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# HIGHER EDUCATION

## United States' and Other Countries' Strategies for Attracting and Funding International Students

Statement of George A. Scott, Director  
Education, Workforce, and Income Security Issues





Highlights of [GAO-08-878T](#), a testimony before Congressional Committees

## Why GAO Did This Study

In the years following September 11, 2001, the United States experienced its first drop in the number of international students coming to the United States in over 30 years. The United States tightened its immigration policy during this time, which may have made it more difficult for foreign nationals, including international students, to apply for a visa and, subsequently may have fueled the perception that the United States is unwelcoming. While enrollment numbers have started to rebound, they have not returned to pre-September 11 levels.

This testimony is based on ongoing and published GAO work. It includes themes from a June 2007 testimony on challenges in attracting international students. It also includes ongoing work to review other countries' efforts to attract and fund international students.

## What GAO Recommends

This testimony does not contain recommendations.

To view the full product, including the scope and methodology, click on [GAO-08-878T](#). For more information, contact George Scott at (202) 512-5932 or [ScottG@gao.gov](mailto:ScottG@gao.gov).

## HIGHER EDUCATION

### United States' and Other Countries' Strategies for Attracting and Funding International Students

#### What GAO Found

The U.S. federal government seeks to improve global attitudes towards America through a variety of diplomatic means, including funding study for international students inside the United States. Such study, which is funded primarily through the U.S. Department of State (State), is aimed at fostering a sense of common interests and values between Americans and people throughout the world. However, this funding is one component of a larger effort to attract international students, with funding for the vast majority of students coming primarily from sources other than the federal government. GAO identified the following about the efforts of the U.S. Department of State and other countries we are reviewing as part of ongoing work with respect to funding study for international students:

- State funds a small number of programs having a public diplomacy focus, which bring a small number of international students to the United States for undergraduate study. Specifically, State funded eight programs for 321 undergraduate students in fiscal year 2007. Combined funding for these programs totaled approximately \$11.7 million. These programs allow undergraduate students the opportunity to study in both 2-year and 4-year institutions, with some leading to a degree. While State's programs target students from all regions in the world, participants typically come from only a few countries in Europe and South/Central Asia.
- As part of our ongoing work, GAO has been reviewing other countries' governments' efforts to attract and fund international students. International comparative analysis is complicated by different countries' national objectives and funding structures. The countries we are reviewing employ various strategies to attract diverse international student populations but also fund and administer programs in different ways. We will be learning more about these other countries' efforts as we continue our work. We expect to issue a report on our findings in early 2009.

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Chairman Delahunt, Chairman Hinojosa and Members of the Subcommittees:

I am pleased to be here today to discuss the federal government's efforts to improve global attitudes toward Americans by funding higher education for undergraduate international students. In the years following September 11, 2001, the United States experienced a slight drop in international student enrollment for the first time in over 30 years. In the aftermath of September 11, the United States tightened its immigration policy and made it more difficult for foreign nationals, including international students, to apply for a visa. These actions may have fueled the perception that the United States is unwelcoming. While enrollment numbers have started to rebound, they have not returned to pre-September 11 levels.

The U.S. government seeks to improve global attitudes toward America through a variety of diplomatic means, including funding study for international students inside the United States. A major goal of these programs is to foster a sense of common interests and values between Americans and people throughout the world. The United States provides significant funding to attract international students to the United States to fill critical skill gaps, particularly in the science, engineering, and math fields. However, our review focuses on the programs funded and administered by the Department of State (State) that have as a goal improving relationships among the United States and other countries.

Mr. Chairman, you asked us to look at Department of State programs that support international undergraduate students studying in the United States. My testimony today outlines the types of international student programs funded by the Department of State and provides preliminary information about the types of efforts other countries' governments have in place to attract international students. My remarks are drawn from previous GAO work on global competitiveness and higher education, supplemented by ongoing work for the House Committee on Foreign Affairs, Subcommittee on International Organizations, Human Rights and Oversight. We conducted this performance audit from October 2007 to June 2008, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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In summary,

- The Department of State funds eight programs having a public diplomacy focus, which bring 321 international students to the United States for undergraduate study. These programs allow undergraduate students the opportunity to study in both 2-year and 4-year institutions, with some programs leading to a degree. While State's programs target students from all regions in the world, participants typically come from only a few countries.
- International comparative analysis is complicated because of differences in countries' recruitment objectives and higher education funding. Specifically, countries we are examining as part of ongoing work employ various strategies to attract a diverse set of international student populations, and they fund and administer these programs in different ways.

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## Background

Following the events of September 11, 2001 the total number of international students studying in the United States leveled off and even dropped slightly after 2001 (see fig. 1) . According to the Institute of International Education, the decline in the number of international students attending U.S. higher education institutions between 2002 and 2003 was the first drop in over 30 years. Further, the U.S. share of international students worldwide dropped substantially between 2000 and 2005 (see fig. 2). Although international student enrollment in the United States shows signs of rebounding, many in the international community continue to view the United States as unwelcoming. According to the Pew Global Attitudes Project, since 2002 the United States' image has declined in both the Muslim world and among many of America's oldest allies. In the wake of September 11, the United States also tightened its immigration policy and made it more difficult for foreign nationals, including international students, to apply for a visa. For example, face-to-face interviews were mandated for most applicants, and the number of security reviews for students and scholars in certain science and technology fields increased. As we previously reported, these changes, made to help protect our nation's security interests, may have contributed to our declining share of international students and the perception that the United States was not a welcoming place for international students<sup>1</sup>. Another factor that

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<sup>1</sup>GAO, *Higher Education: Challenges in Attracting International Students to the United States and Implications for Global Competitiveness*, GAO-07-1047T (Washington, D.C.: June 29, 2007).

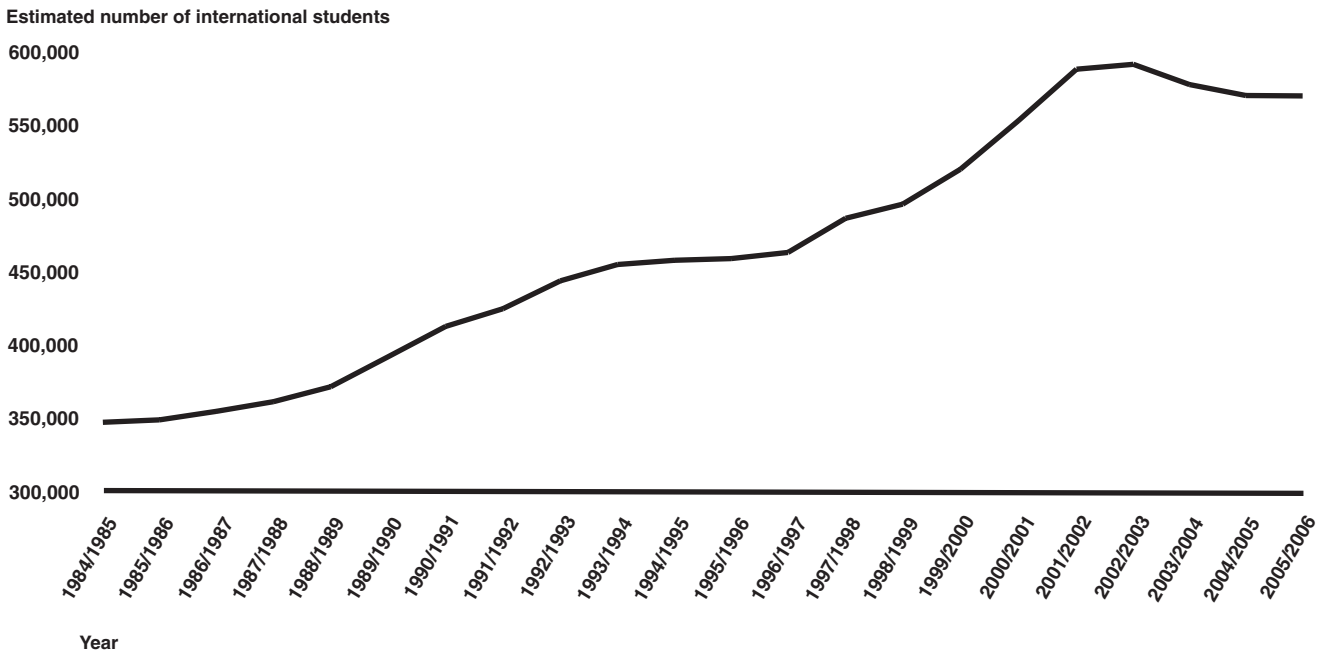
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may be contributing to the decline is the financing structure in the United States that makes the cost of attending college in the United States among the most expensive in the world.<sup>2</sup> Among Organisation for Economic Co-operation and Development (OECD) countries, the U.S. ranks second with respect to public university tuition and first with respect to private university tuition. Some OECD countries provide free or relatively low-cost higher education for undergraduates. Moreover, other countries' governments have begun to more aggressively market their universities to international students while expanding educational opportunities in their own countries to retain their students. Greater competition has prompted some countries to offer courses in English, expand their recruiting activities, and develop strategic plans or offices focused on attracting international students.

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<sup>2</sup>GAO, *Higher Education: Tuition Continues to Rise, but Patterns Vary by Institution Type, Enrollment, and Educational Expenditures*, [GAO-08-245](#) (Washington, D.C.: Nov. 28, 2007).

**Figure 1: Estimated Number of International Students Enrolled in U.S. Higher Education, 1984/1985 to 2005/2006**



Source: Institute of International Education (IIE) data.

The U.S. government seeks to improve global attitudes toward America through a variety of diplomatic means, including funding education for international students in the United States. Many of these programs are administered through the Department of State’s Bureau of Educational and Cultural Affairs and are part of the federal government’s effort to help foster a sense of common interests and values between Americans and people throughout the world. One component of this strategy includes funding study for undergraduate international students seeking to study in the United States. However, this is just one component of a larger public diplomacy effort. For example, State also administers and funds student exchanges, language acquisition, and programs for high school students. In addition, the federal government also provides funding, particularly at the graduate level, to attract international students to fill critical skill gaps. In recent years international students have earned about one-third or more

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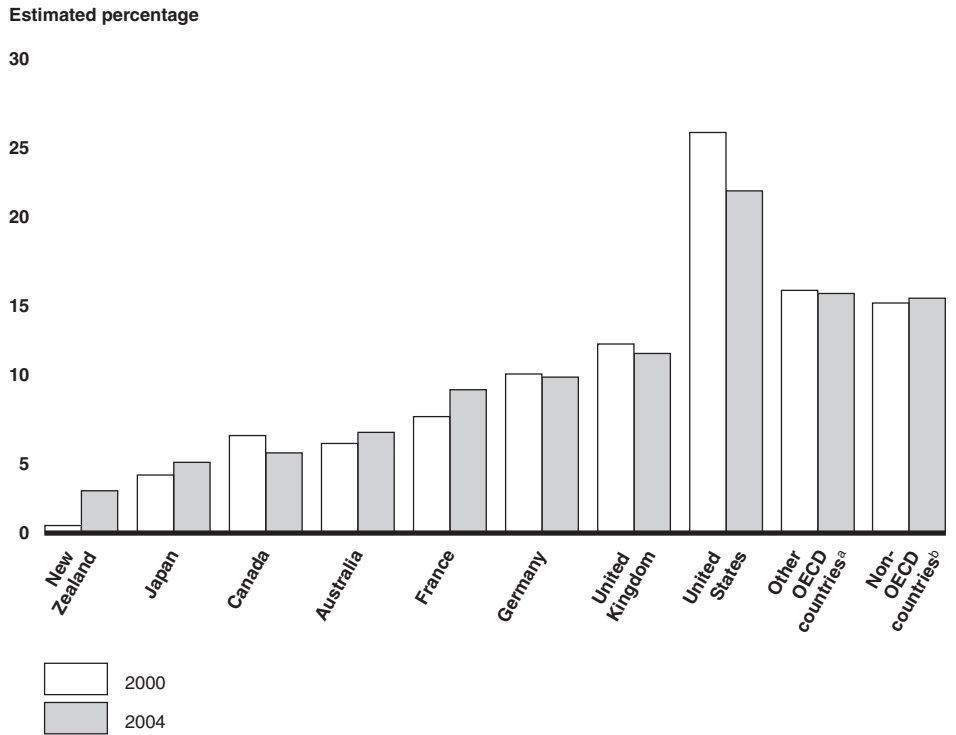
of all of the U.S. degrees at both the master's and doctoral levels in several of the science, technology, engineering, and mathematics (STEM) fields.<sup>3</sup>

While State's undergraduate programs are an important component of the U.S. government's public diplomacy effort to introduce international students to the United States, the vast majority of international students entering this country are not funded primarily through the federal government. According to the Institute of International Education's Open Doors 2007 report, approximately 583,000 students came to the United States to study during the 2006/2007 academic year and more than three-fifths of all international students reported their primary source of funding for education as coming from personal and family sources. Many students also received funding directly from host universities, while less than 1 percent of all international students received funding primarily from the U.S. government. Although the primary source of funds for the vast majority of students that enter the United States is not provided by the federal government, students funded through other sources indirectly support U.S. public diplomacy efforts.

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<sup>3</sup> GAO, *Higher Education: Federal Science, Technology, Engineering, and Mathematics Programs and Related Trends*, [GAO-06-114](#) (Washington, D.C.: Oct. 12, 2005).

**Figure 2: Estimated Percentage of All International Higher Education Students Enrolled in a Selection of Countries by Destination, 2000 and 2004**



Source: Organisation for Economic Co-operation and Development (OECD) data.

Note: Information in this graph includes only those countries for which both 2000 and 2004 data were available, except for Canada, for which the year of reference is 2002. GAO did not assess the reliability of the data for the percentage of students enrolled in schools outside the United States. Also, the definition of international students is not uniform across countries.

<sup>a</sup>Other OECD countries include Austria, Belgium, Denmark, Finland, Greece, Hungary, Iceland, Ireland, Italy, Korea, Luxembourg, Mexico, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Spain, Sweden, Switzerland, and Turkey.

<sup>b</sup>Non-OECD countries include Brazil, Chile, India, Malaysia, the Russian Federation, South Africa, and others.

Moreover, U.S. universities have increasingly established branch campuses overseas, providing another means through which to introduce international students to U.S. culture and values. For example, Education City—an educational complex in Qatar—now houses branch campuses of six U.S. universities, allowing students to get an American-style education



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without having to leave their country.<sup>4</sup> Likewise, in the United Arab Emirates, Michigan State University has begun offering courses that will lead to degrees that are equivalent to those offered by the university in the United States. Even in countries where U.S. universities have little or no physical presence, students increasingly have access to U.S. postsecondary education through the Internet.

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## State Funds a Small Number of Undergraduate Programs for International Students

As part of its public diplomacy efforts to fund longer-term study for undergraduate international students in the United States, State funded eight programs for 321 undergraduate students in fiscal year 2007.<sup>5</sup> Most of these programs provided funding for a relatively small number of students. Specifically, 5 of the 8 programs fund undergraduate education for 12 or fewer students. Two of the primary public diplomacy programs were the Eurasia Undergraduate Exchange Program (UGRAD), which funded 171 students, and the Near East and South Asia Undergraduate Program (NESA), which funded 29 students. UGRAD, which has funded nearly 4,000 participants since its inception in 1992, offers students from Eurasia the opportunity to spend 1 academic year in the United States studying in a diverse range of programs. Its objective is to promote cultural understanding between Eurasia and the United States. NESA provides students with one semester to 1 academic year scholarships that can be used at accredited 2- and 4-year academic institutions in the United States. The program seeks to increase mutual understanding between young emerging leaders in these countries and the United States. A third program, the Community College Summit Initiative, offers students pre-academic English language training and one-year certificate programs at U.S. community colleges. However, its primary objective is to develop students' skill sets that enable them to participate in the economic development of their countries.

As shown in table 1, combined funding for these programs totaled approximately \$11.7 million and varied across these eight programs, ranging from \$5 million for the UGRAD program to \$197,600 for the U.S.-South Pacific Scholarship Program. On a per student basis, the average funding across the programs was lowest for both NESA and UGRAD—

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<sup>4</sup>The six American universities are Virginia Commonwealth University, Weill Cornell Medical College, Texas A&M University, Carnegie Mellon University, Georgetown University School of Foreign Service, and Northwestern University.

<sup>5</sup>The Fulbright Afghanistan Program closed after 2007.

about \$29,000 per student – and highest for the U.S.-Timor-Leste Scholarship program—about \$100,000 per student. In general, according to State Department officials these programs cover a range of student expenses including airfare, tuition and fees, room and board, and living stipends.

**Table 1. - Characteristics of U.S. Department of State programs in FY 2007 that fund academic year or longer U.S. undergraduate education for international students<sup>a</sup>**

<b>UNDERGRADUATE PROGRAMS</b>	<b>Number in Program</b>	<b>Degree Granting?</b>	<b>School Type</b>	<b>Budget Allocation</b>	<b>Average Per Student</b>	<b>Region of Origin</b>
Eurasia Undergraduate Exchange Program UGRAD - (1 acad. year)	171	No	2- or 4-year	\$5,000,000	\$29,240	Europe South/Central Asia
Near East and South Asia Undergrad. Program - NESAs - (1 acad. year) <sup>b</sup>	29	No	2- or 4-year	\$849,642	\$29,298	Near East South/Central Asia
Fulbright Trans-Sahara Program (2 academic years)	12	Yes	4-year	\$570,624	\$47,552	Sub-Saharan Africa
Fulbright Afghanistan Undergraduate Program (2 acad. years plus pre-acad. English) <sup>c</sup>	9	Yes	4-year	\$574,328	\$63,814	South/Central Asia
U.S.-Timor Leste Scholarship Program (up to 4 academic years)	5	Yes	2- or 4-year	\$500,000	\$100,000	East Asia/Pacific
U.S.- South Pacific Scholarship Program (up to 4 academic years) <sup>d</sup>	2	Yes	2- or 4-year	\$197,600	\$98,800	East Asia/Pacific
Cyprus-America Scholarship Program (up to 4 academic years) <sup>e</sup>	10	Yes	4-year	\$980,000	\$98,000	Europe
Community College Undergraduate Summit Initiative (1-2 academic years) <sup>f</sup>	83	No	2-year	\$3,000,000	\$36,145	East Asia/Pacific Sub-Saharan Africa Near East Europe South/Central Asia South America
<b>Total Funding for Undergraduate Programs</b>				<b>\$11,672,194</b>		
<b>Total Number of Undergraduate Program Participants</b>					<b>321</b>	

Source: Department of State data

**Notes:**

- a. A number of programs not presented here whose participants enroll for less than one academic year. In addition, the Community College, UGRAD, and NESAs programs all enroll large numbers of such students. See the Department of State's Bureau of Educational and Cultural Affairs Internet page for further information.
- b. The NESAs program awards semester and academic year scholarships. Participant totals and funding above reflect academic year students only. Total program funding for both semester and academic year participants was \$3,008,000 (\$2,211,397 for 105 NEA students; \$796,603 for 41 SCA students).
- c. The Fulbright Afghanistan Program closed after 2007.
- d. The U.S.-South Pacific Scholarship Program awards scholarships for both undergraduate and master's degree study. Participant totals and funding reflect undergraduate students only. Total program funding for both undergraduate and master's participants was \$494,000 for five students.
- e. The Cyprus-America Scholarship Program is funded via ESF transfer from USAID.
- f. The Community College program is a pilot program initiated in summer 2007. The program is projected to enroll an additional 300+ students in FY 2008

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The UGRAD, NESA and Community College Undergraduate Summit Initiative programs do not allow participants to receive a degree.

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## State Programs Draw Students From a Small Number of Countries

Although State programs target students from all regions of the world, they tend to attract students from specific countries. The largest program in terms of both funding and enrollments—UGRAD—draws students only from Europe and South/Central Asia. Moreover, when looking at enrollment across all programs, only students from certain countries participated. Students from sub-Saharan Africa, for example, participated in only two of the eight programs. Similarly, students from South America participated in only one program and all of the students came from just one country (Brazil). In addition, relatively few of the students came from the Near East region (which spans northern Africa and the Middle East).

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## Other Countries Use Various Strategies to Recruit and Retain International Students

As part of its ongoing work, GAO has been reviewing other governments' efforts to attract international students to their countries. We are analyzing countries with the largest populations of international students in 2005 according to OECD data. International comparative analysis is complicated because countries employ various strategies to attract diverse international student populations and also fund and administer programs in different ways. For example, the Prime Minister's Initiative 2 in the United Kingdom targets over 20 countries, including China, Russia, Saudi Arabia, and Ghana. France has close ties to North Africa, where it is creating specialized education, notably in management, and supporting a major network of preparatory classes for the local and French Grandes Ecoles (Morocco, Tunisia). In their efforts to attract international students, EduFrance partners with 177 member institutions of higher learning that pool their experience and expertise to assist foreign students. The organization also has offices abroad (88 offices in 37 countries) in partnership with diplomatic posts, institutes and cultural centers, and French language schools.

Moreover, these countries have developed different ways to fund and administer their programs. For example, in France many grants are made available through bilateral assistance programs, in which grants are jointly financed by France and a foreign government. New Zealand's International Aid and Development Agency, a nongovernmental agency, administers and funds both short-term and long-term awards to students from developing countries, while China's College Scholarship Council administers undergraduate programs of up to 4 years in length, which are available to

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students from various countries based on bilateral exchange agreements. Last year in Germany, 269 undergraduate students from North America participated in the Research Internships in Science and Engineering (RISE) program. The RISE program is supported by the German Federal Ministry for Economics and Technology, and by large industry organizations in Canada, Germany, and the United States. RISE is administered by the German Academic Exchange Service's (DAAD), Germany's national agency for the support of international academic cooperation. DAAD has five strategic goals, including increasing the appeal of Germany's higher education systems among students, academics, and scientists from around the world. To achieve these objectives, Germany has established an organizational structure to administer a variety of international education programs. Similarly, the European Commission established the Education, Audiovisual and Culture Executive Agency, in part, to implement the European Union's 5-year, 296 million euro<sup>6</sup> Erasmus Mundus program.

We will be learning more about these other countries efforts as part of our ongoing work. We expect to report on these findings in early 2009.

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Mr. Chairman, this concludes my prepared statement. I would be happy to respond to any questions you or other members of the subcommittee may have at this time.

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## GAO Contacts

For further information regarding this testimony please contact (202) 512-5932. Individuals making key contributions to this testimony include Sherri Doughty, Carlo Salerno, John Brummet, Daniel Novillo, Chris Lyons, Eve Weisberg, Rebecca Rose, Susannah Compton, and Alex Galuten.

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<sup>6</sup>According to the European Commission, the Erasmus Mundus budget is 230 million euros for 5 years (2004-2008), plus 66 million euros for student scholarships for citizens coming from a range of specific countries. For more information, see [http://ec.europa.eu/education/programmes/mundus/programme/facts\\_en.html](http://ec.europa.eu/education/programmes/mundus/programme/facts_en.html)

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