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There were some 3.3 million foreign students studying in different countries in 2012. Out of those, almost half (46% based on my calculations) studies in English speaking countries like the US, UK, Australia, Canada, Ireland, New Zealand, South-Africa etc. Significant other players in this area are the Post-Soviet states, Japan and some Arab states. The action in Post-Soviet states is based on traditions that were established during the soviet times. In Arab states the migrations are mainly regional. Largest outbound streams of students originate in China, India, Pakistan and other population rich countries in Asia.

Finland's export in 2012 was 56 Billion Euros and we had some 300 000 students in Higher Education institutions. If 2/3 of those would magically be paying foreign students with an average annual fee of 25 000€ this would give a revenue of some 5 Billion Euro, equaling 9% of Finnish exports. Considering that now we have some 12 600 foreign students, this would be a growth of 16 times in the number of students. Taking into account that the system of HE is based on free tuition, this sounds like a very hard business proposition for the institutions of HE! With a 4-fold increase in the number of students to about 50 000 and an optimistic tuition fee of 20K€a, the revenue would be about 1 Billion which would be about half of the current government budget to HE.

According to a study [1] "Europe's single major disadvantage in the eyes of Asian students is that English is not the universal mother tongue. Interviews also showed that information about English-taught programs in non-English speaking countries was not widespread". According to the study, the major factor motivating to study abroad is "career oriented". So, in becoming an attractive destination it is important to be able to offer jobs to foreign graduates.

What are reasonable conclusions from the above facts?

(1) First of all, for an exports oriented country like Finland, higher education can hardly become a significant sector of exports – a role that it has achieved in Australia. For this goal, education is just too labor intensive.

(2) If the share of foreign students in HE in Finland grows to 15...20% of all students, they might in our wildest dreams bring a significant contribution to the budgets of HE institutions (about half of the teaching budget). However, the tuition fee experiment that is ongoing shows that earning any money from HE is really hard in most areas of education, not to talk about making a profit! Also, running both tuition based and free-tuition programs in parallel is in practice impossible.

(3) It is unlikely that we can come even close to reaching the above less ambitious goal *unless we become an English speaking country*. We now have 2 official languages (Finnish and Swedish). There are countries in the world with e.g. 4 official languages (Switzerland, Singapore). We would have to write a law making it official that a resident can do his/her official business using English which is often possible un-officially even today. Such a law would also fully legitimize what the HE institutions are doing anyway: offering HE in English. However, if we look at HE as a business for Finland Ltd, the cost of introducing a 3rd official language would have to be seen as a cost item in the HE business case calculus. Having recently read emotional pleas by members of the public, among them a couple of employees of Aalto School of Economics, for preserving the Finnish language in HE in the main national newspaper (Helsingin Sanomat), I am inclined to conclude that it is unlikely that the politicians would be able to agree on such a law. *Personally, I feel that officially making English the 3rd language of government and teaching would be a step that would contribute to Finland's competitiveness on the world markets in many different ways.*

(4) If the country as a whole including job markets of all business sectors where HE graduates are needed does not embrace the foreign graduates, the institutions of HE will be unable to increase the number of foreign students significantly. Embracing the foreign graduates on the job market leaves no room for racist, xenophobic or "Finland-for-Finns" sentiments or politics.

What are the alternative strategies Finland can follow in internationalization of HE? Since most HE is free of tuition fees, the main motivation of offering HE in English has been creating an international learning environment for our own students and filling the gaps in areas of study that are needed for the economy and society but can not attract enough local students due to decreasing numbers of high school graduates and fashion. So, this strategy is quality-centric. It is possible to continue on this path, i.e. concentrate on the quality of HE and use Internationalization as a driver for improving quality. If we define quality like in ISO9000, HE should give predictable results in a given time. This goal can be pursued by moving from free tuition towards HE as a service for a fee. Let us also recall that due to short study cycles for foreigners from the point of view of the Finnish government using tax money to educate foreigners can be even more profitable than educating natives if a significant portion of the graduates stays in Finland. This requires that we indeed can offer well-paying jobs to the graduates.

In competition with big countries like the US, UK and Australia, it may be a good idea to look for niche strategies. An example is educating teachers for schools in the University of Jyväskylä. This niche may be able to attract applicants due to the excellent reputation of the Finnish Schools after all the Pisa-studies. We expect that there may be room for several niche initiatives, for example, in Economics and business administration and in ICT. We note that in terms of managing higher education, under niche strategies all Institutions of HE cannot be measured in the same way nor can the goal setting ignore these niches or absence of niches. Considering the popularity of egalitarian sentiments and patterns of thought, this creates political tensions. Also, such niche strategies cannot change the system of HE as a whole from free tuition to HE as a service for a fee. For example, the change to tuition based education has far reaching implications on the way the Universities cooperate with the industry.

From this discussion it is easy to conclude that the next steps in the Internationalization of HE are dependent on major political decisions. Unfortunately, following the political discussion on the matter, the politicians who might have some constructive ideas are silent while people who seek direction by looking at the rear view mirror dominate the floor.

1. Perceptions of European Higher Education in Third Countries, Academic Cooperation Association, 2013