Limits to growth? Key enrolment trends for UK transnational higher education, 2002–2021

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Abstract
This article examines enrolment trends in UK transnational higher education since the early 2000s. During the first phase, which lasted until the mid-2010s, TNE enrolments grew rapidly but thereafter, during the second phase, levelled off very significantly. A third phase of high enrolment growth coincides with the departure of the UK from the European Union and the start of the Covid pandemic. The article focuses on medium-longer-term supply and demand factors which, collectively, are resulting in a marked slowdown in TNE enrolments at British universities.

Keywords Higher education · Transnational education · Enrolment trends · Impact Brexit and COVID · UK

Introduction
Transnational higher education (TNE) is part of a much wider process of higher education internationalisation which, broadly speaking, is ‘the process of integrating an international, intercultural or global dimension in to the purpose, functions (primarily teaching/learning, research, service) or delivery of higher education’ (Knight, 2004). The key feature of TNE provision is that overseas nationals study for degrees and other qualifications offered by overseas universities without ever leaving their own country. Not only are these offshore students widely dispersed spatially across the world, but there are three main types of TNE provision (institutional partnerships, distance learning and branch campuses) which adds to the complexity of the structure and functioning of TNE markets.

This article analyses the major trends in TNE enrolments at British universities since the early 2000s. As can be observed in Fig. 1, three main phases or periods can be identified with respect to offshore enrolment trends among UK universities during the last two decades: (i) high and accelerating growth up until the mid-2010s; (ii) a marked

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1 The most recent comprehensive review of UK TNE provision included detailed enrolment data only up to 2015/16 (see Bennell 2019a).

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slowdown from 2014/2015 to 2018/2019 with negligible enrolment growth; and (iii) a noticeable upturn in enrolments between 2018/2019 and 2020/2021 which coincides with the final departure of the UK from the European Union and the start of the Covid-19 pandemic in March 2020.

The focus of this assessment is on the period prior to these two ‘shocks’ since the primary concern is to identify the longer-term, underlying drivers of TNE enrolment growth based on a reasonably sound evidence base. Furthermore, it is still too early to assess what are likely to be the longer-term impacts of Brexit and the Covid pandemic on TNE enrolment in the UK.

**Article organisation**

The discussion is structured as follows. The “Study methodology and data sources” section describes the review methodology and data sources. The following three sections then analyse the enrolment trends during each of the three designated periods. The final section concludes with some suggestions for future research in this area.

**Study methodology and data sources**

**Analytical framework**

The overall structure and functioning of TNE student markets is particularly complex given the multi-dimensionality of provision with respect to types of TNE courses and delivery modalities and the size and diverse composition of both UK universities and overseas countries. This makes it that much more difficult to deal with the usual counterfactual and attribution issues that have to be contended with.

As with other assessments of this kind, we adopt a conventional supply–demand analytical framework in order to identify the key factors that are likely to have the strongest influence on TNE enrolment growth in the UK during the last 20 years.
**Shock assessment**

UK TNE enrolments in nearly all global regions were relatively stagnant prior to the Brexit and Covid (BC) shocks which makes it easier to discern and interpret any marked changes in enrolment levels and patterns. By contrast, separating out the impacts of the two shocks which have been coterminous (i.e. occurring during roughly the same time period) is that much more challenging. However, since the impact of Brexit is solely confined to the EU whereas the Covid pandemic has affected all countries globally (although with varying degrees of intensity) and commenced at a later date, it is possible to draw some tentative conclusions about the differential impact of the two shocks.

**Enrolment data**

**HESA**

The assessment relies mainly on TNE enrolment data for the period 2008/2009 to 2020/2021 published by the UK Higher Education Statistics Agency (HESA). Prior to this, virtually no good quality statistics were available.

As part of HESA’s ‘Aggregate Offshore Record’ (AOR), every university in the UK must provide overall offshore enrolment figures by type of TNE provision and qualification level for all the overseas countries where it has offshore students. However, no AOR data is collected on the names/numbers, duration and ownership type of overseas partners, subject enrolments, student gender and revenues and expenditures.

HESA classifies offshore overseas student provision as follows:

- Overseas branch campus (OBC) set up and wholly owned by a UK university (‘reporting provider’) and, as such, ‘it is seen as no different from any other campus of the provider’.
- Overseas distance, flexible or distributed learning (ODL) which ‘generally do not require the student to attend particular classes or events at particular times and particular locations’.
- Overseas institutional collaborative/franchised provision which denotes provision ‘leading to an award of an awarding provider delivered and/or assessed through an arrangement with an overseas partner organisation’.
- Students studying for an award of a UK university who are not registered with this university i.e. they are studying for an award at an overseas education/training institution that has been validated by the UK university.

The main difference between franchised and validated degrees is that, for the latter type of degrees, the overseas partner does not necessarily follow the curriculum of the UK university.

Various concerns have been raised about the usefulness of these categories mainly because they do not always adequately match-up with the offshore activity categories most commonly used by UK universities themselves. Specifically, most universities sub-divide their overseas partnerships according to the following activities: franchise, validation, collaborative, joint venture, flying faculty and articulation/progression/advanced standing. The HESA definition of OBC is also particularly narrow.
While the total numbers of offshore students appear to be accurately reported to HESA at both the individual university and overseas country level, there are a number of issues especially concerning the definitions of who exactly is an offshore student and overseas branch campuses and distance learning students which need to be taken account of in further research on TNE.

HESA only began to collect information on offshore students at private higher education providers in the UK in 2019/2020. These have been excluded, therefore, from the analysis.

**Immediate impacts**

In order to assess the immediate impact of the Covid pandemic, Freedom of Information Act requests were made directly to a total of 121 universities. Each university was asked to provide information on total offshore enrolments towards the end of the first term of the 2020/2021 academic year in mid-late November 2020 for all 27 European Union countries and for the rest of the world (i.e. all countries outside of the EU) broken down by type of offshore provision and level of study (undergraduate and postgraduate). It would have been desirable to obtain a full individual country breakdown of enrolments. However, based on previous experience with FOIA requests, it is likely that a significant number of universities would have refused to provide this information on the grounds that it was not readily available.

The overall survey response rate was 77%. This sample is fully representative of the overall population of UK offshore overseas student enrolments. Most of the minority of 28 universities who refused to provide this information did so under Sect. 22 of the Act which states that a university is not required to provide information which will be made available public at a later date.

**High and sustained enrolment growth**

**Literature overview**

Most of the academic literature on UK TNE covers the early period of provision and thus focuses on the reasons for the genesis and rapid increase on offshore enrolments especially during the 1990s and 2000s (Altbach & Knight, 2007; Kosmutzky, 2016; McBurnie & Ziguras, 2009; Naidoo, 2009, Bennell, 2003). The prevailing consensus is that TNE is part of the wider process of the globalisation of trade in goods and services which has been driven by rapid technological developments (including the revolution in communication), neoliberal economic policies resulting in pervasive product and factor market deregulation (both nationally and internationally) and sustained global economic growth. This has directly impacted on higher education provision with the significant commercialisation of university operations (particularly in some countries including the UK and Australia) coupled with marked reductions in state funding and the opening up of key national markets to foreign higher education providers (especially in South-East Asia and the Middle East).

Given this new global context, the TNE literature during this period highlights both the considerable excess demand for higher education (particularly in Asia) and the ‘immense potential market for TNE’ (Healey, 2019: np) among the vast majority of overseas students who cannot attend foreign universities but who can now study for foreign degrees in their own countries. This positive outlook is reflected in a UK-government sponsored report on future demand for UK TNE which was published in 2004. This forecasts that total offshore enrolments could increase to 800,000 by 2020, a nearly six-fold increase in the estimated levels of UK offshore provision at that time (see Bohm et al., 2004).
The TNE literature also discusses other mainly short-term and more country-specific factors that fuelled rapid TNE enrolment growth during this period. Most notably, considerable attention is given to the important role of UK government policy in promoting TNE in order to cushion the impact of the apparent slowdown in onshore international student recruitment due mainly to restrictions on international student visas that were introduced in 2010.

**Enrolment trends**

From fewer than 50,000 students (most of whom were enrolled on traditional, mainly paper-based ODL undergraduate courses) in the mid-late 1980s, TNE enrolments began to increase rapidly in the early-mid 1990s. Enrolment data prior to 2009/2010 is limited, but the annual rate of enrolment growth averaged 4% between 2002 and 2009 and increased to 9% between 2009 and 2015 (see Fig. 1).

With respect to delivery modality, franchised and validated degrees based on institutional partnerships with mainly private higher education institutions were the principal source of enrolment growth. The key geographical feature was the marked concentration of TNE enrolments among a small group of countries most of whom had already adopted ambitious human resource-led development strategies with a strong focus on becoming ‘knowledge economies’. With some important exceptions (most notably China and Malaysia), these are also generally small countries, both in terms of population and land area, and so have looked to develop their human resources as the principle driver of economic growth. The development of their higher education sector has been central to this strategy, both as source of highly skilled labour (especially for inward foreign investment) and export income by attracting sizeable inflows of overseas students.

Reducing dependence on overseas training has often been closely linked with this HRD strategy especially in countries such as Malaysia where the numbers of government-funded students being sent to study overseas in the 1970s and 1980s had become very sizeable and thus costly. Another important element has been the impact of government policies with regard to accessing higher education in multi-ethnic societies. In Malaysia and, to lesser extent, Singapore, the promotion of private sector higher education provision has enabled the considerable excess demand among the economically advantaged ethnic Chinese population to be met while giving preferential access to public universities for the less economically advantaged but numerically predominant indigenous population groups. A similarly discriminatory policy is evident in the Gulf States where immigrant workers are denied access to public higher education universities which is reserved for the indigenous Arab populations. Excess demand for onshore overseas university training in the UK (especially among Chinese nationals) has also been an important growth factor since those students who were unable to obtain a place on campus at their preferred university in the UK can, alternatively, study offshore for a UK degree qualification in their own country and at considerably less cost.

Implementation of this HRD strategy was based on a combination of liberalisation of higher education provision with strong and sustained support for the development of both the public and private sectors. Encouraging usually private universities to partner with foreign universities through various collaborative arrangements (principally degree validation and franchising) was the key delivery innovation. Initially, at least, the relationship between local and foreign universities was strongly symbiotic; for the foreign university, sizeable TNE partnerships could be an important source of income especially where students from that country were no longer coming to the UK to study. And, for the local partner institutions, most of which had only very recently been
established, it enabled them to offer almost immediately both undergraduate and post graduate validated/franchised degrees from relatively high status overseas universities while, at the same time, building up their institutional capacity to become fully accredited national higher education providers.

The success of this strategy, especially in Hong Kong, Malaysia and Singapore, meant a core group of private colleges expanded rapidly while continuing to meet the minimum acceptable academic standards for international collaborative partnerships. Partnerships with public sector universities have predominated in China.

**Enrolment levelling-off: the limits to growth**

**Literature overview**

There is a small but growing literature which focuses on the mounting ‘legal, practical and political challenges’ (Yencken et al., 2021:2) which are increasingly affecting TNE provision by UK and also Australian universities (see Lo, 2017; Ramos & Wake, 2019; Wilkins & Juusola, 2018) However, no clear consensus exists on the extent to which these constraints may affect the long-term prospects for TNE. According to Healey, ‘the alignment of internal and external forces that fuelled the growth of TNE is ending’ (Healey, 2013: np) and, that by the late 2010s, TNE was ‘no longer a policy priority for many host governments’ (Healey, 2019: np). Other researchers, on the other hand, focus in an essentially ad hoc manner on the ongoing political, legal, cultural and financial issues which are typically encountered in effectively managing collaborative partnerships and overseas branch campuses which is resulting in a ‘ratcheting up’ of costs. Others concentrate more on highlighting the ‘inherent riskiness’ of TNE partnerships in general (Wilkins, 2016).

Certainly, governments in key countries including Malaysia and Singapore and, more recently, China are adopting more ‘protectionist’ and ‘nationalist’ higher education policies resulting in the tighter regulation of TNE providers. In addition, the rapidly declining university-age populations in these and other countries (including India and Pakistan) is also identified as being another major constraint to TNE enrolment growth in the future.

With regard to TNE delivery modalities, most academic attention continues to focus on OBCs. During the earlier stages of TNE expansion, the spread of OBCs was widely seen as being a ‘third wave’ of TNE provision with universities shifting from relying on institutional partnerships to establishing their own campuses. However, the significant problems that have been encountered with OBCs are increasingly seen as undermining their future viability (see Altbach, 2015; Bhuian, 2016).

As will be further discussed below, these are all major concerns. However, what is striking is that this research is mostly qualitative in nature with no detailed quantitative analysis of fundamental aspects of TNE markets including overall enrolments, specific provision modalities and income and profitability over time.

**Enrolment trends and patterns**

After a long period of sustained and high growth, total UK offshore enrolments levelled off between 2014/2015 and 2018/2019 registering an overall increase of only 7% (see Tables 1 and 2). During the period of exceptionally high enrolment growth from 2009/2010 to
2014/2015, offshore enrolments increased in almost 90% of UK universities and declined or were stagnant in the remaining 10% of universities. Total additional enrolments amounted to 194,000 and total losses 39,000 yielding a gain–loss ratio of 5.0. The extent of the enrolment slowdown between 2014/2015 and 2018/2019 was such that offshore enrolments declined in 40% of universities and the gain–loss enrolment ratio fell to 1.6.

A similar enrolment trend can be observed in Australia where offshore overseas students only increased from 99,000 in 2015 to 107,000 in 2019. The enrolment gain–loss ratio of 1.6 for this four-year period was exactly the same as in the UK with half of the country’s 43 universities reporting declines in offshore enrolments.

### Geographical profile

Total UK offshore enrolments declined in Africa, Middle East, Australasia, North and South America and non-EU countries in Europe (including Russia) during this period. In Asia, which accounted for around a half of all UK offshore students, enrolments increased by just 10%—from 186,000 in 2014/2015 to 205,000 in 2018/2019 (see Tables 1 and 2). Interestingly, the only region to buck this trend was the EU. Prior to the Brexit referendum in the UK, which was held near the end of the 2015/16 academic year, in June 2016, offshore enrolments in the EU had been stagnant for over four years. However, from 2015/2016 to 2018/2019, offshore enrolments grew by nearly 30%—from 51,000 to 66,000.

### Provision modalities

The most significant change in the pattern of TNE modality provision during this period was the marked increase in the share of franchise degree enrolments, from 34 to 40% of the

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**Table 1**  UK offshore enrolments by region, 2014/15–2020/21 (’000 rounded)

| Region                  | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 | 2019/2020 | 2020/2021 |
|-------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| European Union          | 53        | 51        | 56        | 60        | 66        | 72        | 73        |
| Asia                    | 186       | 190       | 196       | 201       | 205       | 214       | 240       |
| Middle East & Africa    | 102       | 106       | 111       | 106       | 100       | 101       | 119       |
| Other regions*          | 40        | 39        | 39        | 39        | 36        | 39        | 44        |
| TOTAL                   | 381       | 386       | 402       | 406       | 407       | 426       | 476       |

* North and South America, other Europe, Australasia

Source: HESA
global total, and a corresponding decline in the share of validated degree enrolments, from 27 to 22%. The share of ODL enrolments decreased from 31 to 29%, while the share of OBC enrolments increased marginally from 6 to 7%. Regionally, the only exception from the switch away from validated provision was in the EU. Here, the share of franchise enrolments fell (from 28 to 23%), while the share of validated degrees increased—from 26 to 33%. In absolute terms, the increase in franchise enrolments was the only significant source of TNE growth among UK universities during this period.

**Supply side factors**

**Global TNE provision**

One possible reason for the levelling off of both UK and Australian TNE enrolments during this period may be because of significant growth in TNE enrolments (and thus increased competition) from universities in other countries, most notably in Europe and North America. However, despite the paucity of national statistics on TNE provision in all of these countries, it is clear that the UK and Australia still continued to dominate global TNE enrolments. UK universities, in particular, still accounted for the lion’s share of institutional partnership and on-line distance learning enrolments for both undergraduate and postgraduate degree courses.

**Institutional consolidation and re-positioning**

After over 20 years of experience, a growing number of universities in the UK began to question seriously the overall value of their continued involvement in offshore provision. This led to a number of UK universities making strategic decisions to withdraw significantly or even completely from TNE provision given high and increasing transaction costs and low financial returns.²

**Institutional partnerships**

An important reason for the slowdown in UK TNE enrolments after 2014/2015 is that many UK universities began to shift away from their initial reliance on low value-added validation degree overseas partnerships with relatively large enrolments and focus instead on higher quality, higher value added franchise and other joint-degree partnerships with generally considerably lower enrolments (see Bennell, 2019a). Poor quality assurance of validated degree partnerships resulted in considerable reputational damage among a significant number of UK universities.

**Distance learning and overseas branch campuses**

The stagnation in ODL enrolments was largely due to the overall complexity and relatively high costs of providing high-quality on-line degree courses. In addition, the growing

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² These include Abertay, Bradford, Nottingham Trent, Roehampton, Staffordshire, Wales (central functions).
availability of in-country, face-to-face offshore courses at overseas partners is also likely to have dampened demand for distance learning (see Bennell, 2019a). The emergence of joint/collaborative ventures between UK universities and specialist, mainly private corporate ODL providers (such as Coursera, Kaplan and Laureate) was also symptomatic of the challenges faced by universities in developing large-scale ODL provision on their own.

The limited scale and overall growth of OBC enrolments during this period is attributable to the affordability and costs of provision coupled with intense competition in key locations (in particular Singapore, the Gulf states and Mauritius). Australian, North American and European university involvement in TNE has been mainly limited to the establishment of OBCs. Consequently, the level of competition in this specific market segment has been particularly intense. The relatively high fees charged by OBCs are another major demand constraint. As noted earlier, OBCs are increasingly seen as being much less attractive than was originally envisaged. It has even been suggested that, in Australia where OBC students account for over one-half of TNE enrolments, this amounts to a ‘boom and bust’ situation.

**Demand side factors**

Three sets of demand-related factors have contributed to the levelling-off of UK TNE enrolments, namely changing market conditions in the small number of countries which, to date, have accounted for the bulk of TNE students, the relatively limited scope for the mass expansion of TNE provision in the rest of the world (i.e. outside of the EU), and the continued preference for onshore provision by overseas students at UK universities.

**Changing market conditions**

By the mid-2010s, UK TNE still continued to be heavily concentrated in a small number of countries most of which are located in the South and South-East Asia and the Middle East. The surge in TNE enrolments (for both UK and Australian universities) from the mid-1990s up until the early 2010s was strongly driven by four countries/jurisdictions, namely China, Hong Kong, Malaysia and Singapore (CHMS). It is noticeable that UK TNE enrolments have fallen appreciably in three of these countries during the last decade (Hong Kong 24%, Malaysia 17% and Singapore 43%).

A key reason for these enrolment declines is that the initial market conditions that led to a surge of offshore enrolments in these countries 20–25 years ago have changed, often quite rapidly. In particular, market saturation and intensifying competition are increasingly critical issues. The overall size of most domestic markets is generally not sufficiently large to be able to support continued high enrolment growth especially where there has been a particularly strong reliance on one ethnic minority or other niche client group. The relatively high cost of private university education is also a major constraint since it is only affordable for a small minority of the population. This is particularly the case for TNE

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3 Total ODL enrolments as enumerated by HESA are also over-estimated by at least 25% because around 60% of the 50,000 ODL students registered with London University are, in fact, enrolled at local ‘Associated Learning Centres’ and should, therefore, be classified as being part of franchised collaborative provision. Interview with Katherine Bull, Director of the ODL programme at London University.

4 The extent to which the forced recourse to on-line virtual learning during the COVID pandemic by virtually all higher education providers may well however result in significant changes in UK university attitudes towards overseas distance learning and offshore provision in general.
provision at overseas branch campuses and also overseas distance learning degree courses both of which have relatively high course fees.

The goal of becoming regional education hubs capable of attracting large numbers of foreign students has also been much harder to achieve than originally anticipated mainly because of intensifying global competition for overseas students from both the major, established countries (mostly notably the USA, UK and Australia) but also new entrants including China, India and Singapore.

In line with national HRD strategies, mainly private universities have partnered with UK and, to a lesser extent, Australian universities in order to establish quickly market credibility and develop institutional teaching capacity. As they have continued to mature and particularly as they have obtained national accreditation as independent higher education providers, this increasingly calls into question the nature of future partnership arrangements with overseas universities. In particular, it is likely that these newly accredited universities will no longer want to continue to rely so heavily on overseas qualifications when they can switch to offering their own qualifications without the added costs of partnering with overseas universities.

Competitive pressures from overseas ex- (or even continuing) overseas partners will also increase if these institutions themselves decide to become TNE offshore providers. This is already happening among a small number of private universities and other higher education providers in India, Malaysia and Singapore.

Government policy with regard to TNE provision has also become an increasingly critical issue especially where overseas partnerships are seen as a mainly transitional arrangement eventually enabling national universities to operate independently as world class institutions in their own right. The increasing tightening in recent years of TNE regulations and other policies in China, Malaysia and Singapore is symptomatic of government concerns that only ‘world class’ partnerships which directly support national human resource capacity development objectives will be approved.

**Limited global reach**

The limited opportunities for sustained, high-growth TNE enrolment expansion in other regions and countries is the second major reason for the levelling-off of enrolments in the mid-2010s. The key constraints are the very heavy reliance on English as the main medium of instruction, the limited (effective) demand for TNE courses in many countries (in relation to population size, overall economic development and the affordability of private higher education), restrictive government regulation, the lack of suitable private sector partners (especially in low-income developing countries) and intensifying competition from expanding, both (heavily subsidised) public universities and maturing private sector providers.

Almost all of the 20 or so high TNE enrolment countries were at one time or another part of the British colonial empire and still continue to rely heavily on English for education, business and government/administration. While English is increasingly the global hegemonic language, the emergence of large-enrolment TNE courses in non-English speaking countries remains unlikely.

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5 Most notably, the government of Singapore abandoned its target of attracting 150,000 overseas students by 2015.

6 The same concentrated geographical pattern prevails among TNE higher education offshore provision in Australia. China, Malaysia and Singapore accounted for 61% of offshore enrolments in 2019 and the share of the top nine countries (with enrolments of over 5000) was 80%. Over 90% of enrolments are in Asia.
The potential growth of UK TNE enrolments in Europe, North America and Australasia is likely to remain limited. Most of these high-income economies have well established, high quality, high enrolment public higher education systems which provide relatively low-cost, heavily subsidised degree courses (particularly in the EU). Penetrating these markets via offshore provision has proved to be difficult especially with respect to franchising and validation institutional partnerships.

Despite its size and proximity, UK offshore enrolments in the 27 countries of the EU have accounted for only around 15% of UK TNE enrolments worldwide throughout the last two decades. Three countries, Cyprus, Greece and Ireland, account for three-quarters of all enrolments. The relatively small number private sector universities and the relatively limited excess demand for higher education (given already high enrolment rates) are also key issues limiting the level of demand for offshore provision.

The majority of UK TNE courses in EU countries are in more specialist subject areas as opposed to the high enrolment business-financing-management courses that characterise TNE provision in Asia and the Middle East. Given already high academic standards, most TNE institutional partners in Europe prefer the degree validation modality but this type of arrangement is of generally less interest to UK HEPs given low financial returns (see Bennell, 2019b).

The second most important group of countries with regard to UK TNE enrolment is mainly comprised of city-state countries in the Middle East (Bahrain, Dubai, Kuwait, Qatar), and small-island states (Cyprus, Malta, Mauritius and Trinidad and Tobago). However, the potential growth of these markets is likely to be considerably more limited compared with the CHMS market leaders.

With a few exceptions, UK TNE provision in low-income countries remains limited. Only two of the 70 countries in the Caribbean and Sub-Saharan Africa have sizeable enrolments, namely Nigeria and Trinidad and Tobago. Language, low per-capita incomes, the limited number of good quality private universities and restrictive government policies continue to be key barriers. Despite concerted efforts by the British Council, Universities UK and UK government departments (principally Business, Energy, and Industrial Strategy, Education, and International Trade), only two countries recorded sizeable TNE enrolment increases (of more than 5000 students) between 2015/2016 and 2020/2021, namely Saudi Arabia and Sri Lanka.

**Onshore overseas students**

Despite expectations to the contrary, overseas onshore students attending UK universities expanded rapidly during the 2010s. The reinstatement of the right to work in the UK after graduation in 2018 provided a major boost for overseas student numbers, especially students from India and Pakistan.

The relationship between offshore and onshore provision for overseas students is complicated. There are increasingly strong complementarities between the two types of provision which are largely due to the increasing number of ‘progression’ arrangements where offshore students complete their degrees onshore in the UK (see Bennell, 2020). However, given the much higher financial returns to onshore enrolments, the incentives for most UK universities to increase their involvement in TNE provision have remained largely unchanged.

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7 They increased from 406,000 in 2010/2011 to 435,000 in 2014/2015 to 496,000 in 2018/2019 and 605,000 in 2020/2021.
The Brexit and Covid shocks

Literature overview

Both of these ‘shocks’ are very recent and still ongoing. It is not surprising, therefore, that no substantive research has so far been undertaken on their overall impact on UK TNE provision. Most expert commentary to date has been largely anecdotal and speculative.

Generally speaking, there is a reasonably strong ground swell of opinion among UK universities that both Brexit and the Covid pandemic offer major ‘opportunities’ for the expansion and even the ‘re-conceptualisation’ of TNE provision. As the blog of the Universities UK TNE e-Group put it, ‘suddenly thousands of international students have become de facto transnational, continuing their education from their home countries’.

A survey conducted in late 2020 of senior UK university managers responsible for international education reported that half thought that they were likely to expand TNE in response to the pandemic (Universities UK, 2020). Similarly, four out of 12 university managers who were interviewed about their likely offshore campus strategies in the EU post Brexit stated that they planned to establish or expand OBC provision (Leibert, 2020). The pandemic is also seen as providing a major stimulus to ODL with some countries relaxing online regulations in response to the pandemic most notably China.

Covid-19

Overall impact

Not expectedly, the immediate impact of the Covid pandemic was to reduce significantly UK TNE enrolments: between the end of the academic year in 2019/2020 and the end of 2020, the number of overseas students registered on TNE courses offered by UK universities fell by 17%. While this enrolment decline was only 4% in the EU, it was 20% in the rest of the world.

The extent to which TNE enrolments have rebounded from this initial shock is, however, more unexpected. During AY 2020/2021, the total number of UK offshore students increased by an impressive 12%—with an increase of 14% in the Rest of the World (i.e. non-EU countries) but only a little over 2% in the EU itself. Offshore enrolment growth between the end of AY 2018/2019, nine months before the first Covid lockdowns, and the end of AY 2020/21, slightly more than 15 months into the pandemic, was 18% with the largest increases outside of the EU (see Table 1).

TNE enrolments at Australian universities also increased impressively by 27% during the first year of the pandemic in 2020 though, unlike in the UK, onshore overseas enrolments fell by 16% (Government of Australia, 2021). This was probably largely due to the Australian government’s decision to exclude all overseas students from entering the country as part of its Covid restrictions coupled with a serious deterioration in its relationship with China where one-third of its overseas students originated in 2020.

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8 A few articles discuss the possible impacts of Brexit on offshore enrolment but provide no hard data (see Courtois and Veiga 2020 and Leibert 2020). Only one article could be located on the impact of Covid on offshore provision in a developing country, namely Vietnam. Again, the discussion is qualitative and quite speculative (see Phuong and Nguyen 2021).

9 ‘Commencing’ TNE enrolments increased by 34% while the number of ‘commencing’ onshore students fell by 34%.
The number of overseas students taking UK non-degree qualifications offered by Ofqual-registered awarding bodies also increased appreciably; the total number of certificates awarded increased by 18.1% from 4.9 million in 2019 to 5.8 million in 2020 (Ofqual, 2022).

Three main reasons can be identified for such a quick and sizeable rebound in offshore enrolments during 2020/2021. Firstly, both UK universities and their overseas institutional partners adjusted very quickly to Covid restrictions. In particular, the rapid uptake of ZOOM and other on-line (synchronous and asynchronous) learning technologies effectively substituted for traditional face-to-face instruction. Secondly, those students who felt uncomfortable about studying overseas could opt to study offshore from home. Prolonged lockdowns also meant that they had considerably more time to study which is a key issue given that well over half of all TNE students are part-time. And thirdly, levels of anxiety and uncertainty declined rapidly with the rollout of effective vaccines from early 2021 and there was also a considerable easing of lockdown restrictions during 2021.

Impact patterns

Generally speaking, nearly three-quarters of universities that recorded positive TNE enrolment growth during the five years preceding the onset of Covid and the eventual departure of the UK from the EU continued to increase their offshore enrolments between 2018/2019 and 2020/2021. By contrast, only one-third of those universities where enrolments had declined during the preceding five years registered positive enrolment growth between 2018/2019 and 2020/2021 (see Table 3). Thus, it seems reasonable to hypothesise that among those universities which have decided to withdraw or downsize their offshore provision, the net impact of these two shocks is likely to have provided added confirmation of the need for this strategic global repositioning.

Provision modalities

Having declined by 5% over the previous five years, TNE enrolments at degree validation partnerships increased by 18% between 2018/2019 and 2020/2021. Enrolment growth increases for the other three modalities were half this level. The much larger increase in validation partnerships is probably because they are relatively easier to set-up and, typically, have larger enrolments. Given stringent lockdown and other Covid-related restrictions

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Table 3  Relationship between UK offshore enrolment trends between 2014/2015 and 2018/2019 and between 2018/2019 and 2020/2021 (% rounded)

| Enrolment trend | % all | Enrolment growth 2018/2019 to 2020/2021 |
|-----------------|-------|-----------------------------------------|
| 2014/2015 to 2018/2019 Universities Negative | 16 | 10 | 74 |
| Decreasing | 50 | 14 | 36 |

Limited growth is 0–10% and positive > 10%

Source: HESA

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10 English for speakers of other languages 4.01 million, ‘other general qualification’ (including the International Baccalaureate) 1.08 million and vocationally-related qualifications 0.20.
in most countries, it is perhaps surprising that ODL TNE enrolments increased by only 8%. However, with the very rapid and universal incorporation of on-line learning by TNE institutional partners and OBCs, this has effectively reduced the relative attractiveness of (pure, unblended) ODL. Moreover, major ODL providers such as the University of London already rely heavily on blended learning.

**Longer-term impact: Learning to live with Covid**

At the height of the pandemic in mid-late 2020, it seemed entirely possible that Covid would have profound long-term impacts on higher education provision in the UK including TNE. However, by the start of the 2021/2022 academic year, normal, face-to-face instruction had resumed at all universities with record numbers of both UK and overseas students and thus the initial concerns about the longer-term impacts of the pandemic had significantly abated.

Clearly, the emergence of new Covid variants could lead to new sets of restrictions which, would again, significantly impact university operations. That said, it is also the case that universities both in the UK and around the world have successfully adapted to the challenges posed by Covid-19 such that the impact of any future pandemics on both onshore and offshore could be significantly mitigated.

With regard to TNE, the key question is to what extent will the apparent short-term positive impact of the pandemic on UK offshore enrolments be sustained over the next five-ten years? It is possible that the successful adoption of ZOOM and other on-line learning technologies could increase the attractiveness of offshore TNE provision both for students and providers. In particular, major costs such as regular visits by ‘fly-in’ faculty could be significantly reduced and the new on-line learning modalities will enable UK universities to provide a greater teaching input with their institutional partners thereby helping to allay concerns about the overall quality of provision. However, it still far too early to reach any robust conclusions about whether these positive Covid-related shocks will be sufficiently large and sustained to be able to counteract fully the longer-term supply and demand constraints on the future growth in TNE provision which were discussed earlier.

**Brexit**

**The transitional period**

As noted earlier, the overall impact of Brexit on UK offshore enrolments in the EU appears to have been quite positive during the nearly five year ‘transitional period leading up to the UK’s final departure in January 2021. Prior to the referendum, UK offshore enrolments in the EU region were stagnant at around 50,000–55,000 students but, during the three years following the vote, enrolments grew by over one-quarter to 65,000 in 2018/2019.

There are probably three main reasons for the overall positive impact of Brexit on UK offshore enrolments in the EU during this transitional period. Firstly, while the vote to leave obviously increased uncertainty about the nature of the UK’s future relationship with the EU, it did not have any immediate effect on TNE provision. If anything, higher levels of uncertainty may have increased the short-term demand both for collaborative degree courses at offshore institutional partners in the EU as well as for ODL courses which would not be unduly affected by the UK departure from the EU. Secondly, well over half of all
EU offshore collaborative enrolments are accounted for by just two countries, Greece and Cyprus. These are well established markets (with their own peculiarities)\(^\text{11}\) which are likely to be insulated to some extent from the wider impact of Brexit. Greece and Cyprus alone accounted for over three-quarters of the overall increase in offshore enrolments in the EU region during this period. And thirdly, the vote to leave the EU did not lead to any immediate change in the relative attractiveness of offshore courses vis a vis onshore courses for overseas students mainly because EU students continued to have preferential (tuition fee and loan) access to UK onshore courses.\(^\text{12}\)

**The eventual departure: a hard Brexit**

As discussed earlier, it is difficult to disentangle the separate impacts of the Covid pandemic and the UK’s final departure from the EU in January 2021. However, if it is assumed that the positive impact of Covid on offshore enrolments was of a similar magnitude in the EU and ROW, then it would appear that what turned out to be a ‘hard’ Brexit had, at least initially, a sizeable negative impact on UK offshore enrolments in this region. This is because, in 2019/2020, TNE enrolments in the EU increased by 12% compared to just 4% in the ROW. In the following year, however, EU enrolments barely increase at all, whereas TNE enrolments in the ROW grew by nearly 20% (see Table 1).

The high levels of uncertainty surrounding the final departure of the EU is the most likely reason for this sizeable negative impact on UK offshore enrolments in the EU. However, for most UK universities and the UK government, this is unlikely to have generated any major concerns given the region’s very small share of TNE students globally and, more significantly, the much greater numerical and financial importance of EU onshore students in the UK.\(^\text{13}\)

**Longer-term impact**

The future prospects for UK TNE provision in the EU are difficult to predict and thus, as with Covid, any discussion about the longer-term impact of Brexit is unavoidably quite speculative. However, there are a number of key developments which are likely to be particularly important. The most critical of these will be the impact of Brexit on the number of EU nationals studying in the UK. Beginning in 2021/2022, newly enrolling (onshore) EU students must pay the same tuition fees as other overseas students which, for undergraduate courses, are typically roughly double the fees for UK home students and around 50% higher than for post-graduate courses. EU nationals enrolling on courses with tuition fees of £15,500 or more will be entitled to ‘transitional scholarships’ for the next three years which will, at least to some extent, delay the almost certain negative impact of these changes in tuition fees on enrolments. EU students will also no longer be entitled to access higher education loans made available by the British government.

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\(^{11}\) Cyprus is a former UK colony and Greece has exceptionally high levels of national excess demand for higher education.

\(^{12}\) Faced with the very high likelihood that tuition fees at UK universities would increase significantly once the UK finally left the EU, it is not surprising that EU onshore enrolments also increased after the Brexit vote—from 130,000 in 2015/2016 to 148,000 in 2019/2020.

\(^{13}\) Nearly 6% of all university students in the UK in 2020/2021 were from the EU. 17% of academics were EU nationals.
The future growth of TNE provision in the EU will be strongly influenced by the size of any decline in EU onshore students in the UK. The larger the decline, ceteris paribus, the greater the incentives will be for UK universities to compensate for this loss by increasing offshore enrolments in the EU. Assuming that tuition fees for offshore provision do not change appreciably, then the relative demand for these courses could grow significantly in the medium and long term especially among students who still want to obtain UK university qualifications. Should this occur, it will be similar to the rapid growth in offshore enrolments in Malaysian in the late 1980s which was prompted by the dramatic reduction in onshore students in the UK.

The extent to which UK universities are both willing and able to take advantage of any increased demand for UK TNE provision will depend on numerous factors including the level of interest among existing and new institutional partners in EU countries (especially in view of the very different political and economic relationships between the EU and UK) and the feasibility of establishing UK branch campuses in EU countries. The limited number of private universities will make ODL and OBC provision the only realistic alternatives in most countries.

**Conclusion**

This article has, for the first time, systematically analysed with comprehensive empirical evidence the key TNE enrolment trends among UK universities over the last 20 years. The main conclusion that can be draw from this assessment is that the combined impact of key supply and demand constraints is likely to reduce significantly the future growth of UK TNE enrolments worldwide and may even lead to a substantial decline in these enrolments. While the short-term impact of the Covid pandemic on UK TNE provision has been quite positive, it is too early to speculate about what the longer-term impacts of the pandemic are likely to be and, in particular, whether these will be sufficiently sizeable and sustainable to counteract the factors that led to such a marked levelling-off of TNE enrolments prior to the pandemic.

**Future research**

Relatively little detailed research has investigated the changing nature of global demand for TNE provision particularly in key national overseas markets during the last five years. This assessment is, therefore, quite tentative and is based on a number of related propositions which require considerably more robust research in order to be fully substantiated. Individual country studies are particularly needed which provide comprehensive and detailed multi-disciplinary analysis (both quantitative and qualitative) of the evolving nature of TNE provision across each of the four major delivery modalities. It is indeed surprising that no research of this kind has ever been conducted in any of the Asian and Middle Eastern countries with the largest TNE enrolments.

While concerns around ‘commercial sensitivity’ make it more challenging to make in-depth institutional assessments of TNE provision among a representative cross-section of UK universities, there is still considerable scope for more in-depth research in this area. Within the next few years, HESA intends to collect the same information for all onshore and offshore students which will considerably enrich the available information on TNE provision.

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Declarations

Conflict of interest  The author declares no competing interests.

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