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Education Agents and Their Work with Universities

Vincenzo Raimo, Iona Yuelu Huang, and Eddie West

There are estimated to be some 20,000 education or international student recruitment agencies worldwide. These enterprises have become a key conduit of the ever more commercialized journey that thousands of international students make each year to enroll in universities abroad. These middle men, serving as intermediaries between universities, increasingly desperate for international tuition fee revenues, and students searching for their perfect international study destination, have become a staple of the international student recruitment industry.

What Are Education Agents?

The [UK Government Department for International Trade](#) provides a description of an agent as a person or entity that “works on behalf of an exporter [in this case, universities], introducing their products or services [degree courses] to potential clients [i.e., students]...” And it tells us that “The agent is paid a percentage of the selling price” (the tuition fee).

There are also agencies that are contracted by the students to support them in their applications to overseas universities. This type of agent is not considered in this article except insofar as they are also contracted by the university, i.e., contracted and paid by both the student and the university—what Americans refer to as “double dipping.”

Why Do Universities Work with Agents?

Universities work with agents because they consider them a cost-effective way of securing new international student enrollments. In Huang et al.’s [study](#), *Power and control: Managing agents for international student recruitment in higher education*, university staff reported a variety of reasons for working with agents, stating that “agents are a very quick way into getting students”; that “the cost of going there [emerging markets] is so high and the return on investment is not there”; because certain countries are unsafe for university staff travel; and because competitors work with agents and universities do not want to miss out on opportunities.

While we lack detailed reliable data on the use of agents, except for Australia, we do know that nearly all universities in Australia, New Zealand, and the United Kingdom, and a growing number in the United States, work with agents, and that some universities rely very heavily on agents to meet student intake targets. Agents have also become a key channel for international student recruitment to universities in continental Europe as well as in private and public institutions worldwide where international tuition fee revenue is critical, including international branch campuses.

Abstract

Education agents are a key feature of the ever more commercialized journey that thousands of international students make each year to enroll in universities abroad. They are intermediaries between universities, increasingly desperate for tuition fee revenues, and students searching for their perfect study destination. They have become a staple of the recruitment industry. But what are agents, and why do universities work with them? And what governance mechanisms exist to protect students from unscrupulous agents?

73 percent of all international students recruited to Australian universities in 2018 came via an agent.

How Many Students Are Recruited via Agents?

Agents are involved in the recruitment of students at all levels, including PhD programs. While there are a variety of data sources for the percentage of students recruited through agents, we found no single reliable, up-to-date, comparative source. The most authoritative source at a country level is that published by the Australian government, which reports that 73 percent of all international students recruited to Australian universities in 2018 came via an agent. The New Zealand government reports that 50 percent of international students are recruited through agents. There is no official national data on the use of agents for the United Kingdom, but our research suggests that at least a third of international students in the United Kingdom come through agents, with some universities relying almost entirely on agents for their international student intake. Data for the United States is the most elusive, in part because the sector is so diverse and because agents remain controversial in some quarters. However, the Observatory on Borderless Higher Education (OBHE) [reported in 2014](#) that 11 percent of students in US universities were recruited through agents and, more recently, [Bridge Education Group](#) reported that 22 percent of international students in the United States are recruited via agents.

Commission rates reported by universities range from 12 to 15 percent of the first-year tuition fee, but competitive pressures lead some universities to pay significantly more. Increasingly, universities are also paying continuation commissions, in particular for students who progress from a pathway program to Year 1. In addition to flat rate commissions, some universities also pay bonuses for meeting volume or other targets, and also provide other incentives like expenses-paid campus “familiarization tours.” Some agents also receive payments from the students whom they advise, in addition to being compensated by the universities for which they recruit, an inherent conflict of interest when these dual sources of income are not transparent—which is most often the case.

How Is the University-Agent Relationship Governed?

Beyond Australia, the Netherlands, and New Zealand, there is little direct government regulation over the way in which universities work with agents to recruit students.

In the United Kingdom, the role of agents and the extent of their use by universities is a largely hidden activity. The Quality Assurance Agency's [guide to Supporting and Enhancing the Experience of International Students in the UK](#) advises universities to make up-to-date lists of appointed agents public and make clear to students that agents offer a service for which they are paid by providers. There is little evidence of uniform compliance with either recommendation. While the United Kingdom's consumer protection body for students, [The Office for Students](#), [has raised questions](#) about the role of agents in its review of university admissions, it is yet to report on the matter or go as far as to issue any formal guidance or regulation.

In the United States, incentive-compensation-based recruitment of domestic students is prohibited by the Higher Education Act, which governs the administration of federal financial aid. But a “carve out,” or exception, allows that this restriction does “not apply to the recruitment of foreign students residing in foreign countries who are not eligible to receive federal student assistance.” However, actual governmental oversight of international recruitment agent activity is, for all intents and purposes, nonexistent.

In our [study](#), *Governance of agents in the recruitment of international students: A typology of contractual management approaches in higher education*, we examined the contractual governance approaches adopted by universities in Australia, the United Kingdom, and the United States, and how the outcome of these approaches was perceived by university managers.

Among our conclusions is that a one-size-fits-all approach to the contractual governance of agents is ill-advised because of the many variables and risks inherent in international student recruitment activity. The *laissez-faire* archetype illustrates the need for active involvement in agent management by universities, notwithstanding the temptation to outsource the function entirely. And while working with fewer agents with strong relational contractual governance tends to lead to better results, if universities work with a large number of agents, it is important to specify, and follow through on, monitoring terms and processes in agents' contracts.

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Conclusions

Education agents have been an important part of the international student recruitment marketing mix for many years. Increasing pressures on university finances, coupled more recently with COVID-19 travel restrictions, is intensifying reliance on agents, further ensuring their role as a mainstay in sustaining universities' financial wellbeing.

With ever more students being recruited to universities through agents, greater transparency about their work for universities is, in our view, long overdue. Failing to prioritize transparency risks students' welfare and universities' reputations. Host country regulations and codes of practice are only useful where they are rigorously followed by universities and clearly communicated to prospective international students, and where they can be policed.

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