

Race to Attract International Students

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In 1971, a 21-year-old Taiwanese electrical engineer came to the University of Tennessee to further his education. He earned master's and doctorate degrees and decided to stay in the United States. He also got married and started a family—and became a billionaire. Now Min H. Kao, the CEO and chairman of Garmin Ltd., a leading maker of global-positioning systems, ranks 369th on the 2007 *Forbes* list of the world's richest people. He recently donated \$17.5 million to his alma mater in gratitude for the opportunities it provided him.

The U.S. has long been a magnet for the world's top college students, and many of them, like Kao, stay in the U.S. after graduation and contribute to the country's economic competitiveness. By one recent estimate, they help pump more than \$13 billion annually into the U.S. economy, and many become lifelong economic contributors by remaining in the U.S. through employment or marriage.¹ For 50 years, the U.S. benefited as the number of these valuable international college students rose continuously.

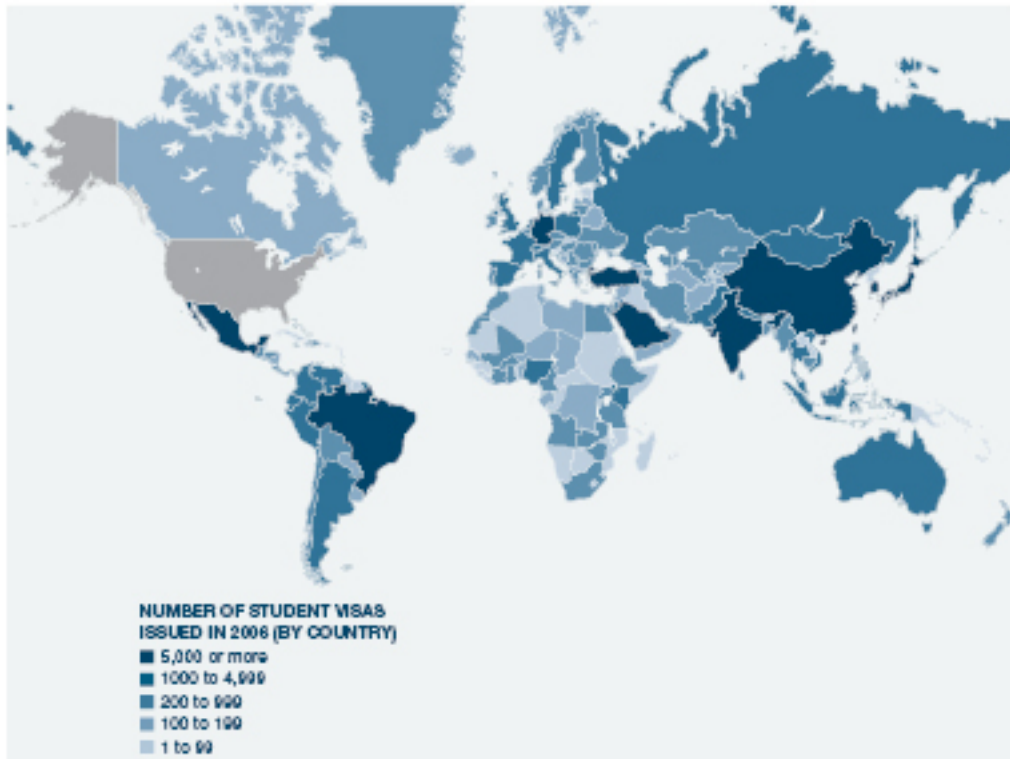
Then came Sept. 11.

Heightened scrutiny of visa applicants, travel restrictions here and abroad, and fears about security in the U.S. combined with other factors to create a sharp 20 percent decline of F-1 visas from 2000–01 to 2001–02. Despite a 15 percent surge this past year, the U.S. issued only 273,870 visas in 2005–06, 20,000 less than 2000–01.

In 2005–06 the U.S. State Department granted visas to students from 196 countries. More than half of these students came from a small number of Asian countries that are among our strongest economic competitors. South Korea alone sent 50 percent more students than all African and South American nations combined.

Map 1 shows the number of visas issued in 2005–06 to students from different countries worldwide, with countries shaded dark blue receiving the most visas. The top 10 sending countries were, in descending order, South Korea, China, India, Japan, Taiwan, Saudi Arabia, Mexico, Turkey, Brazil and Germany.²

Map 1. Distribution of Total Number of Student Visas Issued in 2006, by Country†



Source: Map shading based on preliminary statistical data from U.S. State Department *NIV Detail Table* for FY 2006.

Note: Darkest blue represents countries that received the most student visas. Progressively lighter shades represent a proportional decline in the number of visas issued, with the lightest blue countries having received the fewest visas.

†Canadian citizens do not require a visa to study in the U.S. so State Department figures do not reflect the actual number of Canadian students in the U.S.

While the U.S. struggled to implement new post-Sept. 11 security provisions, many other countries increased their aggressive recruitment of top foreign students. As well, economic and demographic shifts in both sending and receiving countries influenced the number of visa applications. As a result, despite U.S. efforts to stem its losses, from 1999–2000 to 2004–05 the nation saw overall growth in foreign student enrollment of only 17 percent, compared to 28 percent in Britain, 42 percent in Australia, 46 percent in Germany and 81 percent in France.³

One major reason for visa declines has been increased State Department scrutiny of F-1 visa applications, especially for students studying science or technology—topics that could compromise national security.⁴

The visa changes affected countries in different ways and to different degrees. Almost every country experienced an immediate drop in student visas, but declines were more pronounced for Chinese and Middle Eastern students, due to the high-tech nature of the

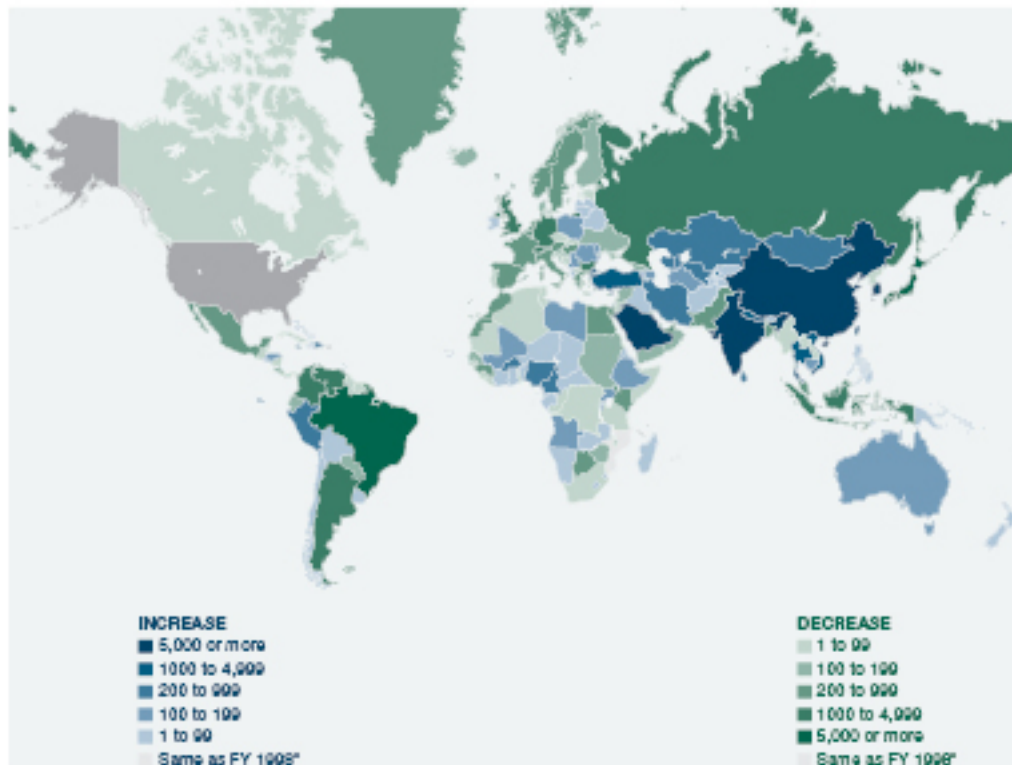
subjects that many Chinese students study and the political sensitivities of U.S. diplomatic relations in both regions.

According to the U.S. Government Accountability Office, the new screening requirement was hamstrung by problems associated with its rapid implementation.⁵ As a result, the visa waiting period for students of science or technology increased from about 22 days in 2001 to 67 days in mid-2003.⁶ While the wait for special science visas has since decreased to 15 days,⁷ increased paperwork burdens, fingerprint requirements and associated processing fees apparently are dissuading some potential applicants from seeking visas. A 2005 survey of American colleges and universities by the Institute of International Education identified perceived difficulties with the visa application process as one of the top factors slowing foreign student enrollments.⁸ In January 2007, five education, business and research organizations released a joint proposal urging legislators to streamline visa procedures.⁹

The State Department has responded to political pressure to improve the visa process and expedite student visas. Calling student visas a "top priority," Secretary Condoleezza Rice has overseen an increase in consular officers, more proactive outreach into foreign educational institutions and a faster student visa interview process.¹⁰ Recently, in an effort to capitalize on and expand recent gains, the State Department set global benchmarks for reducing visa wait times, with expedited schedules for student visas.

The number of F-1 visa applicants is also shifting due to economic, educational and demographic changes in students' countries of origin. **Map 2** shows the net change in visas issued to students from different countries from 1998 to 2006. Blue shading indicates countries which experienced a net increase in the number of visas issued to their students, with the darkest blue representing the largest increase in the number of visas issued. Top sending countries South Korea, China and India each had a net increase of more than 14,000 students. Countries in green—including major *gross* senders Japan, Mexico, Germany, Brazil and Great Britain—experienced a net decline since 1998.

Map 2. Net Change in the Total Number of Student Visas Issued Between 1998 and 2006†, by Country



Source: Map shading based on statistical data from U.S. State Department *MIV Detail Table* for FY 1998 to FY 2006.

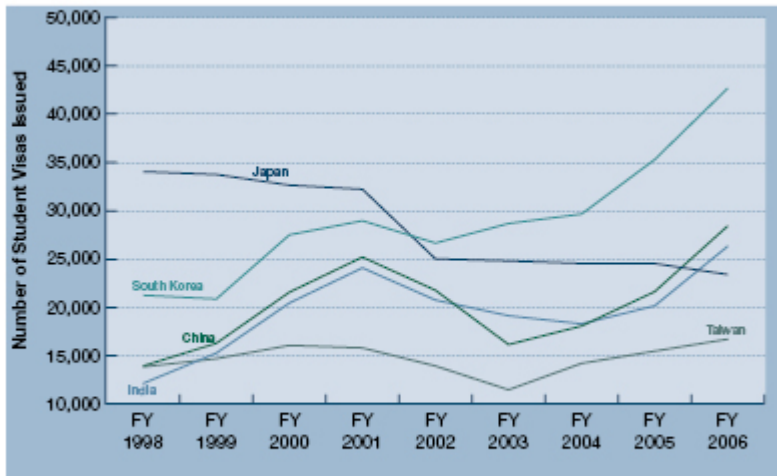
Note: Darkest blue represents countries that have shown the greatest increase in the number of students they sent to the U.S., with progressively lighter shades of blue representing proportionally smaller increases. Darkest green represents countries that have shown the greatest decrease in the number of students they sent to the U.S., with progressively lighter shades of green representing proportionally smaller decreases.

*Luxembourg, Mauritius, Micronesia, Mozambique, Nauru, Palau, Sao Tome & Principe, Seychelles, Solomon Islands, and Tuvalu received the same number of visas in FY 2006 as they did in FY 1998.

†FY 2006 data is preliminary.

Trends in several Asian countries illustrate how domestic economic, educational and demographic factors influence the number of students studying abroad. South Korea, China, India, Japan and Taiwan—the top five sending countries—together account for just over half of all student visas issued in 2005–06. **Chart 1** shows visa trends since 1998 for these five countries which, with the exception of Japan, have shown dramatic increases in the number of students sent to the U.S. over the past nine years.

Chart 1. Change in Total Number of Student Visas Issued to the Top Sending Countries, FY 1998–FY 2006†



Source: Chart data compiled from U.S. State Department *NIV Detail Tables* for FY 1998 through FY 2006.

†FY 2006 data is preliminary.

South Korea saw the largest increase in the number of visas issued to its students. It rebounded from a period of decline—during the Asian financial crisis of the late 1990s—to an all-time high of 42,681 in 2005–06, a growth fueled by the increasing numbers of students seeking educational opportunities unavailable in South Korea.¹¹

In Japan, on the other hand, visa numbers have been falling for almost a decade due to an improving Japanese economy as well as to the country's declining birthrate.¹² As a result, Japan and South Korea have switched positions on the list of countries sending students to the U.S., with Japan receiving 10,000 fewer student visas and South Korea receiving 21,000 more than in 1998.

The number of student visas issued to Indian and Chinese students in 2006 was double the number for 1998, with roughly more than 26,000 visas issued for each country.

In India, government and private sources have been providing students with more grants and loans to pursue international education.¹³ In China's case, an unusually large percentage of students in the U.S. study at the graduate level and are thus more likely to qualify for teaching and research positions that can reduce the cost of their tuition, thus removing a major barrier to seeking an education in the U.S.

Saudi Arabia's jump in visa numbers is a direct consequence of government policy. After a 2005 agreement between President Bush and Saudi Crown Prince Abdullah to increase student exchange, the Kingdom offered 10,000 Saudi students full four-year scholarships. The overwhelming majority of these students chose to study in the U.S. and skyrocketed Saudi Arabia's student visa rates from 2,166 in 2004–05 to 9,240 in 2005–06.¹⁴

Despite the increase in the number of students coming from these countries, many forces are making it increasingly more difficult for U.S. colleges to attract foreign students. The U.S. is facing intensifying competition from countries like Australia,

Canada and the United Kingdom, which have better national marketing, more specialized programs for foreign students and generally lower tuition costs. In particular, the U.S. is losing students to programs in other countries that focus on teaching students English.¹⁵

Meanwhile, foreign governments are implementing policies that entice their students to stay home instead of going abroad. For instance, China has made an enormous investment in education over the past 10 years, greatly expanding educational facilities, doubling the number of bachelor's degrees awarded and increasing domestic financial aid. Likewise, the South Korean government is creating an English-only town with the express purpose of giving students a chance to learn English without having to study abroad.¹⁶

To retain its position as the destination of the greatest number of foreign students—and the advantage that such students afford in the battle for global economic competitiveness—the U.S. will have to be increasingly proactive in international marketing, simplify visa processing and increase affordable educational opportunities.

Endnotes

¹ Association of International Educators, "The Economic Benefits of International Education to the United States for the 2005–2006 Academic Year: A Statistical Analysis," http://www.nafsa.org/_/File/_/eis2006/usa.pdf.

² Canada sends the fifth highest number of students to U.S. colleges and universities, according to the Institute for International Education, but Canadian citizens are not required to have visas to study in the United States, and therefore only a small number of permanent residents are included in the State Department's data.

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⁴ This additional process is to ensure visa recipients do not transfer sensitive technology that could harm national security.

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¹¹ Personal communication with a representative of the Education Department, Embassy of the Republic of Korea, Jan. 18, 2007.

¹² "U.S. Japan Educational Exchange," Comments from David H. Satterwhite, Executive Director, Fulbright Commission Japan, Institute of International Education, Japan 2006 Fact Sheet, <http://opendoors.iienetwork.org/?p=89245>; Data from Japanese Ministry of Education Sport, Culture, and Technology, "Higher Education to Support a Knowledge-Based Society," p. 2, <http://www.mext.go.jp/english/news/2004/05/04052401/002.pdf>.

¹³ "Background on International Exchange with India," Comments by Professor Jane E. Schukoske, Executive Director, U.S. Educational Foundation in India, Institute of International Education, India 2005 fact sheet, <http://opendoors.iienetwork.org/?p=69729>.

¹⁴ Joint Statement by President Bush and Saudi Crown Prince Abdullah, April 25, 2005; Maha Akeel, "U.S. Embassy Expedites Visas for Saudi Students," Saudi-U.S. Relations Information Service, Nov. 20, 2006.

¹⁵ Greg Loose, "Taiwan's Education Services Market," American Institute in Taiwan, March 2004, <http://www.educationsocal.com/taiwan.ppt>.

¹⁶ Lee Hyo Sik, "English-Only Town to be Set Up on Cheju," *The Korea Times*, Dec. 14, 2006, <http://times.hankooki.com/lpage/nation/200612/kt2006121418024111990.htm>.