please specify the type of college

Q4 Approximately, what is the total number of students at the college?

- 1 – 9991,000
- 1,9992,000 – 2,999
- 3,000 – 3,999
- 4,000 – 4,999
- 5,000 – 7,499
- 7,500 – 9,999
- 10,000 – 12,499
- 2,500 – 14,999
- 15,000 – 17,499
- 17,500 – 19,999
- 0,000 – 29,999
- 30,000 or more
- Don't know

Q5 What percentage of students are full time?

Q6 Does this college engage in any of the following activities? Please tick all that apply

- Teaching students from outside the UK at this college
- Delivering learning programmes abroad including via partnership arrangements with colleges / universities / private organisations in other countries
- Delivering learning / training programmes via commercial contracts / commissions
- Delivering other activities via commercial contracts / commissions (e.g. consultancy)
- Staff and / or student exchanges
- Global partnerships (non-direct profit making)*
- Activities aimed at "internationalising" the college; e.g. curriculum development, special projects
- Other
- None of the above – college has no current international activity
- *Global partnerships are defined here as largely non-profit-making activities such as capacity-building and contribution to VET systems reform within developing countries, exchange of experience and good practice with overseas colleges.

Q7 Please specify the other activities you deliver via commercial contracts / commissions

Q8 Please specify other activities

International Activities

Q9 If you are engaged in more than three activities, which are the three most important for this college?

- Teaching students from outside the UK at this college
- Delivering learning programmes abroad including via partnership arrangements with colleges / universities / private organisations in other countries
- Delivering learning / training programmes via commercial contracts / commissions
- Delivering other activities via commercial contracts / commissions (e.g. consultancy)
- Staff and / or student exchanges
- Global partnerships (non-direct profit making)*
- Activities aimed at “internationalising” the college; e.g. curriculum development, special projects
- Other: (no reply)

*Global partnerships are defined here as largely non-profit-making activities such as capacity-building and contribution to VET systems reform within developing countries, exchange of experience and good practice with overseas colleges.

Q10 In which countries do you deliver these activities?

	Teaching students from outside the UK at this college	Delivering learning programmes abroad	Delivering learning / training programmes via commercial contracts / commissions	Delivering other activities via commercial contracts / commissions (e.g. consultancy)	Staff and / or student exchanges	Global partnerships (non-direct profit making)	Activities aimed at ‘internationalising’ the college	Other
EU								
Rest of Europe								
China								
India								
Pakistan								
Gulf States								
Japan								
Rest of Asia								
Nigeria								
Ghana								
South Africa								
Rest of Africa								
North America								
South America								
Australasia								
Other								

Q11 In what other countries do you deliver activities?

Q12 Please indicate whether any of these activities are funded from any of the following sources

	Teaching students from outside the UK at this college	Delivering learning programmes abroad	Delivering learning / training programmes via commercial contracts / commissions	Delivering other activities via commercial contracts / commissions (e.g. consultancy)	Staff and / or student exchanges	Global partnerships (non-direct profit making)	Activities aimed at 'internationalising' the college	Other
International student fees								
Other commercial sources (full cost recovery)								
UK government or national agency grants								
International Government or international agency grants								
EU programmes								
College's own funds								
Other								
Don't know								

- Q13 In total, approximately what percentage of this college's income is from international activities? (international activities are defined as the eight activity categories used in the earlier questions)
- Q14 Approximately what percentage of your total international income is accounted for by teaching students from outside the UK?
- Q15 Approximately what percentage of your total international income is accounted for by delivering learning programmes abroad?
- Q16 Approximately what percentage of your total international income is accounted for by delivering learning / training programmes via commercial contracts or commissions?
- Q17 Approximately what percentage of your total international income is accounted for by delivering learning / training programmes via commercial contracts or commissions?
- Q18 Approximately what percentage of your total international income is accounted for by staff and / or student exchanges?
- Q19 Approximately what percentage of your total international income is accounted for by global partnerships (non-direct profit making)?
- Q20 Approximately what percentage of your total international income is accounted for by activities aimed at 'internationalising' the college?
- Q21 Approximately what percentage of your total international income is accounted for by other activities?
- Q22 In general, after taking account of inflation, has your income from international activities over 2005 / 06:
- Increased
 - Stayed the same
 - Decreased
 - Don't know
- Q23 Approximately by what percentage has your income from international activities increased?
- 1 – 10%
 - 11 – 25%
 - 26 – 50%
 - 51 – 75%
 - 76 – 100%
 - More than 100%
- Q24 Approximately by what percentage has your income from international activities decreased?
- 1 – 10%
 - 11 – 25%
 - 26 – 50%
 - 51 – 75%
 - 76 – 100%
 - More than 100%
- Q25 Please list the main sources from which you have obtained grants to support your international activities over the last three years (e.g. EU Leonardo, PMI2, ESF, BC)
- Please state the five countries (or regions) which are most important to the college's overall international work, in rank order
- 1 _____
 - 2 _____
 - 3 _____
 - 4 _____
 - 5 _____

Q35 What do you consider to be the main strengths of this college in the international market?

Subject areas:

- Engineering
- Arts, humanities, social science
- Construction
- Business administration
- Other manufacturing
- English language training (general)
- Health
- English language (for specific purposes)
- Design / Technology
- Teacher / Teacher training
- Fashion
- Management training
- Computing / IT
- Entrepreneurship
- Creative and performing arts
- Other subject areas

Other areas: Relationships with employers

- Learner-centred approaches
- Quality assurance (organisational level)
- Small business support
- Equality and Diversity
- Pathways programmes e.g. A levels, IB and pre-university foundation
- Social inclusion
- Other
- Support for youth at risk

Q37 What other subject areas do you consider to be a main strength of this college in the international market?

Q38 Please specify the other areas you consider to be the main strengths of this college in the international market

Q39 What awards / quality kitemarks does the college hold?

- Centres of Vocational Excellence (CoVES)
- Others (including grade 1s achieved by Welsh colleges)
- None

Q40 Please specify the areas in which the college holds Centres of Vocational Excellence

Q41 Please specify other awards / kite marks / grade 1s

Q42 Does the college work in collaboration with any of the following on the development and delivery of international activities (i.e. other than just receiving funds)? Please select all that apply

	Teaching and learning	Other activities
Other UK FE colleges		
UK Universities		
International education institutions		
Sector Skills Councils or other industry bodies		
UK Government departments or national agencies		
UK Employers or Employers' Associations		
International Government departments or national agencies		
International Employers or Employers' Associations		
Project partners in EU countries		
Other		

Q43 Please specify the other agency with which you collaborate on the development and delivery of international activities

Q44 In what other activities does your college get involved?

Recruitment of international students from abroad (EU and Non EU)

The following questions are about students who are domiciled abroad: in other words, they come from families whose country of residence is outside the United Kingdom (EU and non EU).

N.B. For the purposes of the survey these are all referred to as 'international students' in the questions that follow but a distinction is made between EU and non-EU at relevant points.

Q45 Approximately what percentage of the total student population at this college are international students?

Q46 Please state for each area how the student population has changed over the last three years

No students	Greatly increased	Increased a little	Stayed the same	Decreased a little	Decreased greatly
EU					
Rest of Europe					
China					
India					
Pakistan					
Gulf States					
Rest of Asia					
Nigeria					
Ghana					
South Africa					
Rest of Africa					
North America					
South America					
Australasia					
Other					

Q47 Please specify which other countries

Q48 Are international students mainly studying vocational courses, academic ones or both? Please indicate for each area. Please select all that apply

	Mainly vocational	Mainly academic	Both
Engineering			
Construction			
Other manufacturing			
Health			
Design / Technology			
Fashion			
Computing / IT			
Creative and performing arts			
Arts, humanities, social science			
Business administration			
English language training (general)			
English language training (for specific purposes)			
Teacher / Teacher training			
Management and training			
Entrepreneurship			
Other			

Q49 Please specify the other areas for which students are studying

Q50 At what level are international students studying at this college. "Level" here refers to National Qualifications Network. Please indicate for each area, selecting all that apply

	Level 1	Level 2	Level 3	Level 4	Other
Engineering					
Construction					
Other manufacturing					
Health					
Design / Technology					
Fashion					
Computing / IT					
Creative and performing arts					
Arts, humanities, social science					
Business administration					
English language training (general)					
English language training (for specific purposes)					
Teacher / Teacher training					
Management and training					
Entrepreneurship					
Other					

Q51 Please specify the other courses students are studying at this college

Q52 Please specify the level to which students are studying at this college

Q53 Do you offer any courses which integrate English language with vocational or management training?

Yes

No

Q54 Please provide details of such courses below (e.g. subject area and level of course)

Q55 On average, approximately what percentage of international students at this college complete their studies?

- 0-10%
- 11-20%
- 21-30%
- 31-40%
- 41-50%
- 51-60%
- 61-70%
- 71-80%
- 81-90%
- 91-100%
- Don't know

Q56 Approximately what percentage progress to higher education in the UK?

- 0-10%
- 11-20%
- 21-30%
- 31-40%
- 41-50%
- 51-60%
- 61-70%
- 71-80%
- 81-90%
- 91-100%
- Don't know

Q57 Do you have a formal arrangement with any specific higher education institutions in the UK or overseas to enable students to progress to HE?

- Yes
- No

Q58 Which ones?

Q59 How would you describe the age profile of students from outside the UK studying at this college?

- Mainly under 18
- Mainly aged 18 – 20
- Mainly aged 21 – 24
- Mainly aged 25 years or over
- A broad mix of age groups

Q60 Do you record your international student data on the Learning and Skill Council's ILR?

- Yes
- No
- Does not apply

Delivering teaching and learning abroad in partnership with overseas institutions

We would now like to ask you some questions about delivering learning programmes abroad, including via partnership arrangements with colleges / universities in other countries.

Q61 How do you deliver learning abroad? Please indicate for each of the subject areas.
Please select all that apply

	Mainly face to face delivery by staff of this college	Through e- or blended learning	Delivery in partnership with an over-seas org.	Through a franchise arrangement	With UK accreditation	With dual accreditation	Without accreditation
Engineering							
Construction							
Other manu-facturing							
Health							
Design / Technology							
Fashion							
Computing / IT							
Creative & performing arts							
Arts, humani-ties, social sciences							
Business admin.							
English language training (general)							
English language training (for specific purposes)							
Teacher / Teacher training							
Management & training							
Entrepreneur-ship							
Other							

Q62 What other subject areas do you deliver learning abroad in?

Q63 If applicable, which organisation(s) are you in partnership with or do franchise to / from?

Q64 To what level is the learning directed? "Level" here refers to National Qualifications Network. Please indicate for each area, selecting all that apply

	Level 1	Level 2	Level 3	Level 4	Other
Engineering					
Construction					
Other manufacturing					
Health					
Design / Technology					
Fashion					
Computing / IT					
Creative and performing arts					
Arts, humanities, social science					
Business administration					
English language training (general)					
English language training (for specific purposes)					
Teacher / Teacher training					
Management and training					
Entrepreneurship					
Other					

Q65 To what other level is the learning directed?

Q66 Approximately what percentage of participants studying on the above courses complete them?

- 0-10%
- 11-20%
- 21-30%
- 31-40%
- 41-50%
- 51-60%
- 61-70%
- 71-80%
- 81-90%
- 91-100%
- Don't know

Q67 In what other subjects is learning directed?

Q68 How important is the offer of a UK qualification to the organisations with which you work abroad?

- Very important
- Quite important
- Not very important
- Not at all important

Final information

We would now like to ask you some questions about this college's future international activities.

Q69 Thinking about the next five years, what will be the fastest growing areas of this college's international activities? Please select all that apply

- Teaching students from outside the UK at this college
- Delivering learning programmes abroad via partnership arrangements with colleges / universities / private organisations in other countries
- Delivering learning / training programmes via commercial contracts / commissions
- Delivering other activities via commercial contracts / commissions (e.g. consultancy)
- Staff and / or student exchanges
- Global partnerships (non-direct profit making)*
- Activities aimed at 'internationalising' the college: e.g. curriculum development, special projects
- Other

*Global partnerships are defined here as largely non-profit making activities, such as capacity-building and contribution to VET systems reform within developing countries, exchange of experience and good practice with overseas colleges

Q70 Please specify the other activities you intend to deliver via commercial contracts / commissions

Q71 Please specify the other activities that you think will be one of the fastest growing areas of the college's international activities

Q72 Thinking about the future, do you see opportunities for pursuing any of those activities in any of the following countries? Please select all that apply

	Teaching students from outside the UK at this college	Delivering learning programmes abroad	Delivering learning / training programmes via commercial / contracts / commissions	Delivering other activities via commercial contracts / commissions (e.g. consultancy)	Staff and / or student exchanges	Global partnerships (non-direct profit making)	Activities aimed at 'internationalising' the college	Other
Australia								
Bangladesh								
Brazil								
Canada								
China								
Ghana								
Gulf States								
Hong Kong								
India								
Japan								
Korea								
Malaysia								
Mexico								
Nigeria								
Pakistan								
Russia								
Saudi Arabia								
Singapore								
Sri Lanka								
Taiwan								
Thailand								
Turkey								
USA								
Viet Nam								

Q73 Please specify other activities if applicable

Q74 Please state whether you agree strongly, agree, disagree, or disagree strongly with the following statements

	Agree strongly	Agree	Disagree	Disagree strongly
Over the next five years this college will be increasingly dependent upon income from international activities				
This college cannot afford to make the investments necessary to attract international business				
The international activities of this college benefit its staff and students				
This college does not have the capacity to expand its international activities				

Q75 Do you use the services of any of the following in relation to your international activities? Please select all that apply

- British Council in the UK
- British Council's offices overseas
- Foreign Office
- Association of Colleges
- Association of Scotland's colleges
- Department for Education and Skills, England
- Department for Education, Culture and Welsh Language, Wales Assembly
- Department for Education and Training, Scottish Executive
- Department for Learning and Employment (DELNI), Northern Ireland Executive
- Learning and Skills Councils
- UK Trade and Industry (UKTI)
- International Business, Wales
- Scottish Development International
- Scottish Council for Development and Industry
- Scottish Colleges International
- Business Gateway (Scottish Enterprise)
- Department of Enterprise, Training and Investment (DETI), Northern Ireland Executive
- Other colleges
- Other

Q76 What other organisations do you use?

Q77 In your opinion, how well prepared is this college to further develop its international activities?

- Very well prepared
- Quite well prepared
- Not well prepared
- Not at all well prepared

Q78 What kind of support, if any, would the college consider necessary in developing its international activities further? (e.g. in-country specialists, support in marketing international commercial activity, funding from UK Government)

Q79 Is this kind of support currently available?

- Yes
- No

Q80 Any comments on the survey or the questionnaire you wish to make

Thank you for your time

Q81 If you do not wish all the data you provided as part of this online survey to be made available to the Association of Colleges (the Association of Scotland's Colleges (ASCOL) only in the case of Scottish colleges) upon completion of this project, please tick the box below.

Please note that the data will be used to assist the AoC / ASCOL in ensuring that as many colleges as possible are made aware of opportunities which may be relevant to them and it will not be published or shared with other colleges.

I do not wish to make this data available to the AoC (or the Association of Scotland's Colleges (ASCOL) in the case of Scottish colleges)

Thank you very much for completing the questionnaire. [Please press the Submit button now](#)

ONLY FOR COLLEGES WITH NO CURRENT INTERNATIONAL ACTIVITY

The following questions are directed at colleges with no current international activity. Previous questions for those colleges with international activities have been omitted, resulting in the non-sequential numbering

Q82 Is it an established policy of this college not to engage in international activities?

- Yes
- No, it just turned out that way

Q83 What do you consider to be barriers for this college to entering the international market? Please tick all that apply

- Lack of interest to engage in international activities
- Lack of knowledge about international markets
- Lack of support from other agencies to facilitate entry into international markets
- Lack of resources to develop international activities
- Lack of staff with appropriate experience to develop and manage these activities
- No spare capacity for student recruitment – college has sufficient demand from UK students
- Diverts the college from core mission
- Other

Q84 Please specify the other factors you consider to be barriers to entering the international market

Q85 Over the past ten years has this college been engaged in any of the following international activities? Please select all that apply

- Teaching students from outside the UK at this college
- Delivering learning programmes abroad via partnership arrangements with colleges / universities / private organisations in other countries
- Delivering learning / training programmes via commercial contracts / commissions
- Delivering other activities via commercial contracts/commissions (e.g. consultancy)
- Staff and / or student exchanges
- Global partnerships (non-direct profit making)*
- Activities aimed at 'internationalising' the college: e.g. curriculum development, special projects
- Other
- None of the above

*Global partnerships are defined here as largely non-profit making activities, such as capacity-building and contribution to VET systems reform within developing countries, exchange of experience and good practice with overseas colleges

Q86 Please specify the other commercial activities your college has been engaged in over the past ten years

Q87 Please specify the other activities your college has been engaged in over the past ten years

Q88 What were the reasons for not continuing with these international activities?

Q89 How likely is it that this college will engage in international activities of some kind in the future?

- Very likely
- Likely
- Not very likely
- Very unlikely

Q90 Any comments on the survey or the questionnaire you wish to make

Q91 If you do not wish all the data you provided as part of this online survey to be made available to the Association of Colleges (the Association of Scotland's Colleges (ASCOL) only in the case of Scottish colleges) upon completion of this project, please tick the box below.

Please note that the data will be used to assist the AoC / ASCOL in ensuring that as many colleges as possible are made aware of opportunities which may be relevant to them and it will not be published or shared with other colleges.

I do not wish to make this data available to the AoC (or the Association of Scotland's Colleges (ASCOL) in the case of Scottish colleges)

Thank you very much for your time

Annex B: Interview guidelines for stakeholders

Introduction

Funded by the second Prime Minister's Initiative the Association of Colleges has initiated a study with the following two aims in mind:

- (i) to investigate the nature and extent of international activities UK FE colleges are involved in; and
- (ii) to assess key opportunities for FE colleges and TVET1 UK in the international market.

The Warwick Institute for Employment Research has been commissioned to conduct this study. It includes, amongst others, a survey of FE colleges and a consultation with key stakeholders.

The organisation

1. What is your organisation's role with regard to FE / TVET (a) nationally and (b) internationally?
2. Can you briefly describe your job role within the organisation, in particular with regard to FE / TVET internationally?
3. What types of international activities has your organisation been involved in or pursued? What have been the challenges? And how have they been overcome?

Assessment of UK FE / TVET

4. What do you consider to be the key strengths of UK FE / TVET in the international market?
Prompt: Do the strengths differ across the four UK nations?
5. What do you consider to be weaknesses, if any, or challenges UK FE / TVET is facing?
6. In your view what, if anything, should be pursued to strengthen UK FE / TVET in the international market?
Prompt: What about quality assurance, student experience, curriculum development, marketing of the FE system etc.?
7. Overall, what are the benefits to students when pursuing a UK qualification in the UK or their own country?
8. Are you aware of any recent developments or strategies competing countries, such as the US, Canada, Australia and other non-English speaking countries, have developed to strengthen their FE provision in the international market? If yes, which ones? [for each country mentioned]

9. What key actions are required to strengthen UK FE / TVET in the international market and to meet existing or future challenges?
10. Who do you expect to take the lead in terms of those key actions?

FE and Higher Education (HE)

11. FE can provide a route into HE. How successful are existing FE routes into HE in (a) facilitating the transition of international students³ from FE to HE and (b) in enabling international students to complete a university education?
12. What is the current role of FE colleges vis-à-vis HE institutions in facilitating the transition from FE to HE?
13. If any, what changes in the FE colleges' role are required to facilitate transition from FE to HE?

Assessment of UK FE / TVET opportunities

14. In term of types of international activities, where do you see opportunities for UK FE / TVET in the international market?
What about these activities? [read out those not mentioned yet]
 - Teaching students from outside the UK at this college
 - Delivering learning programmes in this country and abroad via partnership arrangements with colleges in other countries
 - Delivering learning/training programmes via commercial contracts/commissions
 - Other commercial activities, e.g. staff development, consultancy
 - Staff and /or student exchanges
 - Global partnerships (non profit-making – capacity-building for developing countries, exchange of experience and good practice , assistance with the development of the qualifications system other countries)

15. In terms of regions, where do you see opportunities for UK FE / TVET in the international market?

And what about the PMI2 countries?

And what about the following countries / regions within PMI2 countries?

- China
 - Mekong Delta area (Thailand/Viet Nam/Laos)
 - India
 - Gulf States (Saudi Arabia, UAE, Bahrain, Oman)
 - Russia
16. In your view, are there any particular types of opportunities in particular types of countries / regions?

Pursuing opportunities

17. How could each of the opportunities for UK FE / TVET in the international market you identified earlier be pursued?
18. What are the likely challenges going to be?
19. If you have any direct dealings with colleges regarding their international activities: Do you have any views as to what may assist colleges in embarking on or further developing their international activities?
20. Is there anything that your organisation in particular could do to assist these colleges (further)?
21. What key steps are required to drive these opportunities forward?

Further information

22. As part of this study we also undertake a literature review on FE opportunities in the international market. Are there are any particular plans, activities or reports we should be aware of in this context, such as recent studies commissioned, statistics or documents published or about to be published by your organisation or others?

23. Do you have any specific information on educational market intelligence / or market opportunities in the following countries / regions?
- China
 - Mekong Delta area (Thailand/Viet Nam/Laos)
 - India
 - Gulf States (Saudi Arabia, UAE, Bahrain, Oman)
 - Russia
- Could you point us in the direction of a particular person or organisation we could speak to for a more detailed assessment of market opportunities in those five countries / regions?
24. Do you have any specific information on competitor models, such as the GTZ, TAFE (Australia) or CCID (US)?

Thank you very much for your time

- ¹ TVET UK, a new sector wide consortium to be launched in autumn 2007, will bring together FE colleges, private providers of English language and vocational training, educational equipment providers and national agencies.
- ² PMI2 priority countries include Australia, Bangladesh, Brazil, Canada, China, Ghana, Gulf, Hong Kong, India, Japan, Korea, Malaysia, Mexico, Nigeria, Pakistan, Russia, Saudi Arabia, Singapore, Sri Lanka, Taiwan, Thailand, Turkey, USA and Viet Nam
- ³ International students are students who are domiciled abroad, either in Europe or overseas. In other words international students come from families whose country of residence is outside the United Kingdom

Annex C: Interview guidelines for colleges

Introduction

Funded by the second Prime Minister's Initiative the Association of Colleges has initiated a study with the following two aims in mind: (i) to investigate the nature and extent of international activities UK FE colleges are involved in; and (ii) to assess key opportunities for FE colleges and TVET1 UK in the international market.

The Warwick Institute for Employment Research has been commissioned to conduct this study. It includes, amongst others, a survey of FE colleges, interviews with FE colleges and a consultation with key stakeholders.

Your college in a nutshell

1. How would you describe your college in a nutshell?
Nature and scope of engagement in international activities
2. What type of international activities is your college currently engaged in and how did it come about?
What is the structure of the engagement?
Which organisations does the college collaborate with at home or abroad?
Does the college collaborate with other UK colleges?
Type of business models employed, duration of engagement/contract
How long did it take to develop relationships?
When did it start?
Which countries/regions does the college mainly engage with?
Who / what was the driving force behind the engagement in international activities?
3. What do you consider to be the strengths of your international activities and what do you consider to be the strength of the strategy you employed (e.g. particular business models, how relationships have been built up)?
What strategies does the college use to position itself in the international market and how does the college arrive at this strategy?
Does the college target particular countries or particular sectors?
What role do Centres for Vocational Excellence play in this respect or in the context of partner activities?

Any innovative models or showcase initiatives?

4. What strategies does the college use to gather market intelligence?

Do you actively explore business opportunities (and by which means) or does it happen by chance?

What does the college know about the type of demand for VET in countries they want to engage with?

Challenges of international activities

5. According to your experience, what are the challenges when engaging in international activities (and what are the benefits)?
6. What, if any, barriers has your college encountered when embarking on/ engaging in or maintaining international activities?
7. How has your college overcome them (current examples)?
8. What sort of support would have been helpful? (and from whom, if applicable?)
9. What kind of competition did your college encounter when embarking on international activities (e.g. with regard to type of activities, competition for work in certain countries, competition from other countries providing FE, competition from within FE colleges in the UK)?
10. What would be a good way forward to strengthen international activities of colleges?
If you were to give advice to international colleges not currently engaged in such activities what would that be?

Further information

11. If the college has activities in the countries/regions below, would they know someone who could give some insight into opportunities for FE colleges in those countries?

- China
- Mekong Delta area (Thailand/Viet Nam/Laos)
- Gulf States (Saudi Arabia, UAE, Bahrain, Oman)
- Russia
- India

Thank you very much for your time

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