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## Austrian Export of Education

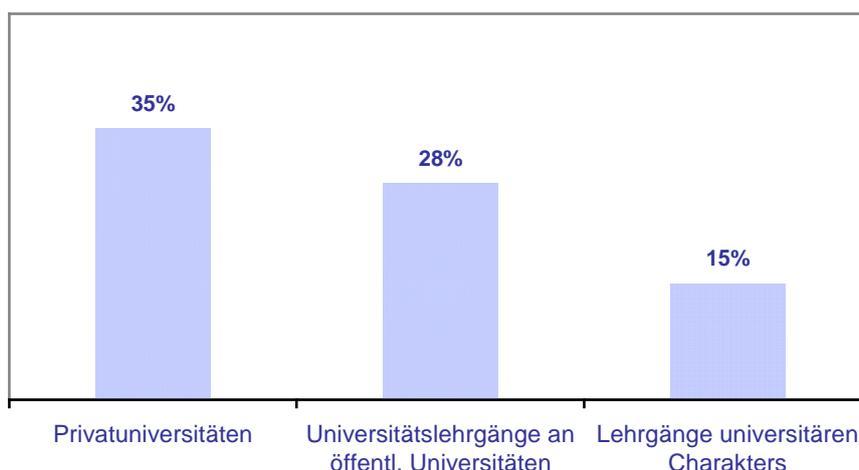
Selected Findings of an ibw Study<sup>1</sup> Commissioned by the Austrian Foreign Trade and Investment Organisation (AWO)

**A**s regards export of education, Austria already boasts remarkable successes on the international market, which are frequently fairly unknown. In particular, Austria has a respectable number of education and training providers representing a broad spectrum of size and provenance that offer a wide range of content and which have had significant success on the global market. These internationally active education and training providers also report that the image of Austrian know-how in the education sector is frequently much better than is often perceived in public debate and in view of the dominance of Anglo-Saxon countries in the field of higher education (HE). At the same time, however, there still exists enormous potential in the promotion of education export as is shown by the current analysis of the strategies pursued by particularly successful countries.

Austrian export of education – which is defined as (largely) cost-covering, guided educational services of Austrian providers for foreign customers (independent of the place where the service is provided) – can only be described insufficiently in quantitative terms. Only the sector of

formal postsecondary and tertiary programmes is characterised by relatively good data availability (cf. graph 1). The share of foreign students is particularly high at private universities (35%).

*Graph 1: Share of foreign students/  
final degrees in Austria*



Source: Statistics Austria (2009): Bildung in Zahlen 2007/08 – Tabellenband (Facts and figures about education 2007/08 – volume of tables), Vienna + ibw calculations

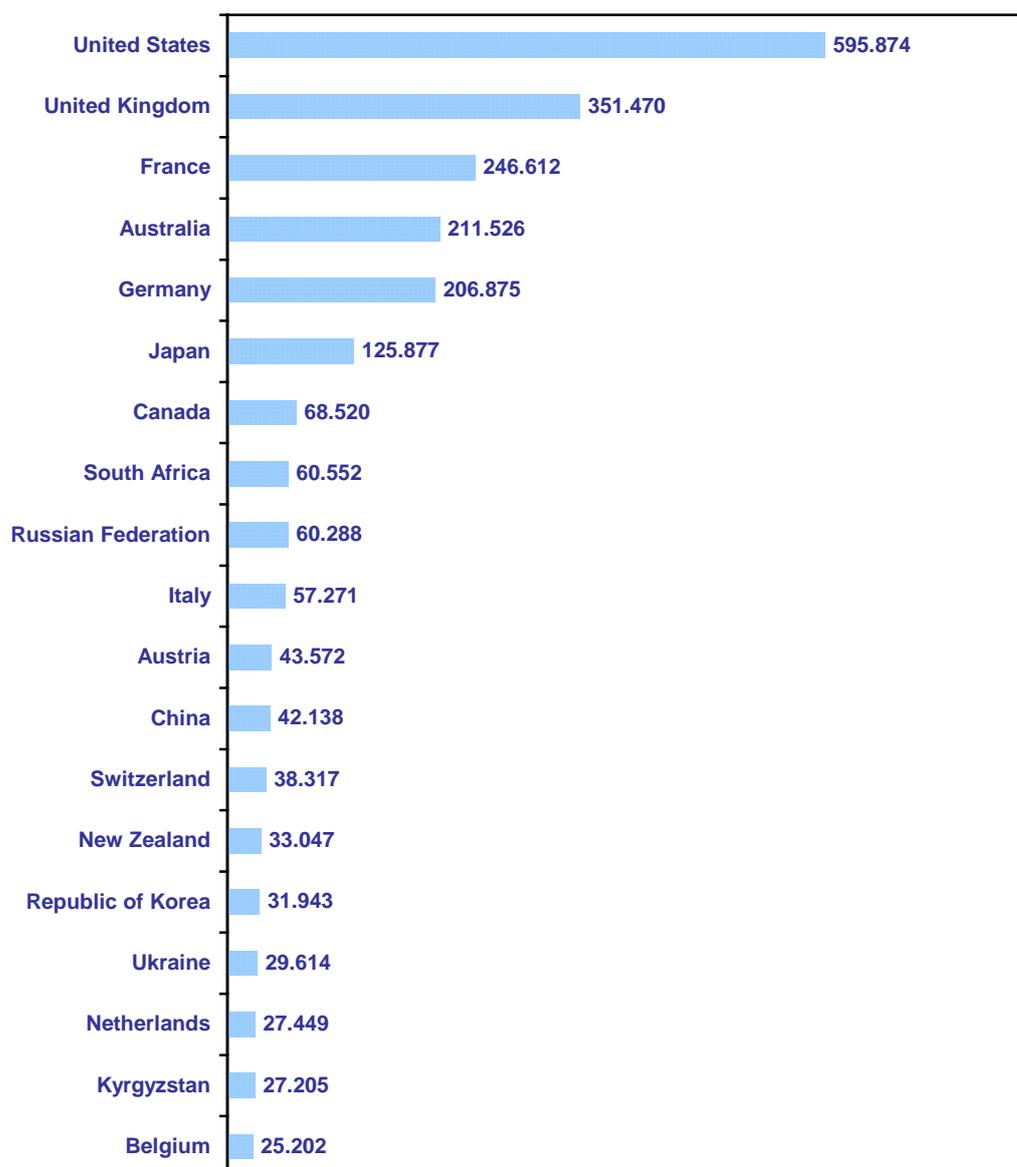
Explanations: Private universities: Share of foreign students (winter semester 2007/2008)  
University courses at public universities: Final degrees of foreign students (academic year 2006/07)  
Programmes of university character: Share of foreign students (winter semester 2007/2008)

Internationally comparable data on export of education is primarily available for the field of students at public universities, which in Austria (note: where costs are not covered by tuition fees) however cannot be rated as “export of education” according to the underlying definition. Nevertheless this data supplies insightful evidence on the major target markets as well as markets of origin of international export of education. It goes without saying that considerable differences regarding framework conditions also need to be considered – such as the amount of student tuition fees.

Graph 2 shows the major target countries of students who are not enrolled in their country of origin at public universities. In this presentation by far the most important target country is the **United States**. In 2007 almost 600,000 foreigners studied there. It is followed by the **United Kingdom, France, Australia and Germany**.

In the ranking of the number of foreign students at public universities **Austria** holds the **11<sup>th</sup> place** with **over 43,000 foreign students** in 2007, which is truly remarkable measured by the country’s size.

Graph 2: International students by target country (2007\*)



Source: Unesco

\*Note: value for Canada from 2006

When breaking down international students by their countries of origin, i.e. when analysing the quantitatively most significant target markets for this form of education export, the overwhelming importance of China – due to high population figures – and following at some distance – India is revealed (cf. graph 3). In 2007 more than 420,000 of people who did not study in their home country came from China, over 150,000 from India and another approx. 105,000 from Korea. Only then follows Germany with around 77,000 international students. This graph illustrates very impressively the high importance and **key position of Asia as the main target market of international education export.**

In this comparative analysis of absolute figures of people studying abroad, Austria only ranks in 60<sup>th</sup> place (with some 10,500 students enrolled abroad in 2007 according to Unesco).

In addition, it is found that the special position of China and India is not due to the national students' higher mobility but solely to their large numbers. The share of students abroad of all of the countries' students is a comparatively low percentage of 1.9% in China, in India it is just 1.1%. In Austria, the share of students enrolled abroad of all students was as high as 4.3% in 2007 (source: Unesco).

A study<sup>2</sup> that was conducted by isw – the Institute for Structural Policy and Business Development gGmbH – on behalf of iMove states the following **success factors of Anglo-Saxon countries in the international marketing of continuing vocational education and training (CVET):** their tradition as empire and Commonwealth nations; their competitive advantage due to English as a world language; their traditionally commercial understanding of education; their high marketing competence; their pronounced service-orientation; export of education as a recognised economic factor; export of education as a national concern; pragmatic legal framework conditions (e.g. regulations concerning entry and exit); a permeable, modular education system; investment in worldwide support structures; a positive attitude towards their own country as a major prerequisite for marketing; the use of synergies between the export of education and industrial goods; investment in services by private marketing agencies (on the part of education providers); the use of electronic media to open up to the international market; and the use of international alumni systems and customer networks.

As a result of 36 in-depth interviews conducted with Austrian education and training providers which are active in export it can also be noted that networks – both in their own country and in the envisaged or current target countries – represent a major factor for the successful export of education. These networks include contacts and cooperation projects as well as – in external provision – serious partners that have a similar understanding of quality. Also necessary are financial backing and a clear, fairly wide timeframe as well as clear consistent development work. It is self-evident that the “product educa-

tion” needs to be of high quality and innovative and build on an excellent concept. Other key elements mentioned by interview partners are the filling of market niches and the thematic leadership in sub-segments.

At present one special difficulty for many education export-oriented companies is the economic crisis, which in some partner countries of interviewees follows a more dramatic path than in Austria. In general, one major challenge for provider organisations is always the financing of a project in the field of education export – especially in the marketing and development phase. When exporting education it is therefore not only necessary to overcome linguistic and cultural barriers but also obstacles on the way to receiving financial support. Furthermore, education export is also obstructed by bureaucratic and legal requirements, such as provisions on entry and residence for foreign trainees in Austria (incomings), as well as the conditions governing entry of foreign markets. Other difficulties mentioned include intra-Austrian competition and non-transparent promotion structures; from the viewpoint of many education export providers, nationwide collaboration in this country would be more beneficial for Austria as an educational location.

Of high relevance for the future export of educational services is certainly the aspect of European integration, which gives rise to very specific opportunities. One example to be mentioned in this context is the introduction of the EQF and NQF, which e.g. offers the opportunity for adult learning institutions to “formalise” non-formal programmes in a more pronounced manner by assigning them to an EQF/NQF level and enhance their international comparability and assignability.

One still unresolved issue, however, stems from the fact that Austrian academic postgraduate master degrees that can be acquired by completing periodic study courses at universities (university programmes), at *Fachhochschule* (programmes aiming at CVET) or at non-university educational institutions (programmes of university character) that do not comprise part of the three-tier study system (bachelor – master – doctorate) according to the so-called “Bologna process”, which aims to create a single European Higher Education Area. Another unresolved issue arising in the sector of programmes of university character is their regulation following their expiry in late 2012. The following strategies to promote the Austrian export of education that are of direct relevance for action are **recommended** based on the present study<sup>3</sup>:

- ◆ improvement of legal conditions for acquiring residence permits/equality of opportunity for foreign students/trainees in Austria
- ◆ image-building and image-boosting measures
- ◆ joint marketing activities and market presence
- ◆ use of own strengths and filling of market niches
- ◆ promotion of technical vocational training

- ◆ promotion of education export by providing infra-structural and networking offers
- ◆ use of opportunities arising from European integration
- ◆ financial support of education export

<sup>2</sup> iMove, isw (2007): Erfolgsfaktoren angelsächsischer Länder im internationalen Marketing beruflicher Weiterbildung (Success factors of Anglo-Saxon countries in the international marketing of continuing vocational education and training)

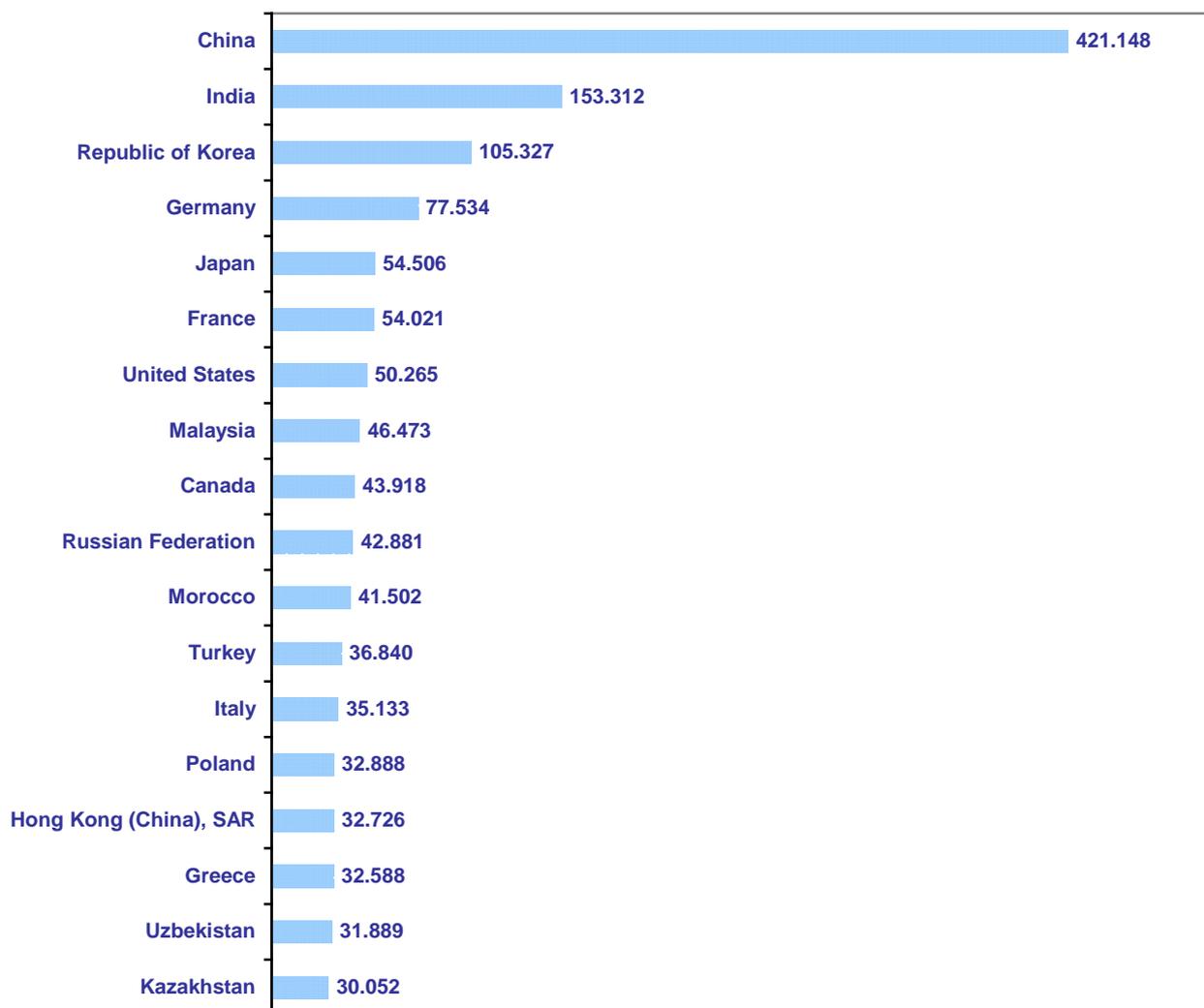
<sup>3</sup> cf. Dornmayr, Helmut/Lenger, Birgit (2010): Österreichischer Bildungsexport – Status-Quo-Erhebung, Forschungsbericht des ibw im Auftrag der Außenwirtschaft Österreich (Austrian export of education – status quo survey, research report of ibw commissioned by the Austrian Foreign Trade and Investment Organisation), Vienna. This study is available at the following address:

<https://www.ibw.at/bibliothek/id/232/>

The entire study can be obtained from ibw in a printed form (ibw research report no. 151, ISBN 978-3-902742-11-7) or [online](#).

<sup>1</sup> cf. Dornmayr, Helmut/Lenger, Birgit (2010): Österreichischer Bildungsexport – Status-Quo-Erhebung, Forschungsbericht des ibw im Auftrag der Außenwirtschaft Österreich (Austrian export of education – status quo survey, research report of ibw commissioned by the Austrian Foreign Trade and Investment Organisation), Vienna. This study is available at the following address:  
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Graph 3: International students by country of origin (2007)



Source: Unesco