

The Case of Estonia: Educational Internationalization Strategy and Student Mobility

Dmitriy Fedotov^{a*}

University of Toronto, Canada

Corresponding author: Email: dmitriy.fedotov@alum.utoronto.ca
Address: Ontario Institute for Studies in Education (OISE) of the University of Toronto, Canada

This article was not written with the assistance of any Artificial Intelligence (AI) technology, including ChatGPT or other support technologies.

Abstract

The current article provides an overview of the Estonian higher education system, including its academic and professional branches. It focuses on explaining what has been done in Estonia from 1991 to the present in terms of reshaping the higher education landscape towards a more competitive model that is responsive to the range of needs from quality to equity. To improve the match between education and the needs of labour market and society, Estonia conducts a consistent policy of internationalization in terms of diversity and inclusion. The country tries to get maximum out of its national strengths by focusing on any kind of fields from economy to culture and technology. It clearly defines its internationalization goals and produces highly skilled graduates. Remarkably, the number of international students is on ascending trend in Estonia. The present article evaluates the inflow of degree-mobile international students who choose Estonia as a study destination. It also answers the question of what national educational policies, strategies and economic conditions are and how they help to drive more foreign students into the country.

Keywords: Bologna process, degree-mobile students, European Higher Education Area, Higher Education (HE) System, Funding of HE, Internationalization Strategy, Public and Private Universities, Stakeholders of HE, The European Credit Transfer System (ECTS)

Received February 7, 2022; revised November 21, 2022; accepted July 1, 2023

Introduction

The scholarly interest in educational internationalization can be linked to the fact that people and Higher Education Institutions (HEIs) have become more globally connected. Both student mobility and research cooperation increase the level of university internationalization. Internationalization is often described as strategies through which colleges and universities respond to globalization (see Enders, 2004; De Wit, 2011). In this context, increased internationalization is seen by policy actors as a means to improve the quality of HE system due to its impact on globalized learning where teaching and learning are becoming increasingly involved with international cultures. Internationalization can include but is not limited to the following processes: international teaching and learning partnership; delivering an enhanced mobility experience; internationalization of the national curriculum; and training educators and leaders for the future. Finally, the internationalization of education can be at the following levels: macro (e.g., policy design and decision-making), meso (e.g., curricular structures and policies), and micro (e.g., teaching-learning process) (see Sá & Serpa, 2020).

The European Economic Community's (EEC) goals included economic cooperation, the gradual abolition of customs barriers between member countries and the introduction of common customs tariffs with other countries. It is seen today as a major stepping-stone in the creation of the EU. The EEC is also known as the "Common Market" in the English-speaking countries. The common market began with the signing of the Treaty of Rome in 1957 when the EEC was established (Whyman & Petrescu, 2017).

In 1986, the Single European Act (SEA) committed countries to the Single Market (Whyman & Petrescu, 2017), setting out a timetable for completion of the Common Market by 1 January 1993. The SEA influenced institutional changes that tipped the balance of power away from member states with minority positions toward the Community. According to Urwin (1995), all these processes exceed their economic role, which meant that over time they would also play a role in political integration. As an example of country from the 'New Europe', it is interesting to address experiences of internationalization in one of the smallest and newest countries in the OECD - Estonia. The example of Estonia is interesting since this small country seems to be very successful in creating wealth for its economy with the help of information, management, services, and technology. In this respect, Estonia followed the footsteps of major advanced economies (e.g., G7, the Group of Seven) who were reliant more heavily on knowledge economy which characteristically derived economic value from human capital innovation through research, development, and academic pursuits. Year 1991 is a turning point for Estonia where one could observe an ideological change which had been followed by regaining sovereignty and by acquisition of the country's economic independence. In the current article, the focus is made on technocratic/pragmatic aspects of higher education reform in Estonia, which assumes that all "post-Soviet countries" have already accepted "new rules of the game" – a market-driven economy and individualism as a driving force behind capitalism.

Since regaining independence in 1991, the Estonian economy has been developing rapidly, especially in recent years. The country's growth in gross domestic product (GDP) per capita has been surpassing the OECD average in the last decade (OECD, 2019). In addition, Estonia has come out of the financial and economic crisis with one of the lowest levels of public debt in the OECD. This factor is seen as a favourable condition for the future growth in public investment. Therefore, it comes as no surprise that investment in higher education system has been on an upward trajectory in Estonia. In the current study the focus is on the following research questions: What are Estonia's national educational policies, strategies and economic conditions that help to drive more foreign students into the country? What is the evolution of inbound international degree-mobile students in Estonia? What are the countries from which Estonia receives the highest number of degree-mobile students?

Problem Statement

The ministers in charge of higher education in France, Germany, Italy, and the United Kingdom declared in Paris (France) in 1998 that they intend to establish a "harmonized" structure of study programmes and degrees. The Bologna Declaration (1999) continued the path of the Sorbonne Declaration (1998). It brought to a focus the idea of the 'European dimension' that aimed at strengthening intra-European elements. The signatories of the two declarations, have been opting for structural "convergence" of study programmes as the single most important operational measure to achieve the aim of increased student mobility (Teichler, 2019, p. 432).

Although the Bologna Process (BP) was initiated outside of EU rules and it is intergovernmental process, one should not consider it independently of EU policy (Pépin, 2007). The BP has been developing from the successes of the European

Community Action Scheme for the Mobility of University Students (ERASMUS) and it is a result of many years of increasing cooperation between Member States and HEIs.

Within the BP, European governments engage in discussions regarding HE policy reforms. A driving purpose of the BP and the European Higher Education Area (EHEA) is to complement the economic competitiveness generated by the common market. For example, the goal to enhance the competitiveness of European universities in the global market is expected to positively affect the region's economy. Enhancing the quality of teaching is another core mission of the BP.

It is critical to understand that EU level policies have been developed and adapted in the belief that they will help address common challenges, such as the ageing European society, global competition, and the skills deficits in the different work forces. Starting from 2010, the BP is more often understood as part of the EU's broader efforts in the drive for a Europe of Knowledge which extend beyond its original framework. The ministers in charge of higher education of the countries involved in the BP review the changes regularly to assess the progress (Teichler, 2019, p. 433).

The BP has also become an important space for soft diplomacy with neighbouring countries where participants strive to overcome obstacles to create an EHEA. In Europe, the BP seems to be most influential in shaping the activities of HEIs in the field of internationalization. Nevertheless, some researchers (e.g., Wihlborg, 2019) suggest that scholars should look not only at ways to advance internationalization efforts by supporting strong drivers such as the BP, but also look at the deeper implications of competing and alternative conceptualizations of HE as a phenomenon (e.g., those that may counteract a market-driven perspective).

International openness and cooperation between different regions of the world is seen as the crucial factor for the development of the EHEA. However, it is fair to say that little is known about the effectiveness of national policies for tertiary education internationalization. Some scholars may explain this by the fact that most of the policies are quite recent. As a result, there are only few studies assessing the effectiveness of such policy instruments (de Wit et al., 2019). At the same time, one may observe in the analysis a degree of policy mimicry, when the low- and middle-income countries seem to have adopted many aspects of the western paradigm of tertiary education internationalization (de Wit et al., 2019). This means that they are focusing primarily on mobility, on reputation and branding, and on South-North relation. Besides, the process of internationalization is believed to have a profound influence on HEIs and their global rankings, as well as increasing funding possibilities.

The Republic of Estonia Ministry of Education and Research (2007) highlights that "the organisation of higher education is becoming increasingly student-centred" (p. 1). This means that expectations, needs and preferences of students come to the forefront. All the above developments have substantially affected the higher education sector. The country's expenditure per student is close to the OECD average levels (OECD, 2019). Higher education funding in Estonia comes from a variety of sources: international sources (mostly, the European Union), and household sources, since the minority of students pay tuition fees. However, funding from the European Union has been reduced after 2020, this poses a challenge to the country as to how it should be replaced. Furthermore, Estonia is confronting a problem of decreasing population which contributes to the tightening of labour market conditions and puts pressure on the higher education system to produce highly skilled graduates who are capable of boosting the economy.

Literature Review

With regards to the literature, Van der Wende & Huisman (2005) consider internationalization as an external socio-economic phenomenon that affects national higher education sector. This perspective sees internationalization as the process which happens outside the stakeholders' direct sphere of influence; therefore, there is an institutional need to react or respond to transformations. Craciun (2018a), on the other hand, argues that internationalization is a planned activity, rather than something that happens spontaneously to tertiary education systems or institutions. In fact, researchers have a growing interest in examining national involvement in steering the internationalization process. For example, Knight (2008) stresses the importance of national level for international dimension of higher education policy and funding. Craciun (2018b) argues that explicit national internationalization strategies for tertiary education are more prevalent in Europe, but to a lesser extent in other world regions. Enders (2004), in this regard, argues that internationalization helps in "rethinking the social, cultural and economic roles of higher education and their configuration in national systems of higher education" (pp. 361-362). Tamtik & Kirss (2016) argue about a variety of ways that internationalization materializes in different regional and national contexts. Specifically, they focus on identifying different stages and mechanisms along with actors and motives that

contribute to establishing internationalization practices in Estonia's higher education system. At the same time, Tamtik & Kirss (2016) recognize that the real process of internationalization is taking place at the institutional level. Enders (2004) argues that HEIs are in fact multi-purpose. He highlights the role of HEIs in the following spheres: production and application of knowledge; in generating and transmitting of ideology; in selection and formation of elites; as well as in the social development and educational upgrading of societies. Therefore, the function of HEIs is beyond mere training of the highly skilled labour force. Pinheiro, Geschwind, & Aarrevaara (2014) argue that HEIs "face the challenge of having to adapt to emerging external circumstances while simultaneously keeping their core values, ideals and institutional integrity intact" (p. 236). A strategic plan describes how goals will be achieved through the use of available resources. The emerging internal tensions and conflicts over objectives and strategic plans in higher education internationalization at national and institutional levels signaled the need for understanding what had to be done "for reaching a certain degree of internal coordination and coherence" (Pinheiro, Geschwind, & Aarrevaara, 2014, p. 235).

While referring to the European Commission's policy to stimulate student mobility in Europe, de Wit (2011) draws on the question that asks how internationalization has become an equivalent of exchange programs, rather than a tool for achieving broader goals such as higher quality of educational experiences for students. Consequently, research interests have shifted to debates over quality and access to higher education. The current article takes a perspective where internationalization is viewed as "an intrinsic process built within and by the mutual activities of [many stakeholders]" (Tamtik & Kirss, 2016, p 165). These stakeholders are governments, including ministries (e.g., education or foreign affairs), other national agencies, the private sector, international organizations, regional bodies and higher education institutions (HEIs), faculty, students, employers, non-governmental organizations (NGOs), etc.

Methodology

The present study takes the view of internationalization as a process (Brandenburg, 2020). It uses stakeholders' theoretical framework which presumes that internationalization strategies or/and education policies can only be considered successful when they deliver value to the majority of their stakeholders (e.g., government, HEIs, students, faculty, etc.). The theory also stresses the interconnected relationships between multiple constituencies. A multi-stakeholder process (MSP) is about participatory decision making at the country level. Therefore, all participating stakeholders should be represented in the decision-making process regarding what issues to focus on and what actions to take. Besides, multiple stakeholders are expected to share information and jointly decide how to develop a successful internationalization strategy.

There is little doubt that student mobility and research cooperation increase the level of university internationalization. The current study strives to assess the effectiveness of Estonia's internationalization strategy. Specifically, it examines the progress that Estonia has been demonstrating over the years in terms of its educational policies that benefit internationalization and thus facilitate the higher number of incoming students. The mobility and cooperation continue to be a key priority actions, though they are also recognized to be one of the most important challenges of higher education in Europe (Erasplus, n.d.).

For a process, one needs to analyze the change rate of incoming students over some period of time. For this sake, the empirical analysis is implemented for Estonia's student degree mobility (long-term mobility). It addresses the directions and patterns of student flows in order to better understand the dynamics of student mobility. In fact, the overall analysis of inbound international degree-mobile students in Estonia and the analysis of countries from which Estonia receives the highest number of degree-mobile students are important for a deep insight.

It is very interesting to observe today that major rankings include the university's internationalization rate. Regardless of whether it is national or global level, the internationalization rate is one of the most important factors in the quality of education. For instance, international experience is considered as one of the key aspects of institutional strategy of universities and HEIs. Not surprisingly, all major educational centres strive to gain international recognition, and thus reliability and visibility. In fact, these are crucial components for making themselves more effective and competitive towards other European scientific institutions (Erasplus+, n.d.). In addition, the opportunity to gain international experience is viewed as the most important benefit of internationalization. It can be fairly argued that assessing internationalization should consider the process and mechanisms of educational internationalization as well as interactions and relations within and between systems.

Discussion And Analysis

Interestingly, de Wit et al. (2019) argue that most countries have geographic focal points for their tertiary education internationalization activities. It can be stressed that these foci are high-income countries in the developed world, they are predominantly South-North oriented. In fact, countries are free to use both direct and indirect measures to pursue internationalization activities. Government involvement can be more direct and explicit via the use of policy documents. The direct approach aims to promote or regulate internationalization and designate funds in a way that help advancing internationalization. Nation-states often re-evaluate their visa policies in such a way that international students and scholars can get preferential treatment. In place of direct measures, nation-states often establish bilateral and/or multilateral agreements through memoranda of understanding. These exemplify promotion of transnational education through deals. As to indirect measures, they may be in the form of supporting internationalization in political discourses and by means of providing universities autonomy to pursue internationalization activities. However, the latter is conducted at a university's own expense.

De Wit et al. (2019) claim that National tertiary education internationalization strategies and plans (NTEISPs) are “the most tangible and direct attempts by governments to play an active and decisive role in relation to internationalization” (p. 5). It is well recognized though that there are substantive differences in the national approaches, rationales, and priorities. One of the key strategic documents steering tertiary education internationalization is *Estonian Higher Education Strategy, 2006-2015* (Republic of Estonia Ministry of Education and Research, 2007). The objectives stated are to link higher education with labour market demand and the innovation system and by assuring the quality “comparable to the Nordic countries and the EU” and funding “close to the OECD average per student” (p. 3). Additionally, an access to higher education had to be comparable to OECD countries. The tertiary education system was expected to become more open and visible by creating a legal and institutional environment that supports internationalization in all its dimensions. Specific numerical goals were set: for example, the number of foreign students by the year 2014 is predicted to be at 3,000; the 3% of first level students is expected to receive state support for participation in EU mobility programmes; 3% of permanent teaching staff positions are predicted to be taken by foreign professors; the numbers of foreign Doctoral and post-doctoral students in Estonian universities are to be at 10%; 5% of Master's study students are to receive a state scholarship for study at a foreign university; finally, a policy for granting scholarship to all Estonian Doctoral students of at least one semester in a foreign university has been adopted (Republic of Estonia Ministry of Education and Research, 2007, p. 9). A variety of governmental and institutional actors have provided sustained coordinated support to internationalization. The state, for example, established *Archimedes Foundation* in 1997. The objective was to implement different national and international programmes in the field of training, education, and research (The Archimedes Foundation, 2016). Consequently, in the early 2000s, the foundation had been put in charge of making Estonian higher education landscape more attractive internationally. Therefore, shortly after signing the strategy, in 2008, the Archimedes Foundation launched the higher education international marketing campaign called “Study in Estonia.” Matei & Iwinska (2015) draw particular attention to that event. In fact, the campaign was created to raise awareness about opportunities that Estonia offers to international students. Importantly, different stakeholders have put together their vision in the area such as enhanced academic mobility across the participating HEIs. For example, the rectors of both public and private universities were involved in producing a strategic document called *Agreement on Good Practice in the Internationalisation of Estonia's Higher Education Institutions* (Estonian Rectors' Conference, 2007). According to Matei & Iwinska (2015), its main motivation is to call for legal and sustainable environment to support the development of internationalization.

Estonia's higher education system serves more than 50,000 (50K) students across 21 higher education institutions (OECD, 2019). This makes Estonia to be included in the cluster of “small countries” whose total student population (TSP) ranges from 48K to 95K together with Latvia (LV), and Slovenia (SI). In fact, Estonia is the third smallest higher education system in the OECD in terms of students, after Iceland (IS) and Luxembourg (LU). In the current analysis, Estonia is followed by the cluster of “very small countries” with the TSP in each falling in the interval between 0.5K and 44K. These are Cyprus (CY), Island (IS), Luxembourg (LU), Liechtenstein (LI), and Malta (MT).

It is worth noting that the education system of Estonia has been significantly transformed since its regained independence in 1991. The HE system in Estonia has also undergone several reforms in recent years. For instance, Estonia has reformed the funding policy for its higher education system. The goal of the reform was to improve both equity and quality. The country also adopted performance-related criteria in the funding model for its higher education institutions.

Equally important, beginning 2013, full-time students are free from paying tuition fees once their language of instruction is Estonian (OECD, 2019). The state actively supports official and foreign professional language learning. All vocational and university students have access to language learning that facilitates their career opportunities and mobility in the labour market. For those who have insufficient official language (Estonian) skills, there are a lot of places provided where people can improve their language performance through language practicing and traineeship opportunities in regions where the need for this is the greatest. The new national programme - Estonian Language and Culture in the Digital Age 2019-2027 – has been launched to ensure the development and vitality of the Estonian language and culture in the digital space (The Ministry of Education and Research, 2020b). This programme offers support in implementing digital dimension for research and developing the Estonian language and culture. Moreover, it also encourages interdisciplinary cooperation. All institutions of public, private and third-sector origin can apply for support under the programme.

New student support system was introduced in 2013-2014 for students with needs. Consequently, students from less privileged families are eligible to apply for study allowance of 75-220 EUR per month assuming they are studying full-time, which requires them to complete at least 75% of the annual study volume. PhD students who comply with the requirements to obtain a doctoral allowance are eligible to receive 383.47 euros per month. Students who are in teacher training programs can even apply for a special study allowance of 1,300 euros per year. In addition, every student can apply for special study loans from banks. For example, in 2012/2013, the size of such loan was 1,917.35 euros per academic year (Republic of Estonia Ministry of Education and Research, 2020).

It is worth stressing that Estonian universities offer a wide range of degree programs taught fully in English. HEIs in Estonia have the authority of setting the proficiency level in the language of instruction for international students. Importantly, the *Study in Estonia* website provides an overview of all bachelor's programmes taught in English by Estonian universities, it also conveniently offers information about tuition fees. For example, the fee for a programme in humanities and social sciences at Tallinn university is about 4,000 euro per year. The annual fee for a programme in business administration would be 3,800-4,500 euro per year. Non-EU citizens who wish to study engineering and information technology (IT) should be prepared to pay tuition fee of 4,000-6,000 euro per year. Interestingly, some programmes – cyber security engineering, and integrated engineering – offer tuition free placement for EU member nationals. At the master's degree level, there are even more tuition free education programmes than at the bachelor's level. These are some examples: computer and systems engineering, communicative electronics, cybersecurity, e-governance technologies, and services, applied physics, environmental engineering and management, industrial engineering, and management, etc. All tuition free training opportunities are given only to EU nationals. If international students want to study science in Estonia, this will cost them around 5,000 euro per year. As to those who look for a major in law, they should be ready to pay a tuition fee of 3,800-4,600 euro. The most expensive education programme in Estonia is at Estonian Aviation Academy, it teaches for a specialty of commercial air transport pilot. The annual fee for the above training is 30,825 euro.

For a citizen of a European Union (EU) / European Economic Area (EEA) (the EEA includes EU countries and also Iceland, Liechtenstein and Norway), it is possible to apply for the right of permanent residence after living in Estonia for a period of 5 years (Work Estonia, 2021). Non-EU/EEA citizens who have been living in Estonia for 5 years are eligible to apply for a long-term residence permit. Half the time spent studying in Estonia is counted toward his/her total period of residence. For instance, 4 years of bachelor's studies will count for 2 years of residence in Estonia. Before applying for long-term residence permit, a non-EU/EEA citizen should comply with the integration requirement, which means that (s)he must be fluent in Estonian to the required level. Another key criteria would be having a permanent legal income for living in Estonia and having been covered by Estonian health insurance scheme (Work Estonia, n.d.).

Importantly, the procedures for admission and covering the study costs of a person who is not citizen or permanent resident of Estonia are being regulated in compliance with international agreements. The scholarship will support foreign students in their studies at the Estonian HEIs. The scholarship for bachelor's, master's and doctoral studies are intended to cover the accommodation and transport costs of a foreign student. However, in the case of bachelor's studies, this scholarship can only be applied to the fields that are related to Estonian language and culture. The Minister of Education and Research directive on scholarship rates #435 of October 29, 2014, specifies that at the bachelor's and master's levels the rate of the scholarship is 350 euros per month; at the Doctoral level, the scholarship is 660 euros per month (Education and Youth Board, n.d.). The scholarship is paid to the host HEI, which in turn manages the scholarship so that it is transferred

to a holder of a scholarship. The decision on awarding the scholarship is typically based on the following evaluation criteria: motivation, ambition, argumentation.

For exchange students the scholarship can be applied for up to ten months and it begins from a study period of minimum 30 days. With regards to degree students, they are paid the scholarship for 12 months of the year. The scholarship is awarded for a maximum of 12 months at a time. In addition, the scholarship includes a travel grant which covers expenses for travelling home and back twice a year. Some other perks include a one-time allowance of settling and allowance covering state fee for residence permit and health insurance. On the top of that one can strive for an extra scholarship for good academic performance which is paid once a year. Importantly, the scholarship is not paid during academic leave or during studies which have exceeded the nominal period. In general, such scholarships are targeting young expatriate Estonians who have not lived in Estonia permanently for the last 5 years. They are called “compatriots’ scholarship” (Study in Estonia, 2021). The primary admission requirement to HEIs is the existence of a certificate of acquisition of secondary education; therefore, Estonian HEIs do not rely on the system of taking account of previous study results and professional experience during student admission. At the same time, Accreditation of Prior and Experimental Learning (APEL) may be implemented with regards to other admission requirements.

The revised Higher Education Act of September 1, 2019, clearly defines what the state and higher education institutions’ functions are. The law specifies that cooperation between HEIs is supported by the simplification of joint curriculum requirements. With regards to the language of studies, the Act states that professional higher education, bachelor’s and master’s degree programmes, are generally in Estonian. A higher education institution can open a foreign language curriculum only if it is justified by quality or labour requirements. The new Act also covers the rights and obligations of students. The major distinction from the previous Higher Education Act is that the new Act contains less detailed prescriptions than before. There is no clause in the new law that can prohibit students from undertaking studies during an academic leave; therefore, a student can be eligible for studying during his/her academic leave. This eligibility is at the discretion of an academic institution though.

In Estonia, the higher education system is represented by two branches: the academic and the professional higher education. A university is an institution of higher learning which offers teaching and research facilities and awards a variety of degrees in several fields of study. The university’s mission is to advance science and culture which is normally achieved in cooperation with other universities and the whole society. Professional higher education, on the other hand, is represented by institutions which may provide vocational training. Under professional higher education curricula, one may acquire mostly practical training. As to theoretical knowledge, it is created only when the practical need arises. As a result, the curricula allocate at least two thirds of time to professional higher education. The curricula include practical training for at least 15% of the study time in a real work environment. Vocational schools may on certain occasions also offer professional higher education. The objective of institutions of professional higher education is to train specialists who will possess professional skills and work attitudes that are needed at the first level of higher education, considering the needs of labour market. The professional higher education is characterised by high flexibility and practical focus of curricula. In addition, it should work in close cooperation with enterprises, vocational unions and other social partners (EuroEducation.net, n.d.). Beginning the academic year 2002-2003, the general structure of academic study has three levels (cycles) in Estonia: bachelor’s, master’s, and doctoral.

During a bachelor’s study, students improve their general educational knowledge and acquire basic knowledge and skills that are essential for receiving a specialty that allows them to commence paid work or continue by pursuing a master’s degree. As to professional higher education, it follows similar pattern by offering a student the opportunity to acquire the competence necessary for employment in a particular profession or to continue studies in a master’s program. The standard period of bachelor’s study is three to four years and the study load in the curriculum is between 180 and 240 European Credit Transfer System (ECTS) credits. One credit point can correspond to 26 hours of work used by a student for studying. The study load of one academic year in this case amounts to 60 credit points, which is 1,560 hours of work that students need to spend for studying (EuroEducation.net, n.d.).

During a master’s study, students enhance their knowledge for the specialty and develop self-inquiry skills necessary for independent work and doctoral study. As to a doctoral study, a student should possess all necessary knowledge and skills for independent research, development, or professional creative activity. After completing a full cycle of studies, each student is considered to be graduating from an educational institution. Each institution’s curriculum comprises both

required and elective courses across many different departments. Study load requirements are applied by each department and these requirements are expressed in credit points of the ECTS. Students must earn a certain number of credits in order to complete a degree. The regular academic year in Estonia is divided into two sessions. The fall term normally starts in September and ends in December, it is usually followed by the examination session in January. The winter term begins in the end of January or early February and continues well to the end of May. It is worth noting that examinations in Estonia often take place at the end of June. At the same time, students are expected to have at least eight weeks of holiday each year.

The modernisation of the Higher Education Code that began in 2016 seemed to incorporate proposals on desired changes from all stakeholders: students, universities, employers' and workers' organisations, and ministries. However, all accepted revisions did not affect the basic principles of the higher education system. Objectively, the principles of extensive autonomy of HEIs, three-level higher education, quality assessment principles, principles of free study are all left without change (The Ministry of Education and Research, 2020b). Nowadays, Estonia is ranked highly in the OECD on the skill levels of its young population.

As mentioned before, demographic trends, such as the decrease of Estonian population in general and the decreasing proportion of 18–24-year-olds, signal a downsize of the country's tertiary education. The decrease in the number of students has been especially noticeable in private educational institutions. Another factor contributing to the downsize is the change in the choice of educational paths. The Ministry of Education and Research (2020b) explains that there is a growing trend for students to take a couple of years break between completing upper secondary education and starting university or vocational education. This trend is also confirmed by the increase in the average age of students in the higher education and the increase in the share of adult learners. Subsequently, the numbers of both post-secondary institutions and enrolled students have been decreasing in Estonia during the last decade (de Wit et al., 2019). The decrease would be even higher if it were not for the increasing number of international students pursuing tertiary education in Estonia. Another interesting trend is that a greater number of students are involved in short-term learning mobility in another country. The top sending countries for Erasmus exchange students are Germany, Italy, France, Czech Republic, and Latvia (The Archimedes Foundation, 2016). In the 2019-2020 academic year, the maximum student loan rate per student had been increased from the current EUR 2,000 to EUR 2,500 per year (The Ministry of Education and Research, 2020b). This change is aimed at resolving the problem of higher living costs, since the maximum student loan rate has remained at the same level for about ten years. It is expected that the increase in the loan amount would allow students to better cover additional costs of education associated with the rising cost of living (The Ministry of Education and Research, 2020b).

It is emphasized that the Estonian Education Strategy 2021-2035 guides the long-term development at the national level. The national standard of higher education and the standard of vocational education guarantee the quality provision of education. Estonian laws and regulations establish the principles on which education funding, state supervision and quality assessment are based. The Ministry of Education and Research (2020b) reports that in the academic year of 2019/2020 there are total of 19 HEIs working in Estonia. These are both public and private HEIs. Specifically, the country reports six universities, and seven institutions of professional higher education that are in the public sector. On the other hand, there are five institutions of professional higher education and one university in the private sector. One can see that slightly higher than half of institutions of professional higher education are state owned and the other half are institutions in private law.

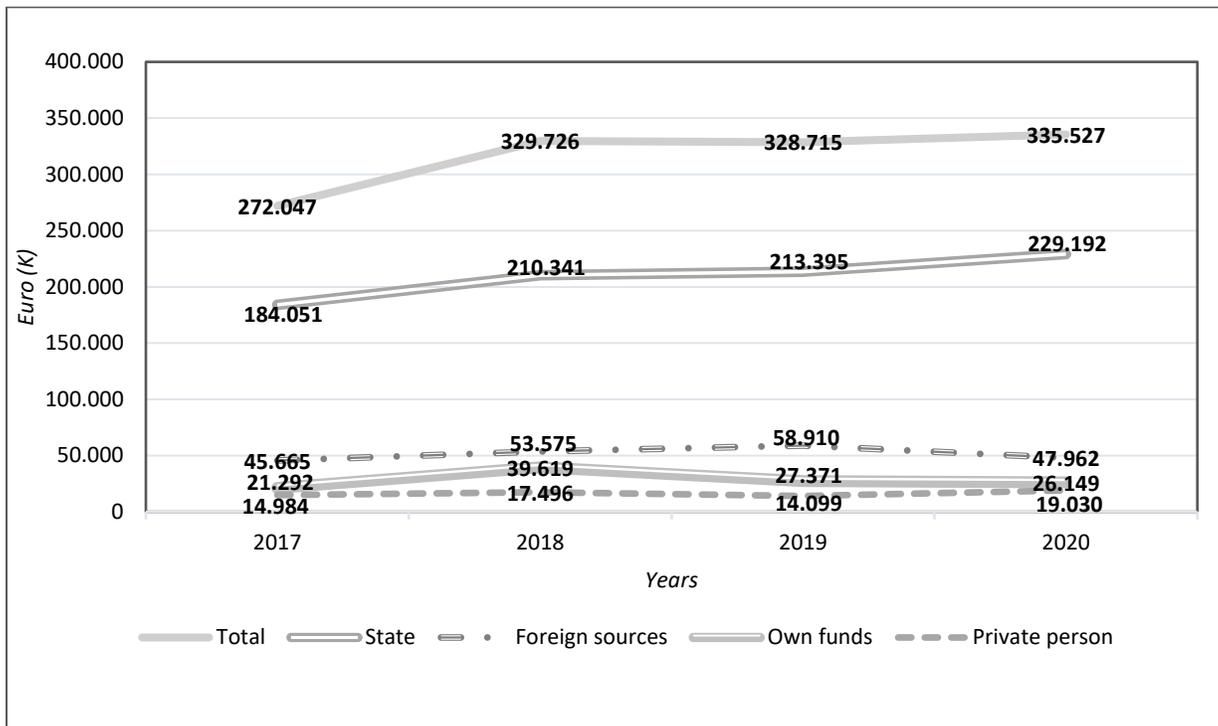
Financing of educational institutions depends on the ownership of the institution. For instance, all expenses of state-owned institutions are covered from the state budget because the central government is the owner. In the case of municipal educational institutions, the funding comes from the local government budgets, but the central government provides some support as well. The share of private investment in tertiary educational institutions depends mainly on tuition fees charged to students, private donations, and income from other paid services. Private investment may be considered both for state and for municipal educational institutions. It is worth noting here that the contribution from the European Union Structural Funds to education is high (Eurydice, 2021a).

In the case of private educational institutions, the management of the institution is paying for all the expenses. However, in some cases support to a private educational institution can be provided by a local government or the state. Furthermore, the state budget covers the expenses of state-commissioned student places of private vocational schools and private institutions of higher education. At the same time, all private educational institutions have the right to establish tuition fees. In fact, all fees are established by the owner of the private institution; however, the fees must not be amended during an academic year. Equally important, an institution's budget is formed through multiplying the number of state-

commissioned student places by the basic cost of a student training place and curricula group coefficients. For example, in 2017, the basic cost rate was 1,665 euros (Eurydice, 2021a). In the case of special educational needs or different curricula groups, certain coefficients have been applied. In addition, educational institutions offering vocational education are permitted to admit students to payable student places. Also, these educational institutions may profit from various economic activities: sale of goods and services during work practice; providing payable services related to the main activity of the school, etc.

Figure 1

Funding Tertiary Education Expenditure in Estonia (Thousand Euro)



Note: Author created graph from data obtained from Statistics Estonia, data retrieved January 6, 2022, from <https://andmed.stat.ee/en/stat>
 *Sources of financing such as *Legal person* (ranges from 5,380K to 13,766K) and *Local government* (ranges from 675K to 1,988K) are not included in the graph, however their values are reflected in *Total* annual value of funding.

The HEIs are financed primarily from the state budget. These include activity support for covering study costs, administrative costs, investments, and targeted financing (Eurydice, 2021a). HEIs can earn revenue from the provision of services related to their main activity (e.g., teaching) as well as from the research and development activities. Institutions of professional higher education are financed from the state budget. Beginning 2017, the definition of educational expenditure is aligned with the international methodology. This means that it includes expenditure on formal education, ancillary services, research and development. For example, the government expenditure on higher education was 272,047K in 2017; 329,726K in 2018; 328,715K in 2019, and 335,527K in 2020 (Statistics Estonia, 2021).

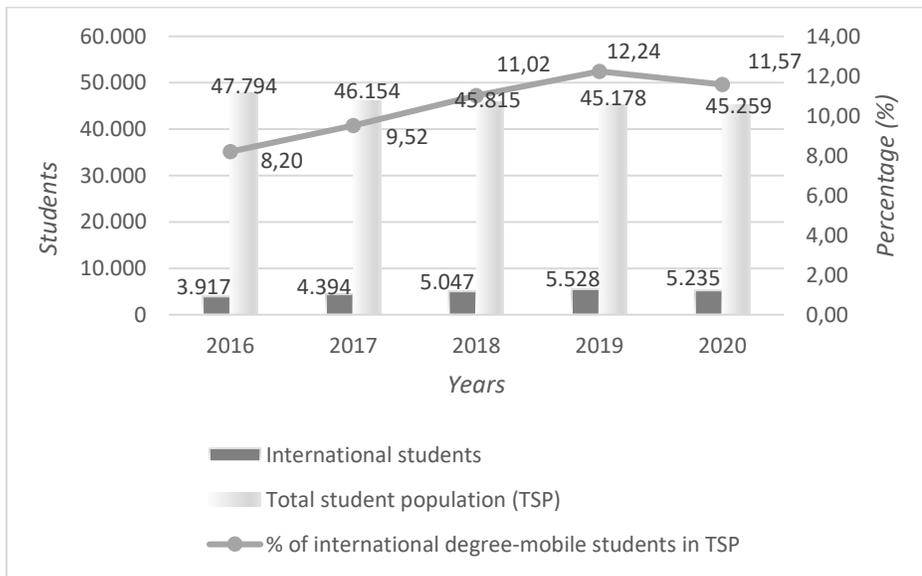
According to Statistics Estonia (2021), the total funding of tertiary education in 2019 is 328.7 million euro. This amount accounts for 1.19% of GDP. In 2020, the total HE expenditure is 335.5 million euro, which account for 1.25% of GDP. Partly the increased share of tertiary education expenditure in total GDP is explained by 3% decrease in GDP in 2020. From 2009 to 2019, the Estonian government expenditure on education as a share of GDP was between 5.6% (in 2014) and 7.2% (in 2009), while in 2019, it was 6.21% (Eurydice, 2021b). According to the Estonian 2020 state budget, the total

educational expenditures of the government are 1,715.5 million euros. It can be concluded that expenses on education in 2020 have increased by 1% compared to 2019. According to Statistics Estonia, in 2020, the household spending on education was, on average, 53.4 million euros (Eurydice, 2021b). The Ministry of Education and Research (2020b) reports that the proportion of entrants and graduates in natural sciences and exact sciences has increased.

International student mobility (ISM) at the tertiary level has been steadily rising in Estonia. In 2019 and 2020, as Figure 2 shows, the number of degree-mobile international students has reached 5,528 and 5,235 respectively (Statistics Estonia, 2021); these will represent 12.24% and 11.57% of the country’s total students enrolled in those years. When compared with previous years’ data, one can notice a steady rising trend in the number of degree-mobile students. It is worth noting that degree-mobile students do not cover students who are in Estonia for limited-duration studies or internship (Statistics Estonia, 2021).

Figure 2

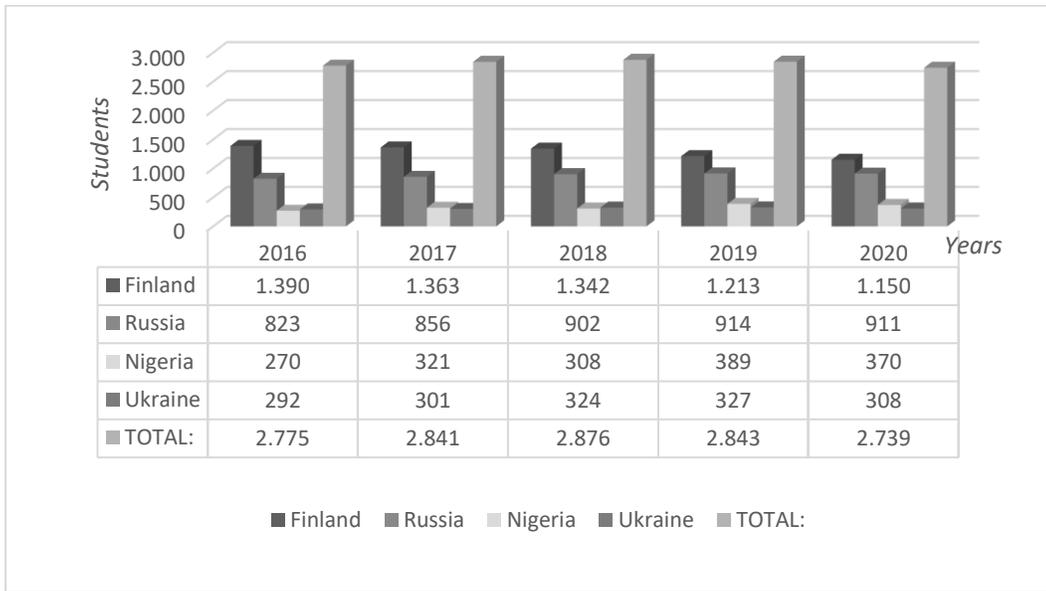
The Number of International Degree-Mobile and Totally Enrolled Students in Estonia



Note: Author created graph from data obtained from Statistics Estonia, data retrieved January 6, 2022, from <https://andmed.stat.ee/en/stat>. The above graph contains only data from Statistics Estonia (2021), as a primary official source of information. There is a slight difference on degree-mobile international students with corresponding OECD statistics for years 2017 (4,391), and 2016 (3,914). It is worth noting that OECD labels an academic year by the year end. Importantly, the practice that OECD adopts for labelling an academic year is different from Statistics Estonia which labels the academic year at its inception; therefore, the year 2016 in the above graph corresponds to year 2017 in the OECD dataset. OECD statistics on TSP is also somewhat different from Statistics Estonia. After taking into consideration OECD practice for reporting the academic year by the year end, the corresponding OECD data shows 45,484 (2020), 45,773 (2019), 47,390 (2018), 50,595 (2017), and 55,214 (2016), respectively.

Figure 3

Top Four Source Countries from which Students Come to Estonia



Note: Author created graph from data retrieved from Statistics Estonia in December 2021.

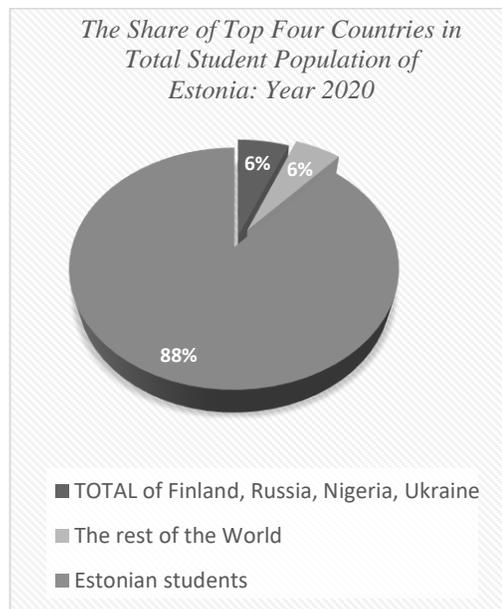
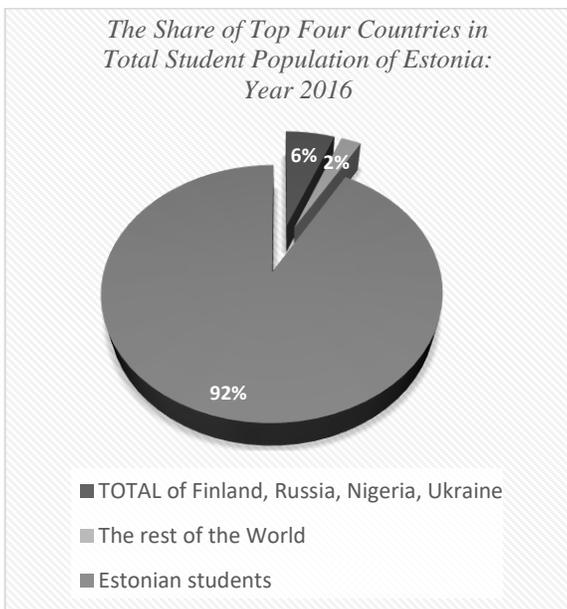
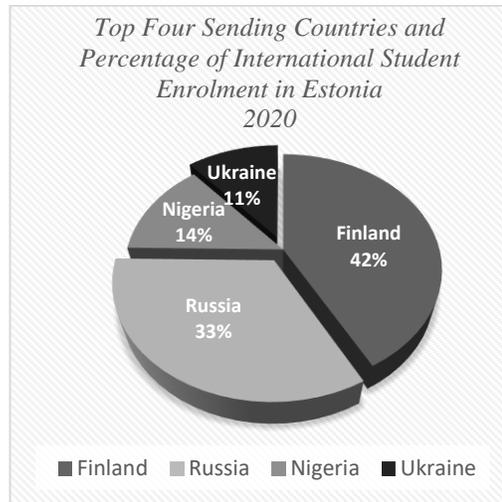
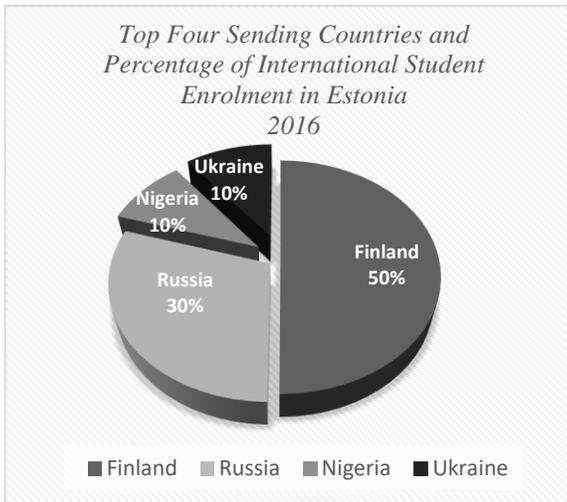
Source: Students in Estonia by a country of residence/citizenship (absolute numbers & per cent of total student population (TSP) in Estonia

There is an understanding in the country that the attraction and future retention of international students helps with the increasing demand for a highly skilled workforce. Therefore, Estonia has prioritized diversity in the internationalization of its higher education. This approach is considered beneficial in that it will allow the country to secure the necessary pool of highly trained human capital to ensure national development and growth in the economy.

It is noteworthy that Estonia became a popular destination for Finns. This is evident from the fact that the largest share of international students studying in Estonia comes from Finland. Another interesting fact is that total share of four top sending countries to Estonia – Finland, Russia, Nigeria, and Ukraine – remained stable at six percent throughout the period (see Figure 4). Overall, the share of students from other parts of the World in Estonia (excluding the top four) has grown from two to six percent between 2016 and 2020. Interestingly enough, students from low and lower-middle income countries are less present in Estonia, their share is about 27% (2019) of all international students (OECD Library, 2021).

Figure 4

Top Four Sending Countries and Percentage of International Student Enrolment in Estonia 2016 & 2020



Note: Author created graph from data obtained from Statistics Estonia, data retrieved January 6, 2022

Conclusion

As a summary it is possible to conclude that Estonia’s approach to policy formulation is characterized by a stand-alone policy for internationalization. It can be stressed that Estonia has an explicit focus on internationalization from mid-1990s to present. Because of negative demographic trends (e.g., population decrease, aging), the country takes steps to respond to the increasing risks of falling behind in the global race for talent. Therefore, internationalization policy in Estonia has been embedded in a broader policy. For example, Estonia 2035 (2020, October 8) is a national long-term development strategy, it enables the coordination of long-term strategic planning and financial management of the country (p. 4). There is an understanding in the country that “the match between education and the needs of society and the labour market must be improved on all levels of education” (see Estonia 2035, p. 8). At the same time, the country does not have an explicit geographic foci. As to the actors who play an active role in internationalization, these are mainly National governments (e.g., Ministry of Education and Research), non-governmental and quasi-governmental organizations, and tertiary education institutions.

Another important fact about Estonia is that it has a policy which facilitates employment for international students and international graduates. The global labour market is continually influenced by the growth of automation and new

industries. Those changes constantly require the reshaping of existing skills and knowledge profiles, as well as a response in educational policy. The country continues to enhance the quality standards of its higher education system by aspiring to international quality standards. It is emphasized that Estonia's NTEISPs should pay more attention to enhancing both intercultural and international competences to support students' employability and citizenship development. Strategic areas of development for Estonia are creating a legal environment that is supportive of internationalization. Estonia has been successful in supporting transnational tertiary education, quality assurance, recognition of foreign credentials, developing joint international curricula, providing student loans, and simplifying immigration policies.

The fact that the number of Estonian students is decreasing, serves as a catalyst for enhancing the attractiveness of Estonia as a study destination. The country is focusing its marketing communication activities on top-priority target markets. Additionally, it tries to play on national strengths by focusing on any kind of fields from economy to culture and technology. However, one can anticipate that the size and limited resources of a small country make it more challenging to compete in the field of higher education with larger countries that have globally known institutions. It is obvious that today's labour market is becoming significantly more flexible and, at the same time, more unstable for people. Therefore, the country strives to become more efficient, it always aims to use limited resources smartly. Specifically, Estonia puts in the focus its unique selling points. It is fair to say that today everything in Estonia is examined and tracked with advanced methods based on IT and wide-ranging cooperation with HEIs and other national and international stakeholders. The country strives to improve its support systems so that students are feeling welcome and taking the maximum out of their study experience.

References

- Brandenburg, U. (2020). Internationalization of Higher Education, Mapping and Measuring. In: Teixeira P.N., Shin J.C. (Eds.), *The International Encyclopedia of Higher Education Systems and Institutions* (pp. 1925-1929). Springer, Dordrecht. https://doi.org/10.1007/978-94-017-8905-9_268
- Craciun, D. (2018a). Topic modeling: A novel method for the systematic study of higher education internationalization policy. In L. Rumbley & D. Proctor (Eds.), *The Future Agenda for Internationalization in Higher Education* (pp. 102-113). Abingdon-on-Thames: Routledge
- Craciun, D. (2018b). National policies for higher education internationalization: A Global Comparative Perspective. In A. Curaj, L. Deca, & M. Pricopie (Eds.), *European Higher Education Area: The Impact of Past and Future Policies* (pp. 95-106). Cham: Springer International Publishing.
- De Wit, H., Rumbley, L.E., Craciun, D., Mihut, G., & Woldegiyorgis, A. (2019). International Mapping of National Tertiary Education Internationalization Strategies and Plans (NTEISPs). *CIHE perspectives* 12. <http://doi.org/10.5040/9781350139275.ch-003>
- De Wit, H. (2011). Global: Internationalization of Higher Education: Nine Misconceptions: International Higher Education, Summer, #64. In *Understanding Higher Education Internationalization* (pp. 9-12). SensePublishers. https://doi.org/10.1007/978-94-6351-161-2_2
- Education and Youth Board (n.d.). *National scholarship program for foreign students, researchers, and lecturers Scholarship guideline for foreign students*. Retrieved January 5, 2022, from <https://www.studyinestonia.ee/sites/default/files/Scholarship%20guideline%20for%20foreign%20students%202021.pdf>
- Enders, J. (2004). Higher education, internationalisation, and the nation-state: Recent developments and challenges to governance theory. *Higher Education*, 47(3), 361-382. <https://doi.org/10.1023/B:HIGH.0000016461.98676.30>
- Erasplus+ (n.d.). *Students' International Mobility and the Benefits for Universities*. Retrieved February 8, 2022, from <http://erasplus.com/students-international-mobility-and-the-benefits-for-universities/>
- Estonian Rectors' Conference. (2007). *Agreement on Good Practice in the Internationalisation of Estonia's Higher Education Institutions*. Retrieved June 5, 2018, from <http://www.studyinestonia.ee/images/tekstid/headetavadelepe.pdf>
- EuroEducation.net (n.d.). *Estonia Higher Education System*. Retrieved December 8, 2021, from <https://www.euroeducation.net/prof/estonco.htm>
- Eurydice (n.d.). *Estonia Overview*. Retrieved December 3, 2021, from https://eacea.ec.europa.eu/national-policies/eurydice/content/estonia_en
- Eurydice (2021, October 18). *Funding in Education*. Retrieved December 3, 2021, from https://eacea.ec.europa.eu/national-policies/eurydice/estonia/funding-education_en

- Eurydice (2021, December 7). *Funding in Education*. Retrieved December 13, 2021, from https://eacea.ec.europa.eu/national-policies/eurydice/estonia/funding-education_en
- Knight, J. (2008). *Higher education in turmoil. The changing world of internationalisation*. Rotterdam: Sense Publishers. <https://doi.org/10.1163/9789087905224>
- Matei, L., & Iwinska, J. (2015). National Strategies and Practices in Internationalisation of Higher Education: Lessons from a Cross-Country Comparison. In A. Curaj, L. Deca, E. Egron-Polak, & J. Salmi (Eds.), *Higher education reforms in Romania* (pp. 205-226). London: Springer
- OECD Library (2021). *Education at a glance 2021: OECD Indicators. Estonia*. Retrieved December 3, 2021, from <https://www.oecd-ilibrary.org/sites/68949f98-en/index.html?itemId=/content/component/68949f98-en>
- OECD (2019). *Benchmarking Higher Education System Performance: Estonia, Higher Education*, OECD Publishing, Paris, <https://doi.org/10.1787/be5514d7-en>
- Pépin, L. (2007). The history of EU cooperation in the field of education and training: how lifelong learning became a strategic objective, *European Journal of Education*, 42, 121-132. <https://10.1111/j.1465-3435.2007.00288.x>
- Pinheiro, R., Geschwind, L., & Aarvevaara, T. (2014). Nested tensions and interwoven dilemmas in higher education: the view from the Nordic countries. *Cambridge Journal of Regions, Economy, and Society*, 7(2), 233-250. <https://doi.org/10.1093/cjres/rsu002>
- Republic of Estonia Ministry of Education and Research (2007). *Estonian Higher Education Strategy, 2006-2015*. Retrieved January 19, 2022, from https://www.hm.ee/sites/default/files/higher_education_strategy.pdf
- Republic of Estonia Ministry of Education and Research (2020, May 26). *Higher education*. Retrieved December 8, 2021, from <https://www.hm.ee/en/activities/higher-education>
- Sá, M. J., & Serpa, S. (2020). Cultural Dimension in Internationalization of the Curriculum in Higher Education. *Education Sciences*, 10 (12), 375, 1-11. doi:10.3390/educsci10120375
- Statistics Estonia (2021). *Statistical database*. Retrieved December 6, 2021, from <https://andmed.stat.ee/en/stat>
- Study in Estonia (2020, December 9). *Statistics: International Students at Estonian Universities in 2020*. Retrieved December 6, 2021, from <https://studyinestonia.ee/news/statistics-international-students-estonian-universities-2020>
- Study in Estonia (2021). *Master's degree scholarships*. Retrieved January 3, 2022, from <https://www.studyinestonia.ee/master-degree-scholarships>
- Study in Estonia (2021). *Bachelor's programmes*. Retrieved January 5, 2022, from <https://www.studyinestonia.ee/study/programmes/bachelors-programmes>
- Tamtik, M., & Kirss, L. (2016). Building a Norm of Internationalization: The Case of Estonia's Higher Education System. *Journal of Studies in International Education*, 20(2), 164-183.
- The Archimedes Foundation (2016, July 15). *How Estonia Became an Attractive Study Destination*. Retrieved January 23, 2022, from <https://archimedes.ee/en/blog/estonia-became-attractive-study-destination/>
- The Ministry of Education and Research (2020). *The Summary of the Ministry of Education and Research's annual report for 2019*. Tartu: Ministry of Education and Research.
- The Ministry of Education and Research (2020b). Important activities in the 2019/2020 academic year. Retrieved December 3, 2021, from https://www.hm.ee/sites/default/files/htm_koolialgusepakett_a4_eng.pdf
- Teichler, U. (2019). Bologna and student mobility: a fuzzy relationship. *Innovation: The European Journal of Social Science Research*, 32 (4), 429-449. <https://doi-org.myaccess.library.utoronto.ca/10.1080/13511610.2019.1597685>
- Urwin, D. W. (1995). *The community of Europe: a history of European integration since 1945* (2nd ed.). Routledge. <https://doi.org/10.4324/9781315843650>
- Van der Wende, M. & Huisman, J. (2005). *On Cooperation and Competition: National and European Policies for the Internationalisation of Higher Education*. Bonn: Lemmens. <https://doi.org/10.1177/1028315305276092>
- Whyman, P. B. & Petrescu, A. I. (2017). *The Economics of Brexit: A Cost-Benefit Analysis of the UK's Economic Relationship with the EU*. Springer International Publishing AG. <https://doi.org/10.1007/978-3-319-58283-2>
- Wihlborg, M. (2019). Critical viewpoints on the Bologna Process in Europe: Can we do otherwise? *European Educational Research Journal*, 18 (2), 135-157. <https://doi.org/10.1177/1474904118824229>
- Work Estonia (n.d.). *Right of permanent residence and long-term residence permit in Estonia*. Retrieved January 3, 2022, from <https://www.workinestonia.com/coming-to-estonia/long-term-residence-permit/>

DMITRIY FEDOTOV, PhD, lectures at University of Toronto, Ontario, Canada: Department of Leadership, Higher and Adult Education (LHAE). He is a Certified Management Accountant (CMA) with the Institute of Management Accountants (IMA), United States. His research interests center around questions of international student mobility, policy governance and coordination. Email: dmitriy.fedotov@alum.utoronto.ca.