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full article

# **Economic Contribution of International Students** (Case of the Russian Federation)

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Abstract: The number and mobility of international student is a sign of quality and prestige for universities and educational institutions. International student mobility impacts different aspects of global society, including socioeconomic, political, and cultural environment, science, and technology. In order to compete in the global educational environment and attract international students, Russia has been offering a wide range of programs where the English is the language of instruction. This paper offers a descriptive research and uses a systematic approach to analyze monetary gains of Russia brought in by international students. The research uses secondary data provided by official international organizations. The results show that 64.5% of the international students who studied full-time in Russian universities in academic year 2017 / 2018 were self-financed. Among the top 6 destination countries for international students, Russia spends the lowest percentage of GDP on education, has the lowest economic contribution of international students to GDP and total economic contribution of international students. International students in Russia spent around \$637.5 million on tuition and \$1,632.7 million on household expenses during the period of study. The aggregate income from providing Russian educational services to foreign citizens is \$2,270.2 million.

Keywords: higher education, migration, students, foreign students, monetary impact, economic impact, Russia

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оригинальная статья

# Экономический вклад иностранных студентов в Российскую Федерацию

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Аннотация: Количество и мобильность иностранных студентов являются признаком качества и престижа вузов и учебных заведений. Международная студенческая мобильность влияет на различные аспекты глобального общества, включая социально-экономическую, политическую и культурную среду, науку и технологии. Чтобы позиционировать свою конкурентоспособность в мировой образовательной среде и привлекать иностранных студентов, Россия предлагает широкий спектр программ, где английский язык является языком обучения. Статья представляет собой описательное исследование, использующее системный подход для анализа денежных доходов от иностранных студентов в России. Результаты показывают, что 64,5 % иностранных студентов (182893) обучались в российских вузах в 2017 / 2018 учебном году очно на хозрасчете. Среди 6 ведущих стран, принимающих иностранных студентов, Россия тратит на образование самый низкий процент от ВВП (3,7 %) и имеет самый низкий экономический вклад иностранных студентов в ВВП (0,1 %), общий экономический вклад иностранных студентов (\$2,3 млрд). За период обучения иностранные студенты потратили в России около \$637,5 млн на обучение и \$1632,7 млн на бытовые расходы. Совокупный доход от оказания российских образовательных услуг иностранным гражданам в Российской Федерации составляет \$2270,2 млн.

**Ключевые слова:** высшее образование, миграция, студенты, иностранные студенты, денежное воздействие, экономическое воздействие, Россия

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## Introduction

Due to globalization and internationalization of the education sector, the number of international students worldwide has grown. Universities increase the competitiveness in national education systems and strengthen the country's position in the world's educational system, by providing educational services and promoting national educational brands to international students. United Nations Educational, Scientific and Cultural Organization (UNESCO) defines international mobile students as "individuals who have physically crossed an international border between two countries with the objective to participate in educational activities in the country of destination, where the country of destination of a given student is different from their country of origin"1.

The number and mobility of incoming and outgoing international students is a sign of quality and prestige for universities and educational institutions [1] because the internationalization of universities is one of the important indicators of globalization [2]. While the economies are growing, the number of people in middle-class families seeking educational opportunities abroad (mostly from developing to developed countries) is increasing. Statistics of the migration data portal show that the number of overseas students worldwide increased from 2 million in 2000 to 6.7 million in 2020. Half of these students enrolled in the United States of America, the United Kingdom, Australia, Germany, Canada, France, and China<sup>2</sup>.

International student mobility impacts different aspects of global society, including socioeconomic, political, and cultural environment, science, and technology [3]. Based on economic theory, students as potential high-skilled immigrants will positively

impact the economy of the receiving countries [4]. International students have socioeconomic impacts on both sending and receiving countries. Hence by increasing globalization, universities intend to attract international students and foreign partners, and the Russian education system is no exception [5].

Russian President's Decree No. 204 of 7 May 2018 clearly shows the intention of the Russian government to double the number of international students in Russia<sup>3</sup>. With the increase of foreign students' importance in the countries' socioeconomic development, Russia has started providing English-medium instruction programs. In the academic year 2018 / 2019, more than 355.4 thousand international students studied in Russia (mostly from the Commonwealth of Independent States and post-soviet countries), which is 8.54% of all students at Russian universities (the total number of students in universities of Russia is 4,161.7 thousand)<sup>4</sup>.

Students contribute to the economy of Russia by paying tuition fees, paying for living expenses, and sometimes paying taxes during their studies. Moreover, the international students who stay in Russia after graduation increase competitiveness of the country through their competencies and continue to pay taxes and living expenses. International students also contribute to the national gross domestic product (GDP), cause an increase in tourism, add cultural values to local communities, and generate significant spillover benefits, including addressing skill shortages by becoming a part of the qualified workforce in Russia [6]. Therefore, this paper aims to explain the monetary gains provided by the international students and its economic impact, by considering and reviewing the secondary data provided by national and international organizations.

<sup>&</sup>lt;sup>1</sup> Internationally mobile students. UNESCO Institute of Statistics. URL: https://uis.unesco.org/node/4789141 (accessed 24 May 2023).

<sup>&</sup>lt;sup>2</sup> International students. *Global Migration Data Portal*. URL: https://www.migrationdataportal.org/themes/international-students#:~:text=the%20 three%20definitions.-,Key%20Trends,2000%20(UIS%2C%202022); Global flow of tertiary-level students. *UNESCO Institute of Statistics*. URL: https://uis.unesco.org/en/uis-student-flow (accessed 19 May 2023); Russia hosted the 4th highest number of international students globally in 2019. However, the data on international students in the Russian Federation for 2020 is not available.

<sup>&</sup>lt;sup>3</sup> Decree of the President of the Russian Federation No. 204 of 2018 on the National Goals and Strategic Objectives of the Russian Federation until 2024. URL: http://static.kremlin.ru/media/acts/files/0001201805070038.pdf (accessed 17 May 2023).

<sup>&</sup>lt;sup>4</sup> Export of Russian educational services: statistical collection. Issue 10. M.: Pushkin State Russian Language Institute, 2020, 557.

Economic Contribution of International Students

## **Literature Review**

Based on T. W. Schultz's human capital theory, education is a form of capital that enhances an individual's knowledge and skills, thereby leading to higher income and productivity [7]. This theory shows the importance of the higher education in the economy. According to the 2030 United Nations Sustainable Development Goals (SDGs), which have been accepted by 190 countries<sup>5</sup>, higher education institutions (HEIs) and universities have an effective role in providing further opportunities to access sustainable higher education<sup>6</sup> [8]. Even a regional campus or the campus of the university which is far from the main campus can influence on the economic development of business and communities in the region [9]. Growing recognition of internationalization is an essential factor in achieving sustainable development [10]. of education, research, students, and academic staff improves because of the internationalization [11]. Higher education internationalization is described as the process of integrating an international, intercultural, and global dimension into the purpose, functions (teaching, research, and service), and the delivery of higher education [12].

Thus, as international students and students' mobility have an essential role in the internationalization process, the efforts by countries and universities to attract young talents have increased. It is an indicator of prosperity and prestige in some of the countries such as Hong Kong or Singapore, which position themselves and *educational hubs* [13]. Internationalization attracted students from different ethnic, linguistic, and socio-cultural background [14]. However, the students' mobility (usually from developing to developed countries) significantly contributes to the developed and wealthy countries [15] because countries such as the USA, Canada, Australia, and Western European countries are rule setters in the international academic landscape<sup>7</sup>.

Based on the report of the Organisation for Economic Co-operation and Development (OECD), developing countries are origins of approximately 67% of all

international students<sup>8</sup>. The USA is the first destination for more than one million students with an income of \$44.04 billion in education exports<sup>9</sup>. Moreover, internationalization enhances economic productivity because of the cultural differences and experiences of the students obtained abroad. The development of multi-cultural skills is seen as indispensable in the European Union that strives for full economic integration while preserving the diversity of its cultures [16]. Therefore, countries try to attract and retain international students for a long time [17].

Globalization and internationalization have also increased international competition between universities, including attracting international students; by expanding the HEIs, access to learning among students nationally or internationally is more attainable. Not only does the international mobility of students and academics bring more knowledge and intellectual capital, but it also promotes competitiveness among individuals, companies, and countries. International students ultimately contribute to regional economic growth through tuition fees and other costs associated with their study, by taking part in academic mobility.

One of the economic effects of international students in the host countries is the income they bring by paying higher tuition fees than domestic students. Tuition fees are one of the most important factors that shape the internationalization of HEIs<sup>10</sup>. Usually, studying abroad is expensive, and the choice of host country may also depend on the nationality, agreements, programs, and level of study [18]. However, the tuition fee is the main comparison tool in cases when all other factors are equivalent [19]. Scholarships provided to students to continue studying abroad are quite beneficial, which is also emphasized by SDG indicator 4.B.1 scholarships for developing countries<sup>11</sup>. In the countries where there is no tuition fee number of international students has increased drastically and increased the cost of education for the state; therefore, countries have started to modify their policies regarding tuition fees<sup>12</sup>.

<sup>&</sup>lt;sup>5</sup> Transforming our World: The 2030 Agenda for Sustainable Development. *Sustainable Development Goals Knowledge Platform*. URL: https://sustainabledevelopment.un.org/post2015/transformingourworld/publication (accessed 15 May 2023).

<sup>&</sup>lt;sup>6</sup> Education for sustainable development goals: learning objectives. *UNESCO Digital Library*. URL: https://unesdoc.unesco.org/ark:/48223/pf0000247444 (accessed 16 May 2023).

<sup>&</sup>lt;sup>7</sup> Marginson S. The global higher education market and its tensions. URL: https://www.aera.net/LinkClick.aspx?fileticket=9nu\_avOu7OI%3D&portalid=38 (accessed 15 May 2023).

<sup>8</sup> Education at a Glance 2021. OECD iLibrary. URL: https://doi.org/10.1787/b35a14e5-en (accessed 19 May 2023).

<sup>&</sup>lt;sup>9</sup> U.S. Education Service Exports. *International Trade Administration*. URL: https://www.trade.gov/education-service-exports (accessed 20 May 2023).

<sup>&</sup>lt;sup>10</sup> Varghese N. V. Globalization of higher education and cross-border student mobility. *International Institute for Educational Planning*. URL: https://www.iiep.unesco.org/en/publication/globalization-higher-education-and-cross-border-student-mobility (accessed 17 May 2023).

<sup>&</sup>lt;sup>11</sup> Sustainable development goal 4. Ensure inclusive and quality education for all and promote lifelong learning. URL: https://sdg-tracker.org/quality-education (accessed 18 May 2023).

<sup>&</sup>lt;sup>12</sup> Education at a glance 2014. OECD iLibrary. URL: https://doi.org/10.1787/19991487 (accessed 12 May 2023).

Moreover, the migration of international students from developing to developed countries increases the number of educated workforce in the receiving countries, which impacts their economy [20]. Both governments and universities consider international students and potential human resources capable of directly and indirectly influencing the economic development and international competitiveness; therefore, universities try to increase the share of international students in the overall number of students [21]. Hence governments implement policies to facilitate solving the visa, transportation, and employment problems.

International students also play an important role in demographic and environmental changes that universities have been challenged with, such as declining enrollment trends [22]. For example, because of the declining number of students enrolled in universities in Taiwan, the Ministry of Education set an internationalized goal of attracting 130,000–140,000 inbound students to increase enrollment in higher education by 2020 [23]. However, balancing the expansion of HEIs and the enrollment of new international students is challenging. Moreover, due to globalization and internationalization, the number of international students and academic staff, HEIs' quality, and people's cultural level in host countries are improving.

Provincial and federal initiatives of the regions that face considerable demographic challenges understand the role of universities and their contribution to the region's demographic balance. For example, the university-aged population in Atlantic provinces (15-24 years) declined between 2010 and 2015, ranging from -2% in Prince Edward Island to -9% in Newfoundland and Labrador. These trends created impediments to regional economic growth and enrollment challenges for the region's universities and colleges<sup>13</sup>. However, the fact that international students offer excellent potential to help address the demographic challenges in some of the Canadian regions has made universities and government intensify their efforts to attract and retain international students to become permanent residents after graduation [24].

Export of higher education and educational migration have become relevant research topics in light of the globalization of educational markets and increased international competition in higher education. Several key studies on higher education exports and the economic role of international students in Russia identify unexplored aspects that may be of interest for future research. The article by V. K. Nikolaev examines the mechanism for increasing the competitiveness and

attractiveness of the Russian higher education system in the international market through the development of the educational services export. The author emphasizes that the export of education has become an important tool for attracting foreign applicants, a source of income and a means of strengthening the reputation of Russian universities. This article focuses on the role of branding and digital marketing in promoting Russian universities in the global education market [25].

The empirical part of the study performed by D. A. Endovitsky et al. establishes the importance of the university's geographical location for its international competitiveness. Universities of Moscow and St. Petersburg demonstrate high competitiveness, but at the same time there are indications that the international market of educational services does not always give preference to universities with national or federal status. This highlights the importance of effective university management in order to increase its competitiveness [26].

S. V. Ryazantsev and E. E. Pismennaya pay attention to the economic role of educational migration for Russia. The authors note that the admission of foreign students has become a significant source of income for the Russian economy. Of particular interest is that a large proportion of these funds are intra-family transfers, which highlights the importance of this type of economic activity. In addition to the economic impact, the authors also emphasize the great importance demographic, social, and political aspects for Russia [27]. Research of A. R. Ainalieva analyzes the data on the educational services export in Russia and reveals a significant increase in income from training foreign citizens. Particular attention is paid to citizens of the Commonwealth of Independent States (CIS) countries, which indicates the importance of this group of students for Russian higher education [28].

The paper presents descriptive research and uses a systematic approach to analyze the role of international students in Russia's economic development, including logical analysis, synthesis, generalization, induction, and deduction. The research uses secondary data provided by official international organizations such as The World Bank, The United Nations Educational, Scientific and Cultural Organization (UNESCO); national organizations such as the Federal State Statistics Service, The Ministry of Science and Higher Education of the Russian Federation; the statistical compilation Export of Russian Educational Services, Issue 10, and previous scientific publications on this topic.

<sup>&</sup>lt;sup>13</sup> Population estimates on July 1st, by age and sex. Table 17-10-0005-01. *Statistics Canada*. URL: https://doi.org/10.25318/1710000501-eng (accessed 13 May 2023).

# REGIONAL ECONOMY

## **Results and discussion**

Russia occupies the 6th place in the top 10 destinations for international students. The main flow of international students in Russia comes from CIS countries due to the socio-economic, political, and cultural pull factors: many students from these countries speak Russian, are familiar with Russian culture, have family members, friends, and relatives who study, live, and work in Russia.

Russia has become one of the leading countries in attracting international students, by providing more affordable prices and accepting less strict admission policies compared with European and American universities. Leading universities in the total number of foreign students, interns, residents, doctoral students, and students of preparatory departments in the 2018 / 2019 academic years are the Peoples' Friendship University of Russia (12,515), Kazan (Volga Region) Federal University (7,232), Saint Petersburg Polytechnic University of Peter the Great (6,543), M. V. Lomonosov Moscow State University (5,511), Saint Petersburg University (5,375), HSE University (4,060), Ural Federal University named after the first President of Russia B. N. Yeltsin (3,601), University (3,377), I. M. Sechenov ITMO Moscow State Medical University (3,248), and Tomsk Polytechnic University (3,016).

Table  $1^{14}$  shows that 64.5% of the international students (182,893) who studied full-time in Russian universities in 2017/2018 were self-financed. The education

of 35.1% of the international students was funded by budget, without tuition fees. This shows the great monetary impact since most students are self-financed. Undergraduate, master, and specialty degrees are the most popular among international students, which indicates a great potential of Russian higher education among young international students with potential demographic impact.

Average tuition fees and total income from tuition fees of full-time foreign students in Russian universities in the top 5 departmental affiliations forms of ownership in the 2018 / 2019academic year are shown in table 215. The foreign citizens studying full time (182,893) pay, on average, 175,386 rubles or 2,698 USD per year of tuition fees. Total income received per academic year from foreign students' tuition fees in all Russian 32,076,989,579 rubles affiliations amounts to or 493,492,147 USD. The highest average cost of tuition fees belongs to the Russian Academy of Arts universities (579,336 rubles or 8,912 USD), and the universities of the Ministry of Foreign Affairs (441,602 rubles or 6,793 USD).

Universities of the Ministry of Science and Higher Education and Universities of the Ministry of Health are leaders in the total payments both in rubles and dollars. This is due to the popularity of the specialties and educational programs offered by the universities under these two ministries.

Tab. 1. Distribution of full-time budget and contract foreign students in Russian universities by training programs, 2018 / 2019 academic year,

Табл. 1. Распределение иностранных граждан очной формы обучения на бюджетной и контрактной основе в российских вузах по программам подготовки в 2017 / 2018 академическом году

| Programs             | Budget |      | Contract |      | Total   |
|----------------------|--------|------|----------|------|---------|
| Programs             | People | %    | People   | %    | People  |
| Preparatory branches | 4,428  | 1.6  | 24,148   | 8.6  | 28,576  |
| Undergraduate        | 55,724 | 19.7 | 69,075   | 24.5 | 124,799 |
| Specialty            | 13,597 | 4.8  | 49,677   | 17.6 | 63,274  |
| Master's degree      | 13,962 | 4.9  | 11,480   | 4.1  | 25,442  |
| Internships          | 6,592  | 2.3  | 23,003   | 8.1  | 29,595  |
| Residency            | 532    | 0.2  | 2,500    | 0.9  | 3,032   |
| PhD                  | 4,555  | 1.6  | 2,976    | 1.1  | 7,531   |
| Doctorate            | 12     | _    | 34       | _    | 46      |
| Total                | 99,402 | 35.1 | 182,893  | 64.9 | 282,295 |

<sup>&</sup>lt;sup>14</sup> Source: Export of Russian educational... P. 42, Tab. 2.2.

<sup>&</sup>lt;sup>15</sup> Source: Ibid. Pp. 271–274, Tab. 2.11.

Табл. 2. Средняя стоимость обучения и общий доход от платы за очную форму обучения иностранных граждан в российских вузах, 2018 / 2019 учебном году

| Departmental affiliation /<br>type of ownership              | Contract students | Average tuition fee, rubles | Average tuition fee, USD | Total income,<br>rubles | Total income,<br>USD |
|--|-------------------|-----------------------------|--------------------------|-------------------------|----------------------|
| Universities of the Ministry of Science and Higher Education | 111,430           | 155,406                     | 2,390                    | 17,316,933,118          | 266,414,355          |
| Universities of the Ministry of Health                       | 35,646            | 185,383                     | 2,852                    | 6,608,180,362           | 101,664,313          |
| HEIs of the government of the Russian federation             | 10,109            | 294,917                     | 4,537                    | 2,981,316,470           | 45,866,407           |
| Non-state HEIs   | 6,407             | 281,529                     | 4,331                    | 1,803,760,398           | 27,750,159           |
| Universities of the Ministry of Culture                      | 2,779             | 269,349                     | 4,143                    | 748,521,653             | 11,515,717           |

Figure<sup>16</sup> shows the share of income from full-time education of foreign citizens in the 2018 / 2019 academic year. The universities of the Ministry of Education and Science and universities of the Ministry of Health account for approximately 75% of the total income from the full-time education of international students. The Ministry of Transport universities have the lowest share of the total income.

In academic year 2018 / 2019 international students from CIS (29.5%), Asian Countries (29.4%), African and south Saharan countries (12.1%), Middle East and North African countries (11.4%), Eastern European and Balkan countries (7.1%), Latin America Countries (5.7%), Baltic countries (2.6%), Western European countries (1.8%), Countries of North America and Oceania (0.2%) and Nordic countries (0.2%) received state scholarships in Russia.

In the 2016 / 2017 academic year, the total revenues from the export of the Russian educational services amounted to 116.1 billion rubles (equivalent to \$1,785.4 million). The main part of the income from the export of educational services comes from the full-time education of foreign citizens in universities on the territory of the Russian Federation, and it is gradually increasing every year.

Among the top 6 host countries for international students, Russia spends the lowest percentage of GDP on education (3.7%) and has the lowest economic contribution to GDP (0.1%). International students have the highest economic contribution in the UK (approximately \$52 billion) and the USA (\$34 billion). Among the top 6 countries, Russia has the lowest economic contribution — \$2.3 billion. The highest estimated economic contribution belongs

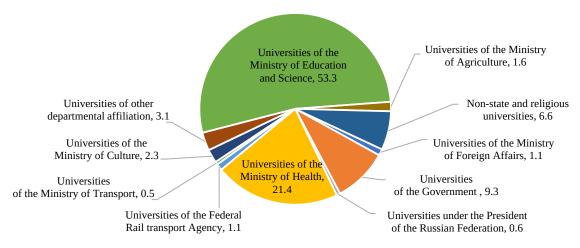


Fig. Share of income from international students' full-time education attributable to universities of various departmental subordination / form of ownership, 2018 / 2019 academic year, %

Рис. Доля доходов от очной формы обучения иностранных студентов, приходящаяся на вузы различной ведомственной подчиненности / формы собственности, 2018 / 2019 учебный год, %

<sup>16</sup> Source: Ibid P. 274, Tab. 2.12.

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to Australia -1.7% of GDP and the UK -1.69% of GDP (tab. 3).

The primary economic impact of international students is monetary, since students pay their tuition fees and living expenses. Therefore, the demand for programs where the language of instruction is English is increasing in Russian education. With the help of the project Export of Russian Education, Russia has focused on the purely economic benefit of international students by promoting the attractiveness of Russian educational programs and facilitating the procedures for staying in Russia.

However, the economic benefits brought by international students are not only monetary. The existence of international students in Russia helps the internationalization process of Russian universities and institutions. Students in internationalized educational environments benefit from international contacts and an understanding of other cultures, which prepares them

for work in the globalized labor market. In 2018 / 2019, during their stays in the Russian Federation international students spent around \$637.5 million on tuition fees and \$1,632.7 million on household expenses such as accommodation, food, etc. International students on territory of Russian Federation have brought in more than \$2,270 million of aggregate income to educational system. The main source of income is the full-time students, who contributed \$1.7 billion in aggregate income. Full-time students have spent 72% on household goods and services such as accommodation, food, etc. and 28% on tuition fees (tab. 4<sup>17</sup>).

Full-time education in Russian universities (accounts for 77% of income), Russian general education schools (12.4% of income), and part-time learning in universities in Russia (5.2% of income) are the most important sources of income for the export of Russian educational services in 2018 / 2019.

 Tab. 3. Characteristics of the economic impact on top 6 receiving countries of international students

Табл. 3. Характеристики экономического воздействия на 6 ведущих стран, принимающих иностранных студентов

| Countries | Number of international students, 2020 <sup>18</sup> | Economic<br>contribution                                     | GDP, 2022 <sup>19</sup> | Estimated economic contribution, % of GDP | % of GDP spent on education, 2020 <sup>20</sup> |
|-----------|--|--|-------------------------|---|---|
| USA       | 1,075,496  | \$33.8 billion, 2021 / 2022 <sup>21</sup>                    | \$25,464.48 billion     | 0.13                                      | 6.10  |
| UK        | 551,495  | £41.9 billion (\$52.1 billion),<br>2021 / 2022 <sup>22</sup> | \$3,070.6 billion       | 1.69                                      | 5.50  |
| Canada    | 503,270  | \$22.3 billion, 2018 / 2019 <sup>23</sup>                    | \$2,139.84 billion      | 1.04                                      | 5.20  |
| Australia | 463,643  | \$29 billion, 2021 / 2022 <sup>24</sup>                      | \$1,701.89 billion      | 1.70                                      | 6.10  |
| France    | 358,000  | €5 billion (\$5.35 billion),<br>2021 / 2022 <sup>25</sup>    | \$2,784.02 billion      | 0.19                                      | 5.50  |
| Russia    | 353,331  | \$2.3 billion, 2018 / 2019 <sup>26</sup>                     | \$2,215.29 billion      | 0.10                                      | 3.70  |

<sup>&</sup>lt;sup>17</sup> Source: Export of Russian educational... Pp. 552–553, Tab. 2; \* – in 2020 training became free for all students in schools at Russian embassies abroad; \*\* – estimated.

<sup>&</sup>lt;sup>18</sup> Top host destination of international students worldwide in 2022, by number of students. *Statista*. URL: https://www.statista.com/statistics/297132/top-host-destination-of-international-students-worldwide/ (accessed 18 May 2023).

<sup>&</sup>lt;sup>19</sup> The 20 countries with the largest gross domestic product (GDP) in 2022. *Statista*. URL: https://www.statista.com/statistics/268173/countries-with-the-largest-gross-domestic-product-gdp/ (accessed 18 May 2023).

<sup>&</sup>lt;sup>20</sup> Government expenditure on education, total (% of GDP). *The World Bank*. URL: https://data.worldbank.org/indicator/SE.XPD.TOTL. GD.ZS (accessed 18 May 2023).

<sup>&</sup>lt;sup>21</sup> Economic value statistics. *NAFSA*. URL: https://www.nafsa.org/policy-and-advocacy/policy-resources/nafsa-international-student-economic-value-tool-v2 (accessed 18 May 2023)

<sup>&</sup>lt;sup>22</sup> International students boost UK economy by £41.9 billion. *Universities UK*. URL: https://www.universitiesuk.ac.uk/latest/news/international-students-boost-uk-economy#:~:text=On%20average%2C%20international%20students%20in,member%20of%20the%20resident%20population (accessed 18 May 2023)

<sup>&</sup>lt;sup>23</sup> Economic impact of international education in Canada. *International Education*. URL: https://www.international.gc.ca/education/report-rapport/impact-2018/index.aspx?lang=eng (accessed 18 May 2023)

<sup>&</sup>lt;sup>24</sup> International education adds \$29 billion to the economy. *Universities Australia*. URL: https://www.universitiesaustralia.edu.au/media-item/international-education-adds-29-billion-to-the-economy/ (accessed 18 May 2023)

<sup>&</sup>lt;sup>25</sup> Study estimates economic impact of foreign students in France at €5 billion. *ICEF Monitor*. URL: https://monitor.icef.com/2022/12/study-estimates-economic-impact-of-foreign-students-in-france-at-e5-billion/ (accessed 18 May 2023)

<sup>&</sup>lt;sup>26</sup> Export of Russian educational...

Tab. 4. Financial indicators of the export of Russian educational services in the 2018 / 2019 academic year Табл. 4. Финансовые показатели экспорта российских образовательных услуг в 2018 / 2019 учебном году

| Education forms   | International students | Tuition, million rubles<br>(equivalent in USD) | Household expenses<br>(accommodation, food,<br>etc.), million rubles<br>(equivalent in USD) | Aggregate income<br>of international students,<br>million rubles (equivalent<br>in USD) |
|---|------------------------|--|---|---|
| Full-time education in universities on the territory of the Russian Federation  | 282,295                | 32,076.9 (493.50)                              | 81,628.0 (1,1 271.20)   | 113,704.9 (1,749.30)  |
| Part-time and evening education in universities on the territory of the Russian Federation  | 73,091                 | 5,620.0 (86.50)                                | 2,113.5 (32.00)   | 7,733.5 (118.90)  |
| Full-time, part-time, distance learning at joint universities, branches, and other divisions of universities abroad                     | 40,017                 | 2,000.9 (30.80)                                | -   | 2,000.9 (30.80)   |
| Full-time education in organizations of secondary vocational education on the territory of the Russian Federation                       | 26,463                 | 758.9 (11.70)                                  | 4,631.1 (71.80)   | 5,390.0 (82.90)   |
| Distance learning in organizations of secondary vocational education in the territory of the Russian Federation                         | 4,677                  | 31.1 (0.48)                                    | 81.8 (1.26)   | 112.9 (1.70)  |
| Full-time education in general education schools on the territory of the Russian Federation.  | 171,586                | 650.0 (10.00)                                  | 17,673.3 (271.90)   | 18,323.3 (281.90)   |
| Full-time, part-time (part-time, remote, external) education in general education programs at schools and partner organizations abroad* | 20,530                 | 62.9 (0.97)                                    | 2.5 (0.04)  | 65.4 (1.01)   |
| Full-time education in Russian language courses at the Russian Center for Science and Culture Abroad                                    | 17,958                 | 233.5 (3.60)**                                 | _   | 233.5 (3.60)  |
| Total   | 636,614                | 41,434.2 (637.50)                              | 106,130.2 (1,1 632.70)  | 147,564.4 (2,270.20)  |

### Conclusion

By paying tuition fees and purchasing goods and services in the country where they study, international students contribute to its economy and development. As one of the sources of income, universities in Russia must adapt themselves to the international trends in attracting international students by providing more programs where English is the main language of instruction. Approximately 72% of the monetary benefits have been due to the international student's expenditure on household expenses (accommodation, food, etc.) of foreign citizens during the study period, and only 28% has been spent on tuition fees. This shows the importance of retaining international students in the country, especially after graduation.

Although Russia is the main destination for international students from the CIS countries (focusing on attracting students who speak the Russian language and are familiar with the Russian culture), there needs to be clearer integration and adaptation plan for international students. By providing easier legislation and simplifying the extending of visas and residence permits, Russia, which suffers the population decline, besides the direct monetary benefits of students paying taxes and working after graduation, will enjoy an educated workforce familiar with the country's sociocultural and economic environment. Thus, the diversity they bring to society will increase economic relations and bring monetary benefit.

At the macroeconomic level, spending 3.7% of the GDP on education is almost 30% of the aggregate income from providing Russian educational services to foreign citizens on the territory of the Russian Federation. In the long run, increasing the level of expenditure on education to at least 5% is necessary to increase the competitiveness of Russian education. It is also required to control and regulate the inflow of money into the universities (lab instruments and equipment, student's life activities framework and support, universities' relationship with industries, etc.), and educational programs (specialties) at bachelor, master, and Ph.D. level to sustain the country's position as the region's leading scientific center. Because of the current geopolitical changes and focus on the East,

To be competitive in the world's current educational environment, Russian universities need to focus on continuously improving technologies and increasing innovation. Universities need to be respond and adapt to the educational process and procedures changes in the world by providing and offering new courses and programs, attracting new students, and implementing innovative methods. Relevance, Excellence, and Agility are three key factors of the Russian Universities' competitiveness. The universities must adapt to society's needs and prepare graduates who can

Russia must position itself as an educational hub.

fit well in the job market, use their knowledge, and fulfill society's needs. Excellence in the knowledge development and the learners' inspiration is critical for Russian universities for increasing the research activities most fitted for the world's current state, by providing grants and well-selected research topics that respond to external influences ahead of time rather than after the event.

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