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International schools

The new local

English-language schools once aimed at expatriates now cater to domestic elites

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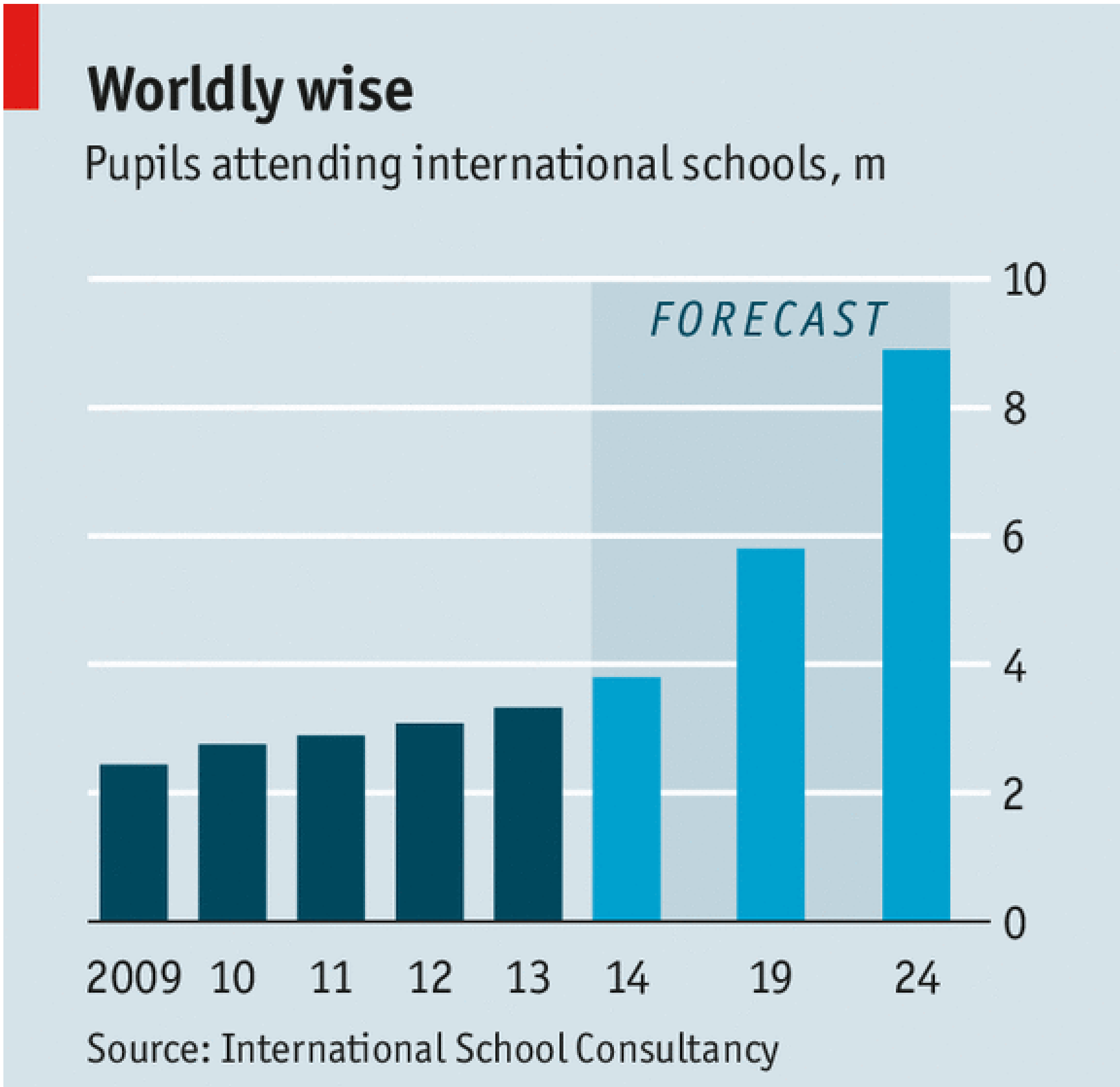
IN 1979, when Ken Ross was eight, his family moved from Scotland to France for his father's job with IBM. The computer firm paid the fees at the English School of Paris, where his classmates were mostly children of expats from Britain and elsewhere: managers, army officers, diplomats and the like. A couple were Saudi princes. For the most recent class reunion, old boys and girls flew in from as far afield as China and South Africa.



Since then, there has been a boom in such “international schools”, which teach in English in non-Anglophone countries, mostly offering British A-levels, American APs and SATs, or the International Baccalaureate. During the past quarter-century, according to the International School Consultancy Group (ISC), based in Britain, their number has grown from under 1,000 to more than 7,300. In the 2013-14 academic year they generated $41.6 billion in revenue and taught 3.75m pupils globally (see chart). Twenty-two countries have more than 100 international schools, headed by the UAE, with 478, and China, with 445.

But nowadays international schools increasingly belie their name. Though their clientele varies from place to place, four-fifths of the pupils they teach around the world are locals, the ISC calculates. Thirty years ago, just a fifth were. The main reason is increased demand for schooling mostly or entirely in English, both in rich countries (Mr Ross’s alma mater now has a large French contingent), and even more from rich parents in developing countries who want their children to be able to go to university in Britain or North America. “When people make money, they want their children to learn English," says Nicholas Brummitt of the ISC. "When they make some more money, they want them to learn in English."

This new elite can outspend even very highly paid foreign managers—and multinationals trying to cut costs are ever less willing to pay school fees. Locals are more appealing clients, too: their children tend to stay for their entire schooling, unlike "expat brats", who are always moving on, leaving seats to be filled. And a parent-teacher association packed with the local elite is more help with bolshie bureaucrats than one full of foreigners.

Further growth is on the cards. In another decade, the ISC predicts, there will be 14,400 international schools worldwide, teaching 8.9m pupils. Many will be run by local or regional firms who spy an opportunity (two-thirds of international schools are now run for profit, up from almost none 30 years ago). But ISC's market research suggests that quite a few British "public" (ie, private) schools plan to set up foreign outposts; some already have, including Harrow, Marlborough, Wellington College and Dulwich College, the last of which opened its seventh overseas arm in Singapore in August. Most are franchise arrangements (though Marlborough's Malaysian branch is directly managed). For-profit global chains such as Nord Anglia Education, Cognita and GEMS are also planning new schools.

The biggest growth is forecast in the Middle East and East Asia. But which countries prove the most rewarding for investors depends partly on governments. Some countries make it hard for those who have been schooled outside the national system to get into university, meaning international-school customers risk closing off their children's future options. Chinese pupils without a foreign passport are barred from international schools. Singaporean citizens require government permission to attend international schools, rarely granted unless they have lived abroad. In South Korea a maximum of 30% of an international school's pupils can be locals.

Malaysia's experience shows what would happen if any of these were to relax their rules. In 2012 it removed a 40% cap on the share of international schools' pupils allowed to be locals, partly to encourage the expansion of a sector seen as important in attracting foreign investment and partly to please parents who were becoming ever less willing to send their children to boarding schools overseas. In just two years the number of locals at the country's international schools has risen by a third, and Malaysians now account for more than half their pupils.

China-watchers are always alert to any hint of liberalisation. The country has 2.5m dollar millionaires, many of whom would pounce at an international schooling for their offspring if they were allowed to. Since 2001 foreign groups and individuals have been allowed to own schools in partnership with Chinese ones, and since 2003 schools can be run for profit—but only authorised international schools can follow a foreign curriculum. The government fears losing control over what children are taught. Officials also argue that without strict rules Chinese parents could be gulled by greedy foreigners.

One way to profit in China despite the restrictions is to offer English-language international programmes in Chinese schools. Dipont Education, a Chinese-owned firm that grew out of an Australian one that helped Chinese students arrange foreign study trips and apply for visas, now runs centres in 27 Chinese schools in 17 cities. These teach A-levels, AP courses and the International Baccalaureate to 6,000 15- to 18-year-olds.

A natural next step, says Vanessa Cumbers, Dipont's director of recruitment, would be for the firm to start training Chinese teachers in foreign teaching methods. "Like anything in China, it's about localising," she says. That prescription may make for less diverse class reunions, but it is ensuring the rude health of international schools everywhere.

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