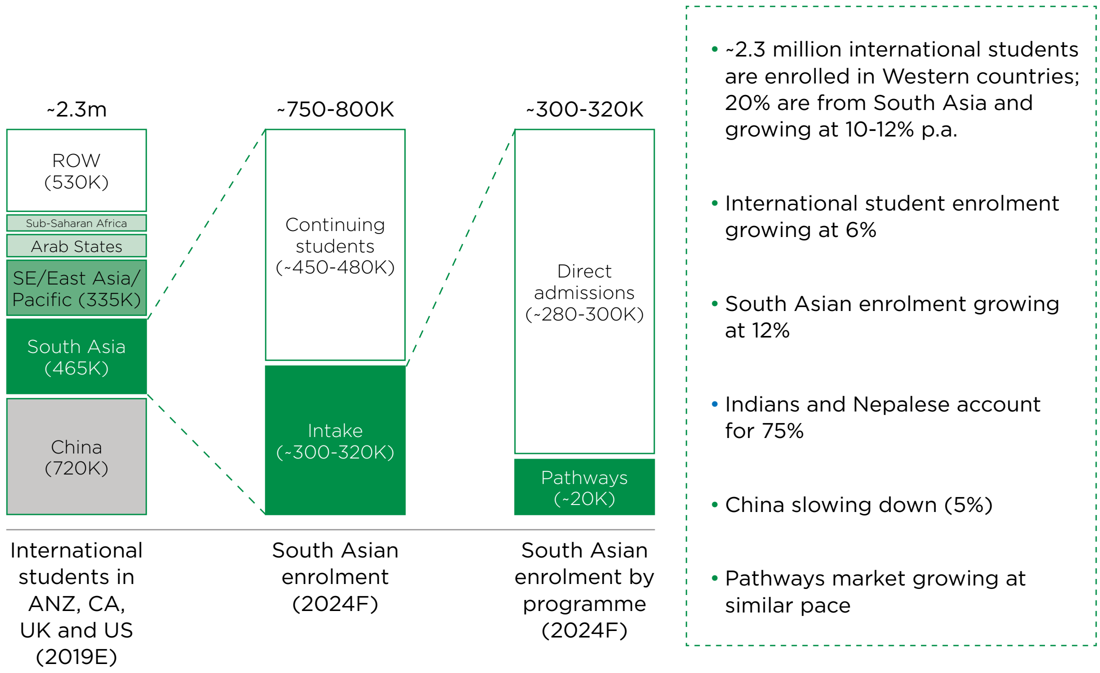
Path to the new way

The global pathways industry is a staid one in which face-to-face delivery models have remained largely unchanged for nearly three decades. But since international travel bans have stemmed flows of foreign students, the sector is in dire need of disruption from online providers, argue **Abhinav Mital** and **Amit Garga**, co-founders of LINC Education

FIGURE 1: DEMAND FOR INTERNATIONAL UNIVERSITIES IS LARGE AND GROWING



Source: UNESCO data on student mobility, LINC research

The last week of February is usually the busiest time on campus for Australian universities as they prepare to welcome thousands of international students, largely from China, for the start of the academic year. In the midst of this activity is the university's pathway college, which accounts for a large proportion of international student intakes, sometimes as high as 50-60% for certain programmes.

However, the mood was remarkably different this year as Australian universities braced for an unprecedented event – a complete travel ban from China due to the Covid-19 outbreak. As a consequence of the measures, a large proportion of more than 200,000 Chinese students would miss out on the festivities of enrolment week, and worse: the start of classes. Pathway colleges that typically run in partnership with private providers are the worst hit as they are almost exclusively for international students, the majority of whom come from China. With technologies available today, can pathway operators and universities safeguard themselves against such black swan events – and, more importantly, innovate to further expand the market while preserving quality?

A brief history

For the uninitiated, pathway colleges have become an integral part of universities around the world as a way to expand their international student intakes. This is especially relevant for students coming from countries like China, Korea, Vietnam and others, where language barriers and the structure of the local education system limit the ability of students to meet direct admission requirements. The concept was pioneered in the mid-1990s by education entrepreneurs, who convinced universities that international students who failed to meet direct admission criteria could still be admitted on the condition that they complete a pre-university foundation programme or a first-year equivalent diploma. The real value-add, though, was that private companies like Navitas served as the perfect proxy to go deep into source markets, like China or Southeast Asia, and work with agents to recruit larger numbers of students on the back of reduced entry requirements. Today, we find some of the biggest private education companies, including Navitas, Study Group, INTO and Cambridge Education Group, operating in this segment, with 50,000-60,000 students studying in pathway colleges around the world. The segment has grown at 7-8% year-on-year – approximately 200-300 basis points faster than overall international student enrolments. It is noteworthy, though, that pathway intakes still account for only a sliver of the nearly one million students starting at western universities and colleges each year, indicating potential runway for growth. At the same time, the teaching model remains extremely traditional, as it relies heavily on classroom lectures and examinations and has seen little innovation in delivery since the first pathway college was started 25 years ago.

Cracks in this model have emerged as demand is shifting to new source markets, notwithstanding the aforementioned Covid-19 pandemic. Based on the most recent data on international student mobility from UNESCO, enrolments from South Asia to western higher education institutions grew at 12% – twice as fast as the world average, and significantly faster than China (*see Figure 1*). Universities and pathway providers are turning to India, Nepal, Bangladesh, Pakistan and Sri Lanka to compensate for the slowing demand from China and to enhance classroom diversity. ▶

In 2018, 1.8 million students took the academic IELTS, of whom approximately 250,000 were from South Asia and scored 5.5 or 6.0, which is the typical pathway admission criteria. However, it is estimated that less than 3% of test takers actually joined a pathway programme – indicating massive unmet demand to be tapped.

At the same time, institutions have demonstrated a limited ability to decipher student quality – both in terms of authenticity and calibre. Most rely on a network of study abroad agents, many of whom turn out to be untrustworthy. LINC Education's own experience from working with a number of pathway colleges to provide supplementary one-on-one academic tutoring to students has shown that, despite best efforts, institutions end up with cohorts in which 10-20% of students never show up for classes, while another 30-40% end up failing their first-term qualifications. Most of these students eventually switch to cheaper or 'easier' courses elsewhere in the country to maintain their visa status as they pursue their path to employment or immigration. As a result, the institutions are left with less than desirable teaching & learning metrics (failure rates, attrition, continuation) and sub-par progression rates to university programmes. In the worst-case scenario, colleges run the risk of getting their immigration status downgraded by authorities, which would result in tighter restrictions around future international student recruitment.

> Pathway colleges have become an integral part of universities around the world as a way to expand their international student intakes

The response from a number of universities and pathway colleges has been a bit knee-jerk. It ranges anywhere from shutting down specific agent relationships all the way to black-listing entire regions or even countries for recruiting students. Top-end universities, like the G8 in Australia or the Russell Group in UK, leverage their ability to charge high price-points as a way to self-select higher-quality students, but effectively close the door on equally qualified students who cannot afford them. Pricing is no doubt effective in controlling authenticity of applicants, but does not guarantee student readiness and success. Some universities have made matters worse by dropping direct admission criteria in order to access these growing markets, which means that the pathway college now has to further lower its own admission criteria while still maintaining the same progression or success rates amongst students.

With nearly 500,000 students coming from South Asia, it is clear that western education is not just restricted to the cream anymore, thereby putting the pathway model at greater risk than ever before from student quality and completion standpoint.

Technology as a force multiplier?

One solution adopted by universities to improve the quality of students coming to their campuses is to run feeder programmes in source markets through their own campuses, joint programmes or twinning programmes. But typical flow-throughs are very low. Besides, running your own campus in a geography as vast as India or Bangladesh is not everyone's cup of tea due to a multitude of reasons.

This is where technology can play a game-changing role and potentially disrupt how student pipelines are built in source markets like India and the broader region. By offering a part of the foundation, diploma or first-year subjects online to students meeting basic entry requirements, providers can test the quality and readiness of students even before they pack their bags. These programmes can be offered as early as the student is ready to apply overseas and a perfect

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way to lock in the student during the time between school graduation and start of the academic year in Australia. Priced right, such online solutions can expand the addressable market as the overall cost of education (tuition and living expense) stands to come down anywhere from 15-30%, which translates into a massive increase in potential volumes. At the same time, it helps boost the quality of students coming on-campus. If the student succeeds, they end up saving time and money since their on-campus duration reduces, while the probability of success increases significantly. If they don't, then the cost of failure is not as high and they can invest more time in readiness before they step on campus, again leading to improved chances of success. A third benefit is that such programmes can help providers expand their on-campus capacity as part of their student body is now online.

The challenge, of course, is to deliver programmes that preserve the education quality, authenticity and efficacy to ensure students meet the approved learning outcomes. Unfortunately, online delivery has become synonymous with self-learning and that model will surely fail for young students looking to go overseas. The desired online learning environment needs high levels of academic engagement, or 'facilitation', from qualified academic professionals who support the student each step of the way, just like teachers do in a face-to-face environment. LINC Education's own experience of delivering online courses on behalf of universities proves that one-on-one academic engagement leads to superior outcomes and completion rates which will be critical in online pathways. However, this is not a capability commonly found in universities, let alone pathway providers, which are either absent in the online space, or have mostly leveraged online channels to expand their self-learning programmes.

Academic leaders and decision makers faced with near-empty classrooms are waking up to the potential of online delivery for international students. However, if they limit it to contingency planning, then they have missed the forest for the trees. Online pathway programmes can structurally change the ways in which universities and pathway providers think about international student enrolment and success. They can open up not one, but multiple pathways into the university based on student performance and readiness. They can bring the dream of overseas qualifications to a much larger student base, rather than restrict it to a handful. It is not a matter of if, but when this change takes place – and the question is who will make the first move: pathway providers, universities or an outsider?