

Market Intelligence Brief

Spain

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1 Executive Summary

Located in Southwestern Europe and a member of the European Union, Spain is a developed, high-income nation with an advanced economy. Known for its rich culture, thriving tourism industry and high living standards, Spain has one of the highest life expectancies in the world.

By population size, Spain is the fourth largest country in European Union (EU), with a total population of around 48m. However, in common with many advanced economies both within Europe and across the world, population growth in Spain has slowed considerably over recent years, with annual growth of just 0.2 per cent over the last decade. The student age population (15-29) stood at 7.4m in 2021, down considerably from around 9.5m in the early 2000s. Looking ahead to 2030, the student age population is expected to remain at around the current level.

Although Spain is classified by the World Bank as a high-income economy, with a GDP per capita of just over US\$30,000 in 2021, (in nominal terms) it lags significantly behind the eurozone average (US\$42,300) and neighbouring countries such as France (US\$43,500) and Italy (US\$35,500). A key long-standing challenge for the Spanish economy has been its high structural unemployment rate, which currently stands at 12.5 per cent. Unemployment is a particular issue among the youth of the country, with the under 25 unemployment rate standing at 28.5 per cent at present, meaning that close to 1 in 3 of the country's young people have been unable to find suitable employment opportunities.

Tourism makes a vital contribution to the Spanish economy, with around 83m international tourist arrivals in 2019 bringing in over EUR 70bn in revenues. The global pandemic in 2020 caused a sharp decline in inbound tourism to the country, but the gradual easing of international travel restrictions and improving sentiment amongst tourists have underpinned a strong recovery since the second half of 2021. But despite the strong tourism recovery, the near-term outlook for the Spanish and wider European economy looks challenging. Indeed, economic recession looks inevitable as winter approaches amid high rates of inflation and the threat of energy shortages across certain sectors. However, looking beyond the short-term challenges, the medium-term outlook for the Spanish economy remains robust, with growth of around 2-2.5 per cent expected per year.

Domestically, Spain has a strong and well-developed education system, ranking in 12th position in the QS Higher Education System Strength rankings, alongside regional European peers such as Italy and Switzerland. It has 33 universities in the top 1,000 universities globally, according to the 2022 Times Higher Education rankings, with Pompeu Fabra University (156th), Autonomous University of Barcelona (170th) and University of Barcelona (193rd) ranking in the top 200.

In terms of international student mobility, according to UNESCO almost 47,000 Spanish students travelled abroad to study at the higher education level in 2020. Over the last decade, the volume of outbound students has increased consistently, growing by an average of around 6 per cent per year from around 25,000 in 2010. In 2020, the most popular destinations for Spanish outbound international students included other European countries, including the UK, Germany and France, as well as the US and Canada. Additionally, over recent years the Netherlands has become an increasingly popular choice for Spanish students. Although official data are not yet available, it is expected to have seen strong gains in the Spanish market in 2021/22 and 2022/23. Given the

high levels of youth unemployment within the country, the increased interest in study abroad by Spanish students is being driven by the desire to stand out in the competitive local and international labour market. Young Spanish students may also see study abroad as a route to employment in another European country.

In common with the broader general trend of increasing outbound international student flows from Spain, the UK saw strong growth in inbound student flows from Spain in the period to 2019/20. Specifically, the total number of students steadily increased from 8,600 in 2009/10 to just over 14,000 in 2019/20, with positive growth recorded in every year throughout the period. There was, however, a relatively small decline recorded in the 2020/21 academic year, with the number of students declining by around 3 per cent to 13,650 due to the impacts of the Covid-19 pandemic and related restrictions.

Looking ahead, the outlook for Spanish international student flows to the UK looks challenging due to the implications of Brexit and the UK's withdrawal from the Erasmus+ programme. New students arriving from the EU to start courses from August 2021 are generally no longer eligible for home student status, which means they must pay international fees and will not qualify for tuition fee loans. Linked to this, Spanish undergraduate applications to the UK over the last couple of years have been on a sharp downward trajectory, declining by around 33 per cent in 2021/22 followed by a further decline of around 21 per cent in 2022/23 up to the 30 June UCAS pre-clearing deadline.

Despite this, UK higher education institutions (HEIs) continue to see Spain as a high priority market for international recruitment, with 82 per cent of respondents in a recent British Council survey indicating that Spain was one of the EU markets where they would be prioritising their spending in future. This places Spain as the top-ranked country in the EU in terms of spending prioritisation and underlines the market's importance to the internationalisation plans of UK HEIs.

In the 2020/21 academic year, according to HESA there were 4,665 students in Spain enrolled on UK TNE and distance learning courses, with the majority of provision (80 per cent) taking place at the bachelor's level and mainly in business subject areas. This places Spain as the UK's fifth largest TNE market in Europe (behind Greece, Germany, Switzerland and Ireland).

From a regulatory perspective, branch campuses of foreign universities are technically permitted to establish in Spain. In practice, UK TNE is delivered in partnership with local Spanish providers via joint and double degrees, as well as franchised and validated courses. A key attractiveness of UK TNE provision in Spain is the flexibility of the UK higher education system to deliver "top-up" degrees. Looking forward, the Spanish Ministry of Education is keen to develop TVET degrees in partnership with foreign countries, as a mechanism to increase the scale and variety of vocational education provision and better respond to the labour needs of specific sectors.

2 Introduction

This report was produced by the British Council's *Insight and Engagement* team with external research support provided by Oxford Economics.^[1] This report is designed to provide UK education institutions with unparalleled data, insight and analysis to support their international education strategies, recruitment activities and partnership development work. The report is also targeted at a UK and Spanish policy maker audience, by highlighting opportunities and barriers to education and research cooperation that exist between the two countries.

Using the latest data from the most reliable sources, this Market Intelligence Brief represents a window onto Spain's education system and student population, as well as the economic and demographic factors, and policy priorities and developments that shape the country's international education outlook. The report examines various aspects related to the internationalisation of Spain's education system – including student mobility, transnational education programmes and research collaboration – and also highlights national level education projects and partnerships between the UK and Spain.

The information contained in this report is based primarily on desk-based research and data analysis, supplemented with insight and context provided by British Council colleagues on the ground in Spain.

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Comments, queries and suggestions in relation to this report are welcome and may be submitted to **Richard Fleming**, Insights Hub lead for the European Union region at email Richard.Fleming@britishcouncil.org

^[1] www.oxfordeconomics.com/

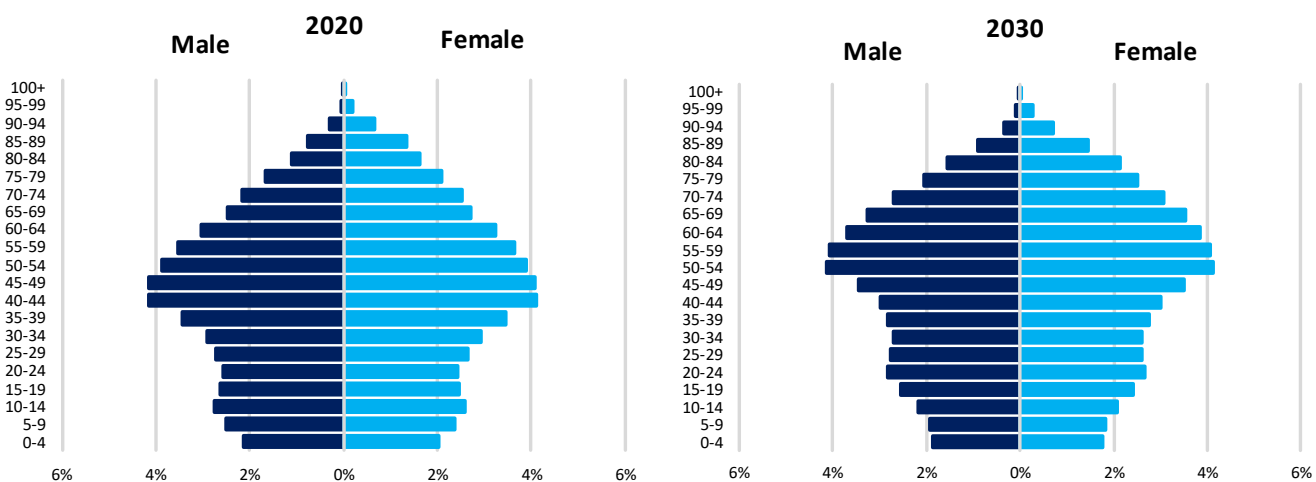
3 Macro Environment

3.1 People

With a population of almost 48m, Spain is the fourth most populous country in the EU, after Germany, France and Italy.¹ However, in common with many other developed nations around the world, Spain has seen its rate of population growth slow considerably over recent years, with annual growth of just 0.2 per cent over the last decade, down from much stronger growth of around 1.5-2 per cent per year in the early 2000s. Contributing to the weak population growth in Spain is its very low fertility rate, which has steadily declined over recent decades, from around 2.8 in the 1970s to 1.2 in 2020. Its current fertility rate is well below the replacement rate (2.1) and is currently the lowest in the EU.

Looking ahead, after peaking at 47.6m in 2022, the Spanish population is expected to start a gradual decline, falling to around 46.0m by 2040 and to 44.2m by 2050. Alongside the decline in the population level, the population is also expected to age considerably in the coming years. In 2020, the 0-14 age group accounted for 14 per cent of the total population, while the 65+ age group accounted for 20 per cent. By 2030, the 0-14 share is expected to have shrunk to around 12 per cent, while by contrast, the 65+ share is projected to rise to 25 per cent, accounting for almost 1 in every 4 of the Spanish population.

Figure 1: Spain's population pyramid, 2020 and 2030



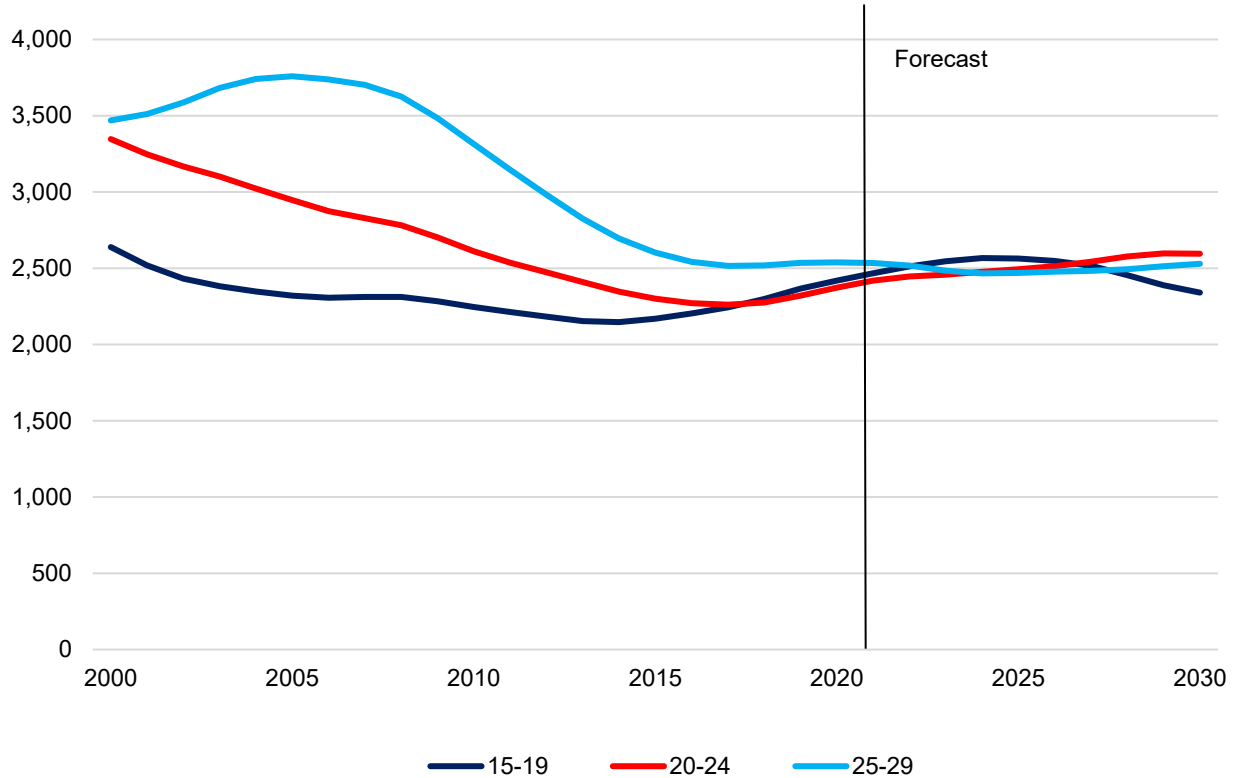
Source: UN Population Division

Looking specifically at the population age bands of interest to UK HEIs, each of these population groups have seen significant declines since the early 2000s, with the 20-24 and 25-29 groups down by almost 30 per cent since 2000, and the 15-19 group down by around 7 per cent. Looking

¹ World Population Prospects, United Nations Population Division, 2022, <https://population.un.org/wpp/>

ahead to the period to 2030, the strong downward trend is expected to halt, with the aggregate 15-29 population expected to hold steady at around 7.4m over the coming years.

Figure 2: Spain’s student age population (000s)



Source: UN Population Division

According to the United Nations, approximately 80 per cent of the Spanish population live in urban areas, which is closely aligned to the Western Europe average. The urbanisation rate is expected to rise steadily to around 83 per cent by 2030, and to 88 per cent by 2050. Madrid (3.3m) and Barcelona (1.6m) are the only Spanish cities with populations in excess of 1m. The next largest cities include Valencia (0.8m), Sevilla (0.7m), Zaragoza (0.7m) and Malaga (0.6m).²

The official nationwide language in Spain is Castilian Spanish, although Basque, Catalan and Galician are also co-official languages in their respective regions. The majority of the population is Roman Catholic (58 per cent), with the next largest group identifying as atheist (16 per cent), followed by agnostic (11 per cent).³

Spain has a large foreign-born population, estimated at 6.8m in 2020 by the United Nations. This represents almost 15 per cent of the total population and is the tenth largest foreign-born population in the world, with immigration from Latin America, Morocco and other European

² Population of Cities in Spain, *World Population Review*, 2022, <https://worldpopulationreview.com/countries/cities/spain>

³ Spain, *CIA World Factbook*, 2022, <https://www.cia.gov/the-world-factbook/countries/spain/#people-and-society>

countries driving the modest population growth seen over recent years against the backdrop of the very low fertility rate.

Regarding English language skills, according to the Spanish government, 83.5 per cent of early years children (aged 3-6) and almost all primary and secondary school pupils study English, of which over 45 per cent of primary pupils and 25 per cent of secondary pupils study some of their other subjects in English. Bilingual education (in English) is mainstreamed in Spain and English proficiency levels amongst Spanish young people have risen accordingly over recent years.⁴

3.2 Economy

Spain has the 14th largest economy in the world and fourth largest in the EU, after Germany, France and Italy. After joining the European Union in 1986 and the European Monetary Union in 1992, Spain experienced strong economic growth up until 2007. Relative to the eurozone average, the income per capita differential narrowed from 35 per cent in 1995 to around 20 per cent in 2008. However, the Global Financial Crisis, together with the bursting of the property bubble, hit the Spanish economy hard. House prices fell 30 per cent between 2008 and 2014. The crisis badly affected the construction sector, which had been one of the driving forces of both GDP and employment growth in the boom years. As a result, the unemployment rate soared from 8.6 per cent at the end of 2007 to a peak of over 26 per cent in 2013.

The structure of the Spanish economy is dominated by private consumption, which represents around 60 per cent of total GDP. This reflects a typical economic structure of a Western European economy and is in line with the eurozone average. On a sectoral basis, the services sectors contribute around 75 per cent of GDP, followed by industry at around 16 per cent. Following the bursting of the real estate bubble in the late 2000s, the share of the construction sector halved from a peak of around 12 per cent of GDP to around 6 per cent currently, with agriculture contributing around 3 per cent.

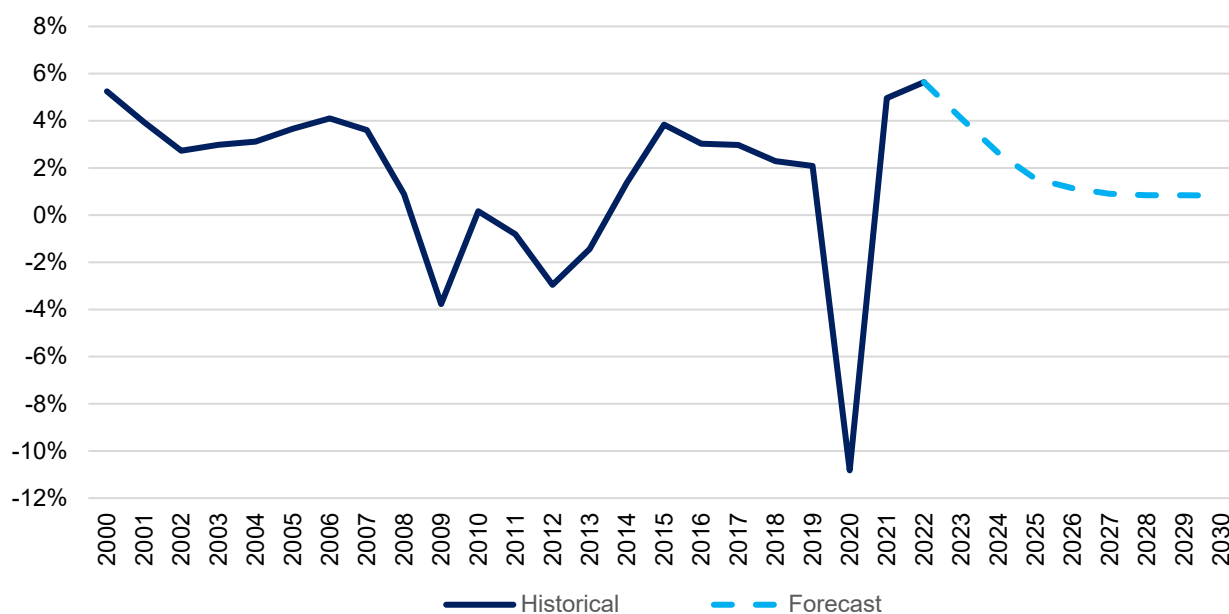
Spain is an increasingly open economy. Exports as a share of GDP increased from around 25 per cent in the early 2000s to around 35 per cent in 2021. Its main exports include cars, automobile parts and accessories, packaged medication, refined petroleum and pork. The country's main trading partners are primarily other European markets, including France, Germany, Portugal, Italy and the UK. Spain is also one of the world's leading international tourism destinations, with around 83m international tourist arrivals in 2019 bringing in over EUR 70bn in revenues. The global pandemic in 2020 caused a sharp decline in inbound tourism to the country, with international tourist arrivals down to just 19m for the year. However, the gradual easing of international travel restrictions and improving sentiment amongst tourists saw a strong recovery take hold in the second half of 2021, with a return to pre-pandemic inbound tourism levels expected by 2024.

Despite the strong tourism recovery, the near-term outlook for the Spanish economy looks challenging. The outlook continues to be dominated by developments in energy markets. With no signs of resolution of the war in Ukraine and little prospect of a resumption in Russian gas flows,

⁴ Enseñanza de Lenguas Extranjeras, *Ministerio de Educación y Formación Profesional*, 2022, <https://www.educacionyfp.gob.es/dam/jcr:8993b1cd-bc30-4886-861c-b079f6c96750/nota-2020-2021.pdf>

the expectation is that gas prices will remain higher for longer. In addition, and despite the progress made in storing gas ahead of the winter, Europe could still see shortages of energy across some sectors. This means that economic prospects will remain negative over the coming quarters, with the euro area expected to enter recession. Although Spain is much less exposed to potential gas shortages than other European countries, Oxford Economics still expects the economy to experience a temporary recession during the winter of 2022/23, coinciding with the period of peak energy demand in Europe. Annual growth is expected to slow to less than 1 per cent in 2023, before returning to more robust growth of around 2-2.5 per cent over the medium term.

Figure 3: Spain's real GDP growth



Source: Haver Analytics / Oxford Economics

Spain's GDP per capita stood at just over US\$30,000 in 2021, (in nominal terms). As such, while Spain is a high-income country according to the World Bank's classification, it lags significantly behind the eurozone average (US\$42,300) and neighbouring countries such as France (US\$43,500) and Italy (US\$35,500). By 2030, Spain's GDP per capita is expected to rise to around US\$45,000. This growth will underpin the expansion of the middle class. The number of households with an income of US\$35-70,000 is expected to steadily increase from 6.8m in 2021 to 7.4m by 2030.

Spain has a high structural unemployment rate, with the rate currently standing at 12.5 per cent. Unemployment is a particular issue among the youth of the country, with the under 25 unemployment rate standing at 28.5 per cent at present.

The euro has risen against the pound during 2022, from around GBP0.84 to around GBP0.88 per euro by late October. From a student mobility perspective, the strength of the euro against the pound will, all else equal, enhance the purchasing power of Spanish students in the UK,

which will be a welcome development in the context of the higher fees that Spanish students must now pay to study in the UK in the aftermath of Brexit.

3.3 Government and education policy

Spain is a parliamentary monarchy. The current monarch is King Felipe VI, the second monarch since Spain's return to democracy and the parliamentary monarchy system in 1975. The executive power is held by the Prime Minister. Parliament consists of a bicameral chamber divided into the Congress of Deputies (lower house) and the Senate (upper house). The Congress of Deputies examines all government bills and is responsible for the investiture of the Prime Minister. The senate has the power to amend or veto the decisions of Congress and acts as the house of territorial representation.⁵

The current political landscape is the most fragmented since the re-establishment of democracy in the late 1970s. Spanish politics shifted in 2015, when the relative unpopularity of the dominant parties, the conservative Popular Party (PP) and the Socialist Party (PSOE), led to the emergence of new political groups, most notably the far-left Podemos and the centre-right Ciudadanos, and most recently of the far-right group Vox. The current Prime Minister, Socialist Pedro Sánchez, came into power after replacing Mariano Rajoy following a successful no-confidence vote in Congress, the first in the country's recent democratic history. Following the general election in November 2019, the Socialist party and far-left Podemos reached a coalition agreement to form a new government but require the support of several smaller parties to pass legislation. In addition, separatism is a key political challenge for Spain with independence movements mounting in both Catalonia and the Basque Country.

The education system is decentralised and the central government shares responsibility in education with each autonomous community. Through the Ministry of Education, Culture and Sport (MECD), the central government provides an education framework, regulates objectives and organisation of different levels of education. It also has influence on some parts of the curriculum. Ministries (or departments) in each of Spain's 17 autonomous communities control budgets and manage their own local education systems within the central government framework.⁶ Other institutions that shape education policy in Spain include:

- The Education Sector Conference (*Conferencia Sectorial de Educación*) brings together the MECD and autonomous communities to identify and establish common policy approaches.
- The National Conference of University Rectors (*Conferencia de Rectores de Universidades Españolas, CRUE*) represents Spain's universities.
- The MECD is responsible for higher-level arts education but takes advice from the Higher Board of Arts Education (Consejo Superior de Enseñanzas Artísticas),

⁵ Composition of the Senate, *Spanish Senate*, 2020,

<https://www.senado.es/web/conocersenado/temasclave/composicionsenadoelecciones/index.html?lang=en>

⁶ Education Policy Outlook – Spain, *OECD*, 2018, <https://www.oecd.org/education/Education-Policy-Outlook-Country-Profile-Spain-2018.pdf>

autonomous communities and the Regional Artistic Education Councils or Institutes (Consejos e Institutos Autonómicos de Enseñanzas Artísticas).

- Regional Councils for Vocational Training (Consejos de Formación Profesional) develop regional plans, evaluate offerings and propose improvements in vocational education.
- Local authorities or municipalities work with the ministries of autonomous communities to monitor early childhood education and care, as well as compulsory and special education schools.

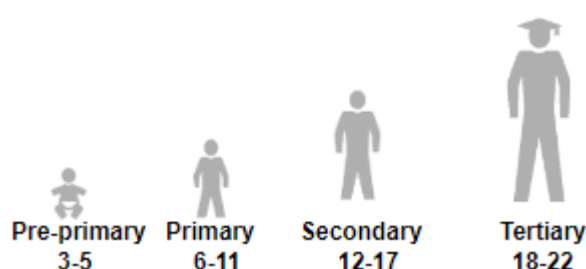
The Spanish government recently approved a new education law, LOMLOE (Organic Law of Modification of the Law of Education, also known as the *Celaá Law*), on 4 March 2020. The amendments introduced by the LOMLOE came into practice in the academic year 2020/21 and are to be fully implemented by academic year 2023/24. The new law intends to completely overhaul the education system, attempting to address early drop-out, grade repetition and school segregation. However, the new law has not been accepted by all regions within the country, with critics arguing that the new measures serve to artificially improve pass-rates without improving underlying education standards. It remains to be seen whether implementation will take place around Spain equally and whether the upcoming elections in 2023 will see any reversal of the contentious aspects of the new law.

4 Domestic Education Environment

4.1 Overview

The Spanish education system is built around four key stages: kindergarten, primary, secondary, and tertiary education. Education is free and compulsory from age 6 to 16 (primary and compulsory secondary). However, all citizens also have access to free public kindergarten from age 3 and upper secondary from age 16 to 18.

Figure 4: Official school ages in Spain, by level of education



Source: UNESCO

According to the latest Programme for International Student Assessment (PISA) results from 2018, Spain's results fell below the OECD average in science and mathematics. While the results suggest a slight decline in science performance compared to the last round of survey in 2015, it does not substantially differ from the long-run average. Due to anomalous results and the indication that some schools skipped sections of the online assessments, the OECD did not publish Spain's reading scores. Results from the 2015 PISA survey suggests that Spanish students performed slightly better than the OECD average in reading.⁷

A particular challenge faced by the education system in Spain is regional inequality with respect to the quality of and participation in the education system. For example, the share of adults aged 25-64 with tertiary education varies from 26 per cent in Ceuta to 53 per cent in the Basque Country, one of the highest regional variations across OECD countries with available data. Further, there is a significant disparity regionally in the PISA results, with those in some regions such as Navarra and Madrid being well above the OECD average, while others, such as in Andalucía and Extremadura, being considerably below.

Between 2010 and 2020, government spending on education as a share of GDP averaged around 4.1 per cent, which is below the EU average of 4.9 per cent, according to Eurostat.⁸ Meanwhile, as a share of total government expenditure, spending on education has averaged 9.5 per cent over the last decade, which although slightly below the EU average, is closely

⁷ Spain Student Performance (PISA 2018), OECD, 2018, <https://gpseducation.oecd.org/CountryProfile?primaryCountry=ESP&treshold=10&topic=PI>

⁸ General Government Expenditure on Education, Eurostat, 2022, https://ec.europa.eu/eurostat/databrowser/view/gov_10a_exp/default/table?lang=en

aligned to the education spend shares seen in comparable economies such as Germany (9.5 per cent) and France (9.6 per cent). Throughout the decade, education spending has been relatively stable, both as a share of GDP and total government expenditure. However, in 2020, government spending on education as a share of total government spending dipped below 9 per cent for the first time in several years as fiscal priorities shifted in the face of the pandemic.

4.2 Early years, primary, secondary

Spain has a well-developed system of early childhood education. Early childhood education includes a first cycle at nursery schools for children up to the age of 3, and a second cycle at pre-school for children aged 3 to 5. In 2020, just over half of two-year-olds (52 per cent) were enrolled in pre-school (higher than the OECD average of 33 per cent) and by the age of five almost all children (97 per cent) were enrolled in the education system, compared with 83 per cent across the OECD.⁹

From the age of 6 until 16, education is free and compulsory, with home schooling and online education not permitted. Students complete primary school between the ages of 6 and 11 and then progress to secondary school. After the first stage (grades 7-9), the second stage of compulsory secondary education consists of one year of upper stage compulsory education or two years of basic level vocational training. Students receive the Compulsory Education Certificate (CSE) upon completion. The education department of the local autonomous community is responsible for these schools.

Once students have completed the certificate, they can take the *Bachillerato* to prepare for university, with students often studying for this at the same school as their compulsory education. The *Bachillerato* is a two-year course that prepares students for university exams. Students must take compulsory core subjects combined with four more subjects of their choice. Compulsory subjects include maths, philosophy, Spanish, one foreign language and, if applicable, their regional language as well as their chosen path (sciences, arts, humanities), with students often doing 7-9 subjects in *Bachillerato*. Alternatively, a student can opt for intermediate level vocational education where they must study the same core subjects as well as applied and business-related subjects.

There are three types of schools in Spain: public schools, subsidised private schools (of which the majority are Catholic schools) and non-subsidised private schools. In 2020, 67 per cent of students from early childhood to secondary education enrolled in public schools and 26 per cent enrolled in private-subsidised schools, leaving just 7 per cent of students in private unsubsidised institutions.¹⁰ Subsidised schools must meet more extensive MECD conditions than other private schools. Independent private schools include international schools which provide instruction according to the education curriculums of other countries, including France, Germany, the UK and the US. The International Baccalaureate (IB) has become more common in Spain in recent years not only in private and international schools, but also in public and

⁹ Overview of the Education System (Spain), OECD, 2022, <https://gpseducation.oecd.org/CountryProfile?primaryCountry=ESP&treshold=10&topic=EO>

¹⁰ Calculations based on OECD Education Statistics, 2022

state-subsidized private schools. Nowadays, the IB is treated the same as Spanish high school certificates when applying for university.

The high school drop-out rate is a major challenge for the Spanish education system. In 2018, early school leavers accounted for 18 per cent of those aged 18 to 24, compared to the 11 per cent EU average. Though still the highest in Europe, the improvement over the last decade is considerable, having dropped from 31 per cent in 2009 (compared to a 14 per cent EU average). The drop-out rate varies greatly across regions and ranged between 7 per cent and 27 per cent in 2017. The gaps can be largely explained by regional differences in GDP per capita, employment and poverty levels.¹¹

4.3 Technical & vocational education and training

Spain has a relatively low proportion of youths enrolled in vocational training programs, at 19 per cent of those aged 15-19 compared to an OECD average of 25 per cent in 2020. The relatively low uptake of vocational education in Spain stands in stark contrast with employer demand for such skill sets, with 40 per cent of job offers in 2018 aimed at persons with vocational training qualifications.¹² Indeed, student demand for TVET has risen strongly over recent years, with demand now significantly outstripping supply and up to 100,000 students unable to attend TVET due to the lack of seats.

TVET in Spain is split into three levels, with the enrolment level increasing with the level of training. There were 16,000 basic level students enrolled in 2020. Students who have completed their basic vocational training can go on to study intermediate vocational training (Grado FP) and receive a technician certificate. This intermediate vocational training is equivalent to Bachillerato. After this middle-level vocational qualification, students can either enter employment, enrol to Bachillerato to prepare for the university entrance exam or continue to a higher vocational programme. The higher-level vocational qualification (Grado Superior FP) is a level five qualification and provides access to a profession or directly to university without the need for an entry exam. Often, students continue to year two at university. There are 476,000 students studying mid-level vocational courses (at upper secondary level) and 413,000 studying high-level vocational courses (at tertiary level). Fewer female students opt to study vocational programmes, but the proportion becomes more balanced as the level increases. Only 34 per cent of basic level vocational students were female, compared to 47 per cent of high-level enrolments.¹³

In November 2019, the Council of Ministers approved the First Strategic Plan of the Education System for Vocational Training 2019-2022. The plan aims to increase the scale and variety of vocational education provision while better responding to the labour needs of specific sectors. A key part of this strategy is to develop double TVET degrees with foreign countries. Currently, there are no vocational training programmes leading to international qualifications.¹⁴ The

¹¹ Education Policy Outlook – Spain, OECD, 2018, <https://www.oecd.org/education/Education-Policy-Outlook-Country-Profile-Spain-2018.pdf>

¹² 2020 Skills Forecast (Spain), CEDEFOP, 2020, https://www.cedefop.europa.eu/files/skills_forecast_2020_spain.pdf

¹³ Calculations based on OECD Education Statistics, 2022

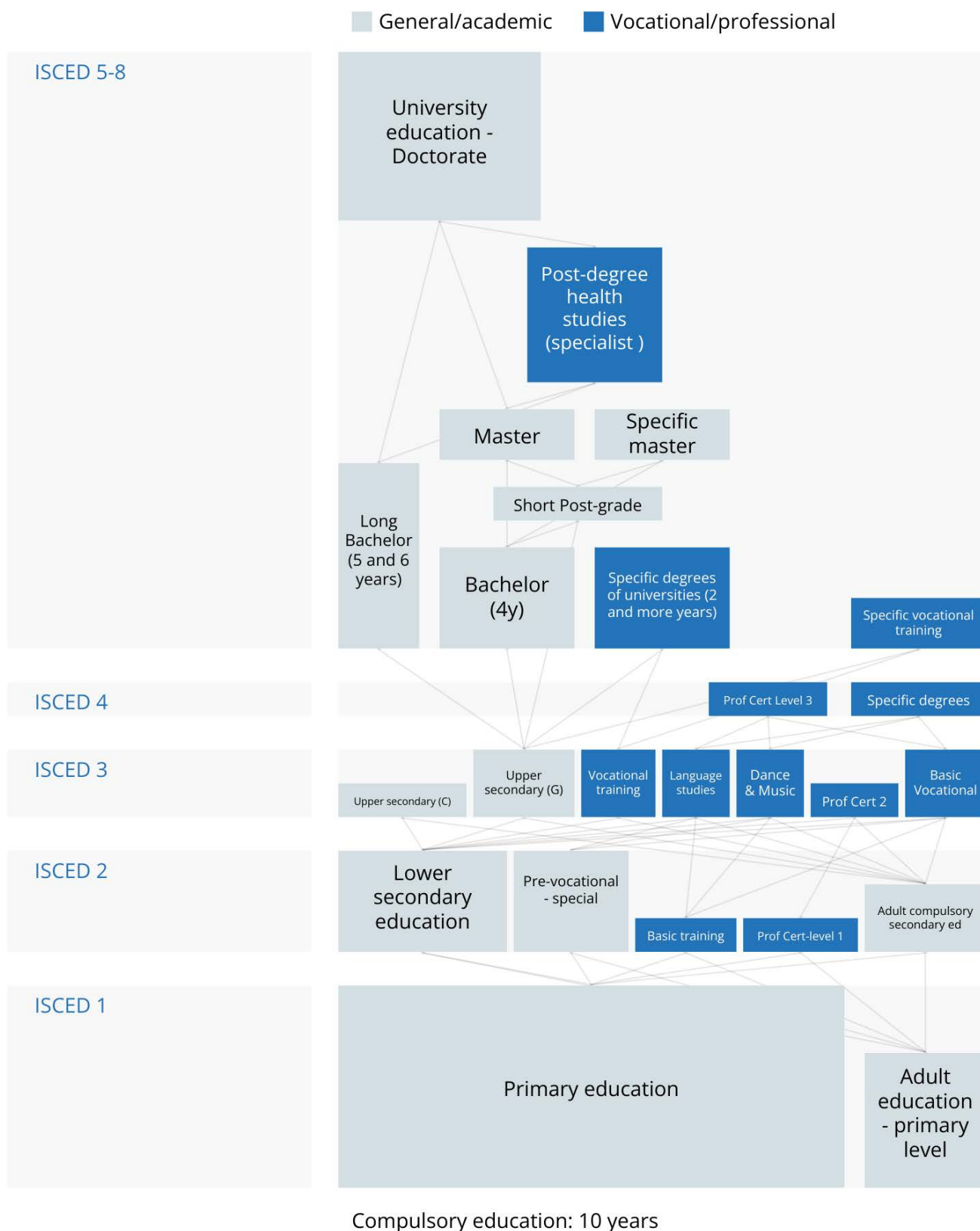
¹⁴ International Mobility in Apprenticeships: Focus on Long-Term Mobility: Spain, CEDEFOP, 2020 <https://www.cedefop.europa.eu/en/country-reports/international-mobility-apprenticeships-focus-long-term-mobility-spain>

government has published a national qualifications framework for lifelong learning with references to the European framework (QEF).

In March 2022, the law for Vocational Education was approved. The law highlights and strengthens the importance of developing international qualifications and points to the interest in creating/building double and joint degrees with other countries, which would provide access in advantageous circumstances to either further education through a degree as well as training and professional development in both countries.

As well as the TVET regulated programmes, adults can also obtain Professional Certificates. These are normally short-term professional qualifications that can be obtained at the different levels of education. These certificates can either be taken at a college or by proving on the job experience.

Figure 5: Structure of the formal education and training system in Spain



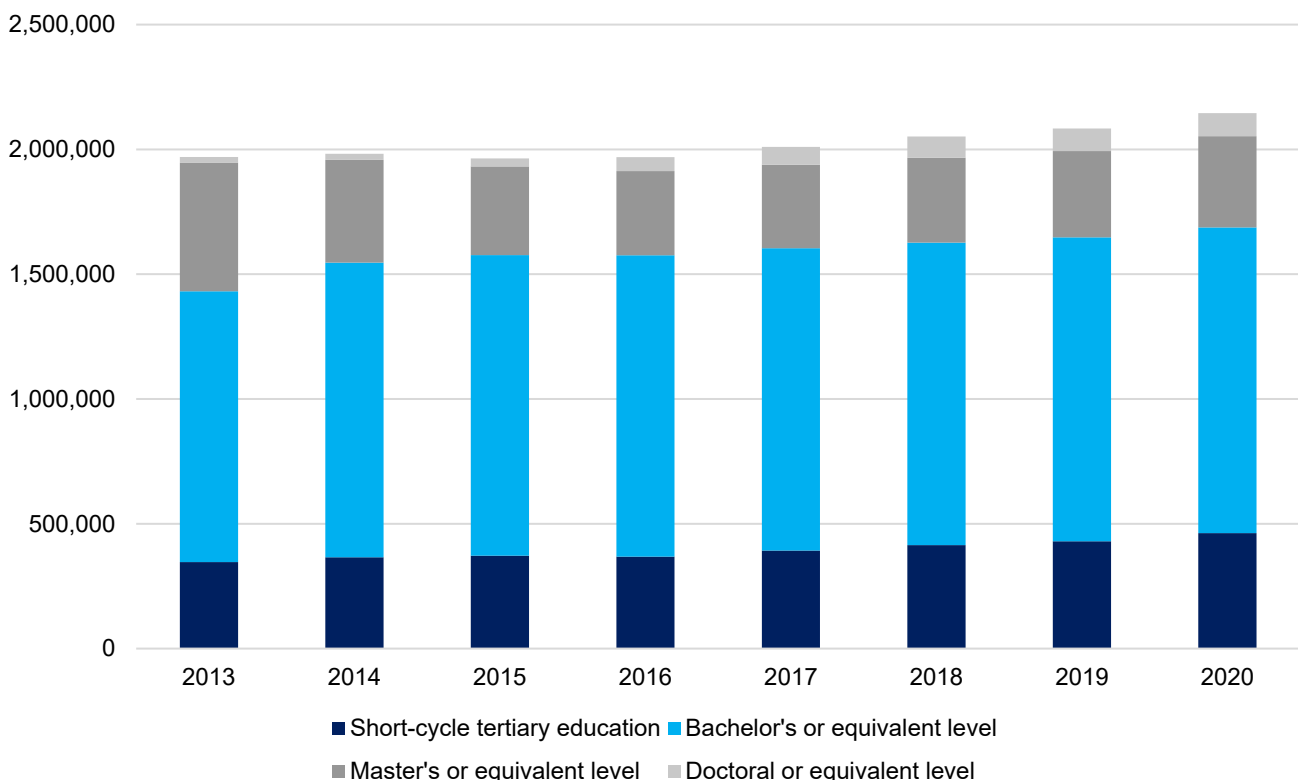
Source: UNESCO

4.4 Higher education

Tertiary education participation in Spain has expanded significantly over recent decades and indeed Spain has a comparatively high access rate to tertiary education, where the access rate measures the estimated percentage of an age cohort (aged under 25) that is expected to access a tertiary program throughout their life. Tertiary education access rates are therefore indicative of the accessibility of the tertiary education system to the population and the degree to which the population is able to attain tertiary level skills and knowledge. Spain's tertiary education access rate currently stands at around 64 per cent, which is significantly higher than the OECD and EU averages, which stand at around 50 per cent.¹⁵

The total number of students enrolling in tertiary education reached 2.2m in 2020. Bachelor's level continues to account for the majority (57 per cent) of tertiary education enrolments, followed by short-cycle tertiary education (22 per cent), and master's level education (17 per cent). Meanwhile, while accounting for a small share of the total, doctoral level student numbers have increased significantly over the last few years, almost tripling from 24,000 in 2013 to 93,000 in 2020. In terms of educational attainment, 54 per cent of women aged 25-34 had a tertiary qualification in 2020 compared to 41 per cent of their male counterparts. This is slightly higher than the OECD average where the shares were 52 per cent for women and 39 per cent for men.

Figure 6: Spanish tertiary education enrolments



Source: Eurostat

Note: Short-cycle tertiary courses include school and work-based programmes

¹⁵ Panorama de la Educación Indicadores de la OCDE, Ministerio de Educación y Formación Profesional, 2021, <https://www.educacionyfp.gob.es/inee/dam/jcr:3922aacd-04c0-45ac-b8d4-4aebb9b96ab5/panorama-2021-papel.pdf>

Upon finishing secondary education, students can gain entry to universities through the EBAU/EVAU examination, which consists of two parts. The first part of the exam is compulsory and students must sit tests in the following subjects: Spanish language and literature; a foreign language; either history or philosophy; one subject of the student's choice from a selection of arts and science subjects. Students are awarded a score out of ten. In addition, there is a voluntary exam which only students who wish to enrol into a competitive university or programme must take. With this voluntary test, students sit another two subjects (out of four of their choice) and can get two extra points per subject, thus giving them a possible total of 14 points.

There are 83 universities in Spain, including six non-face-to-face teaching institutions. 33 of these are private universities, accounting for 28 per cent of the total in 2020. Spain has 33 universities in the top 1,000 universities globally, according to the 2022 Times Higher Education rankings, with Pompeu Fabra University (156th), Autonomous University of Barcelona (170th) and University of Barcelona (193rd) ranking in the top 200.¹⁶ Private educational institutions play a more important role at the tertiary level than at the lower levels, with over a fifth (21 per cent) of students in tertiary education attending independent private institutions in 2020.¹⁷

Among the 1.1 million students enrolled in bachelor's degrees in Spain, social science and law were the most popular subject areas, accounting for 46 per cent of enrolments in 2020. Although enrolments in health sciences (19 per cent) and engineering and architecture (18 per cent) were relatively high, only 80,000 students enrolled in natural sciences, a mere 6 per cent of all enrolments. The large majority of students at bachelor level are enrolled in public universities.

Regarding postgraduate education, 310,000 students studied at the master's level in 2020, with the subject area breakdown consistent with that seen at bachelor's level. However, a considerably lower share of students at master's level study at public universities, at around 66 per cent. Meanwhile, almost all (94 per cent) doctoral level students study at public universities.

Up until 2012, all universities offered the same degrees, which were centrally approved by the Spanish government. Since then, the variety of tertiary programmes has expanded significantly, but remains far less expansive than the programme mix available in the UK.

¹⁶ World University Rankings 2022, *Times Higher Education*, 2022, https://www.timeshighereducation.com/world-university-rankings/2022#!/page/1/length/25/locations/ESP/sort_by/rank/sort_order/asc/cols/stats

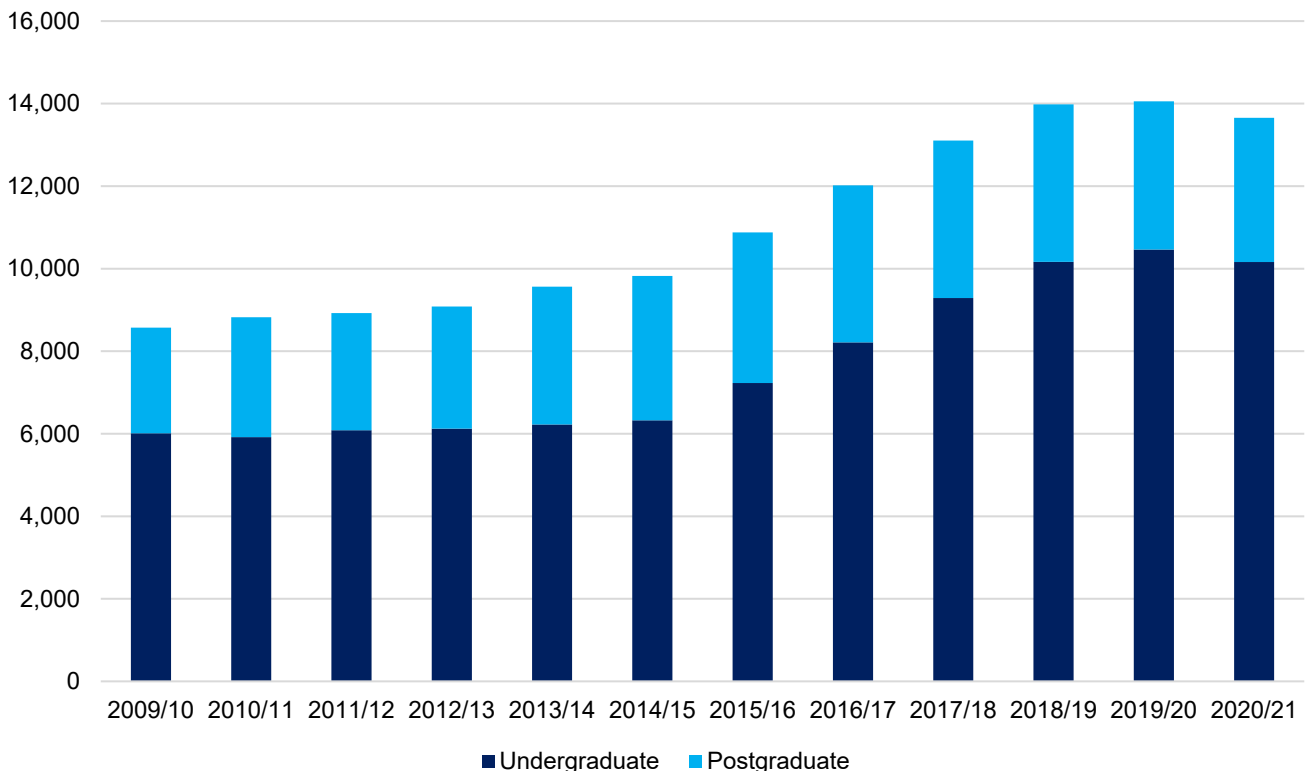
¹⁷ Calculations based on OECD Education Statistics, 2022

5 International Education

5.1 Student mobility

According to estimates from UNESCO, almost 47,000 Spanish students travelled abroad to study at the higher education level in 2020. Over the last decade, the volume of outbound students has increased consistently, growing by an average of around 6 per cent per year from around 25,000 in 2010.¹⁸ In 2020, the most popular destinations for Spanish outbound international students included other European countries, including the UK, Germany and France, as well as the US and Canada. Additionally, over recent years the Netherlands has become an increasingly popular choice for Spanish students. Although official data are not yet available, it is expected to have seen strong gains in the Spanish market in 2021/22 and 2022/23. Given the high levels of youth unemployment within the country, the increased interest in study abroad by Spanish students is being driven by the desire to stand out in the competitive local and international labour market. Young Spanish students may also see study abroad as a route to employment in another European country.

Figure 7: Spanish students in HE programmes in the UK



Source: HESA

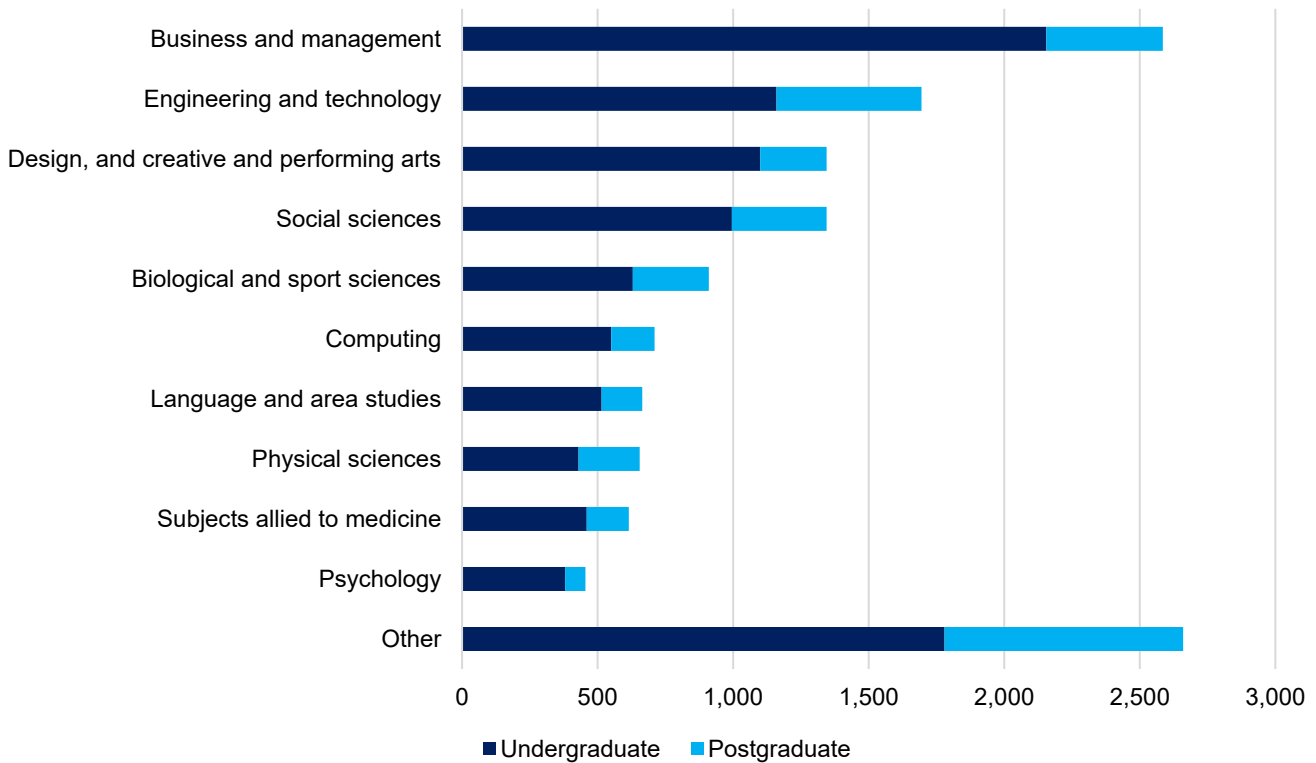
¹⁸ UIS Database, UNESCO Institute for Statistics, 2022, <http://data.uis.unesco.org/>

Looking at the UK's recruitment of Spanish international students over the last decade, the total number of students steadily increased from 8,600 in 2009/10 to just over 14,000 in 2019/20, with positive growth recorded in every year throughout the period. There was, however, a relatively small decline recorded in the 2020/21 academic year, with the number of students declining by around 3 per cent to 13,650 due to the impacts of the Covid-19 pandemic and related restrictions. Spain is primarily an undergraduate market for UK HEIs, with an average of around 70 per cent of enrolments being at the undergraduate level during the last decade.

Looking ahead, changes in fee arrangements for prospective international students from EU countries will pose a significant challenge for UK HEIs in the Spanish market. Specifically, new students arriving from the EU to start courses from August 2021 are generally no longer eligible for home student status, which means they must pay international fees and will not qualify for tuition fee loans. Linked to this, there was a sharp decline (around 40 per cent) in applications for undergraduate study in the UK from EU countries in 2021/22. EU applications for 2022/23 up to the 30 June pre-clearing deadline were down again by a further 18 per cent. Looking at Spain specifically, application trends over the last couple of years have been broadly in line with the EU average, down by around 33 per cent in 2021/22 followed by a further decline of around 21 per cent in 2022/23 up to the 30 June pre-clearing deadline. Additionally, in September 2021, the Turing Scheme replaced the Erasmus+ programme in providing funding for participants in UK universities to go on international study and work placements. However, in contrast to Erasmus+, the Turing Scheme will not provide funding for international students spending part of their course in the UK.¹⁹ Erasmus funded students were a major source of students for the UK historically, and prior to the pandemic, around one in five Spanish students at UK HEIs were classed as visiting and exchange students, although the proportion fell significantly in 2020/21.

¹⁹ International students in UK higher education, *UK Parliament*, 2022 <https://commonslibrary.parliament.uk/research-briefings/cbp-7976/>

Figure 8: Subjects studied by Spanish HE students in the UK, 2020/21

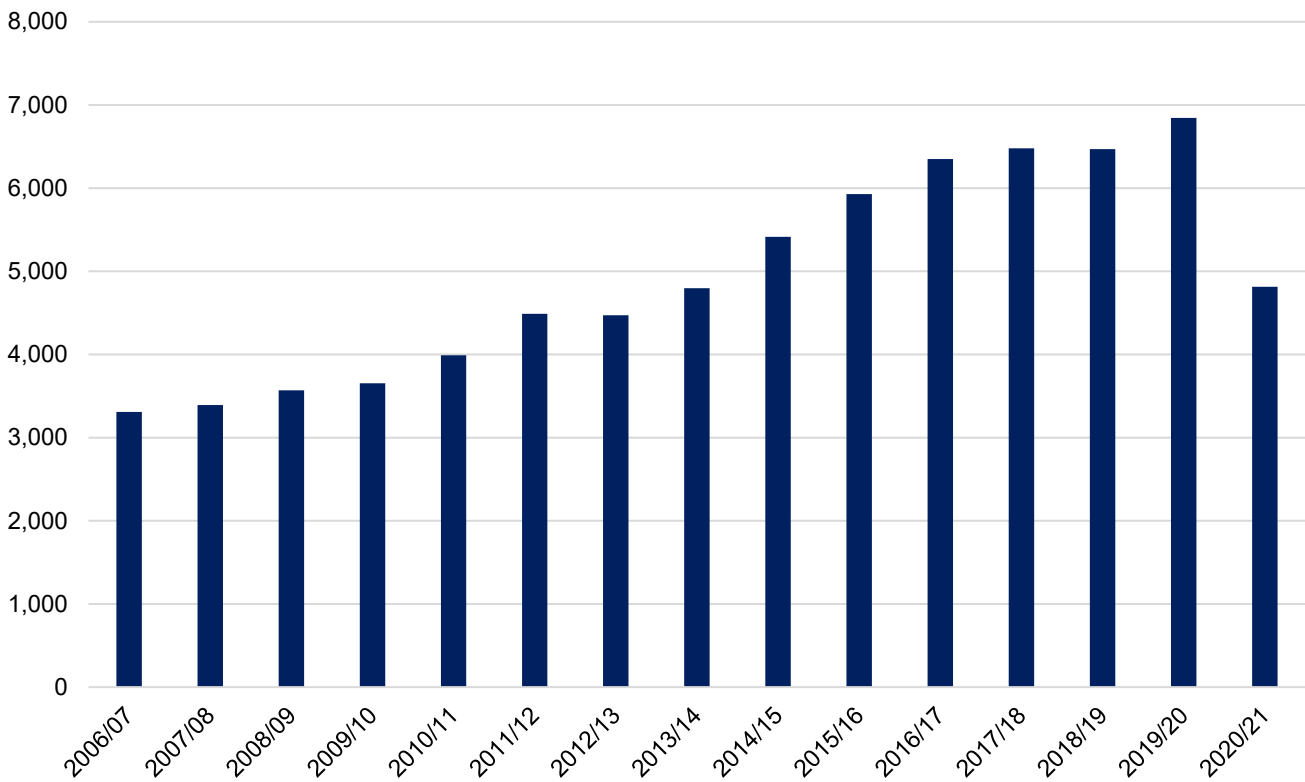


Source: HESA

In terms of subject areas, business and management was by far the most popular broad subject area with undergraduates, with 2,155 enrolments in 2020/21. The next most popular subject choices for undergraduates were engineering and technology (1,160) design, and creative and performing arts (1,100), social sciences (995), and biological and sport sciences (630). Each of the top five undergraduate subject choices were included in the top five postgraduate choices. Engineering and technology (535) was the most popular postgraduate subject choice, followed by business and management (430), social sciences (350), biological and sport sciences (280), and design, and creative and performing arts (245).

The share of Spanish students enrolled at Russell Group (RG) universities in the UK has been on a consistent upward trajectory, increasing from 26 per cent in 2002/03 when HESA records began, up to 40 per cent by 2016/17. Since then, the share has remained stable at around this level, which underlines the importance of institution reputation in the decision-making process of Spanish international students. In terms of location, London is the most popular study region within the UK for Spanish students, with just over a quarter (28 per cent) of students studying in the capital in 2020/21. The next most popular region was Scotland, which accounted for 14 per cent of inbound Spanish students to the UK in 2020/21, followed by the South East (12 per cent), North West (9 per cent), East of England (8 per cent) and South West (8 per cent). Indeed, the regional distribution of Spanish students is closely aligned to regional distribution of EU international students in the UK more generally. At institution level, the University of Edinburgh was the most popular choice in 2020/21, closely followed by University College London, Imperial College London and King's College London.

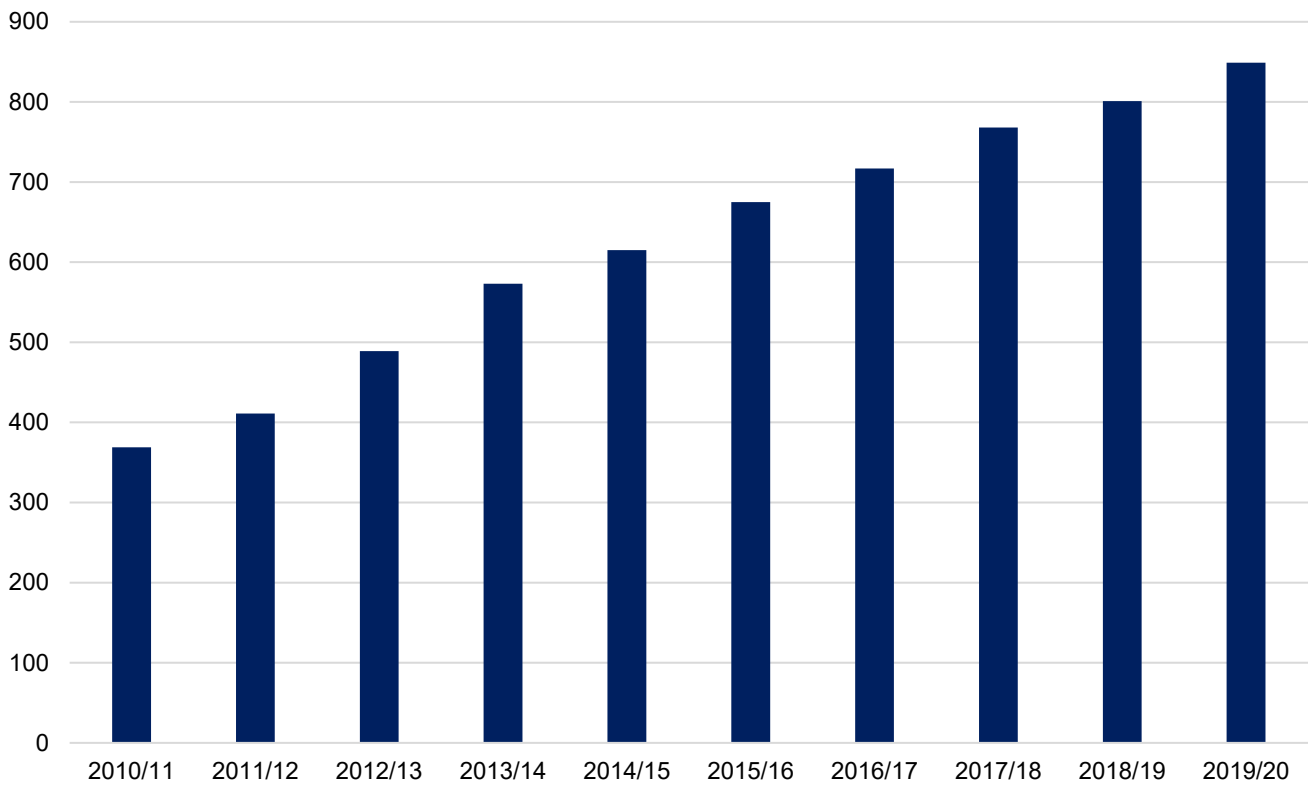
Figure 9: Spanish HE enrolments in the US



Source: IIE (Note: OPT students excluded).

After the UK and Germany, the US is the next most popular destination for Spanish international students. The number of Spanish students enrolled in US higher education institutions grew relatively strongly and consistently in the decade between 2006/07 and 2016/17, rising from 3,300 to 6,350 during this period. However, growth then stagnated in 2017/18 and 2018/19, likely due to anti-immigration rhetoric under the Trump administration and tightened measures on staying in the US after graduation. However, modest growth returned in 2019/20, before student numbers declined sharply by 30 per cent in the 2020/21 academic year, down to 4,800 as Covid-19 and the associated international travel restrictions weighed on student mobility prospects. Contributing to the strong growth in Spanish international students in the US over the last decade is the growing number of students attending community colleges, taking advantage of the lower level of tuition fees relative to universities.

Figure 10: Spanish HE enrolments in Canada

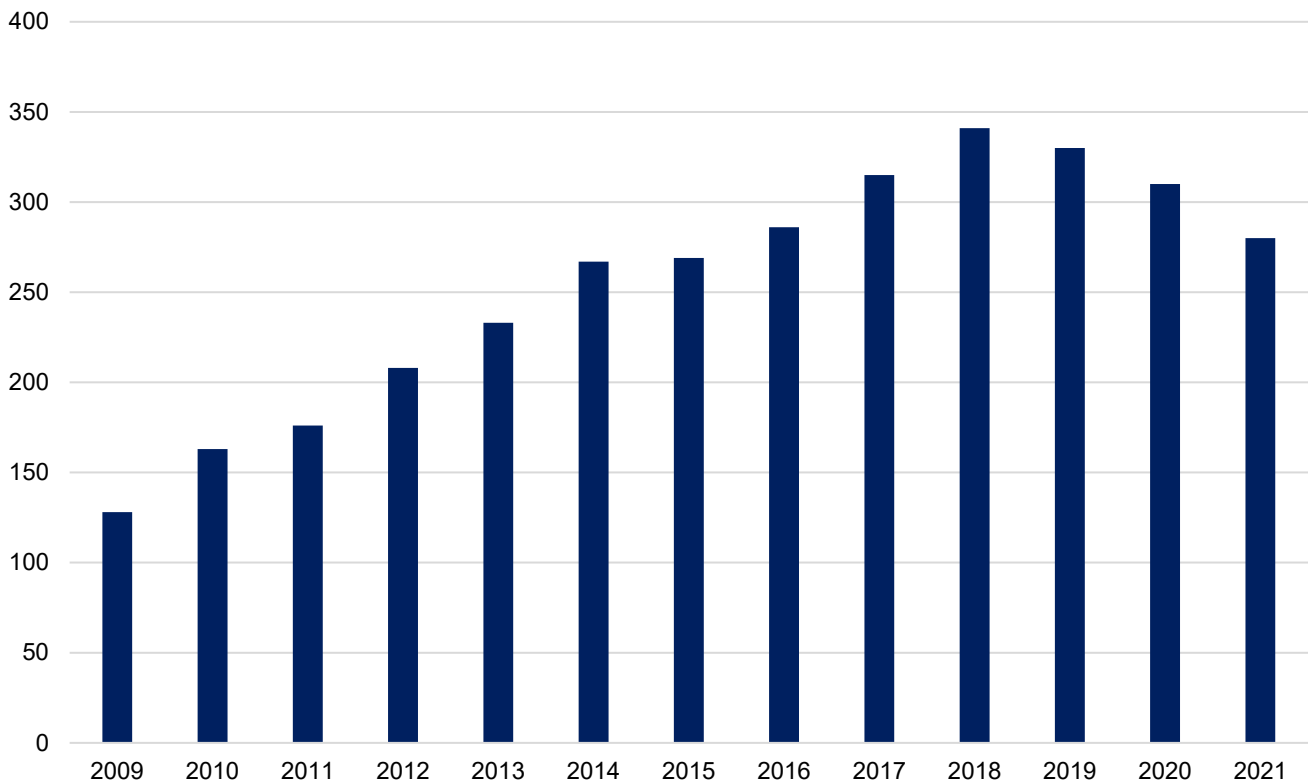


Source: StatCan

Although some way behind the UK, US and Germany in terms of scale, a growing number of Spanish students have been choosing to study for higher education qualifications in Canada over recent years. In 2010/11, there were just 370 Spanish international students enrolled in Canada, but after growing at an average rate of 10 per cent per year, reached 850 by 2019/20. The strong growth in the number of Spanish students studying in Canada is part of a wider European trend, with 7 of the top 10 fastest growing international student populations in Canada being from European countries.²⁰

²⁰ Canada attracts more students from EU post-Brexit: report, *Study International*, 2022, <https://www.studyinternational.com/news/rise-of-students-in-canada-2022/>

Figure 11: Spanish HE enrolments in Australia



Source: AusTrade

With the vast majority of outbound Spanish students preferring to either remain in Europe or travel to North America for study, Australia has historically been a relatively small market for international students from Spain. After a steady increase since 2009, the number of Spanish students enrolled in Australian HEI peaked at almost 350 students in 2018. Since then, this number has declined each year, reaching just 280 students in 2021. Looking ahead, given the large geographical distance between the countries, Australia is likely to remain a fringe market for Spanish international students, with European and North American destinations remaining well ahead.

From an inbound perspective, according to UNESCO there were just over 82,000 international students studying in Spain in 2020. Growth has been particularly strong over recent years, with an increase of 65 per cent recorded since 2016. France and Italy are the largest European origin markets for international students in Spain, while Spain also attracts a particularly large number of students from Latin America due to cultural and linguistic ties, including from countries such as Colombia and Ecuador.

5.2 Transnational education and distance learning

In the 2020/21 academic year, according to HESA there were 4,665 Spanish students enrolled on UK TNE and distance learning courses, with the majority of provision (80 per cent) taking place at the bachelor's level. This places Spain as the UK's fifth largest TNE market in Europe (behind

Greece, Germany, Switzerland and Ireland). However, the European market is of a small scale relative to Asia and on the global scale, Spain accounts for a relatively small share of total UK TNE enrolments. Still, the number of enrolments from Spanish students has been on an upward trajectory over recent years and is up by almost 50 per cent compared to the level five years earlier in 2015/16. The majority of Spanish students in UK TNE are enrolled in face-to-face courses, with the face-to-face share of total TNE enrolments averaging around 70 per cent in recent years.

The majority of UK-Spain teaching collaborations are in the business subject areas. They include double or joint degrees (e.g., the BSc in International Business Management, a four-year programme providing two full degrees – one from Lancaster University and one from ICADE Business School in Spain) and also UK franchised and validated courses. When UK courses are offered in Spain through franchise and validation, they are often adapted and localised by Spanish partners to meet local market needs. Generally, courses are taught in Spanish in year one and year two, switching to English in years three and four.²¹

A key attractiveness of UK TNE provision in Spain is the flexibility of the UK higher education system to deliver “top-up” degrees. These are typically one-year (exceptionally two-year) programmes which enable students to obtain Level 6 degree qualifications, where these students have completed a VET Level 5 diploma or two years of a university degree. The UK university reviews students’ previous learning and considers whether they can be accepted on the top-up (and often final) year of their degree, depending on academic parity. The option of UK top-up programmes is attractive as students can obtain a full degree in four years, the same timeframe it would have taken to study a full degree in Spain.

From a regulatory perspective, overseas providers of higher education in Spain are permitted to be established either as a branch campus or a separate legal entity different from a university, or as a new university incorporated under Spanish law and meeting the exact standards of the original qualification. When established as a separate legal entity different from a university, the entity must become affiliated with a Spanish university. Authorisation for offering TNE programmes must be granted by the regional government’s relevant department.

Taught programmes leading to a UK degree must be in compliance with the following legal requirements:

- The structure, duration and contents of the curriculum must be the same as those used in the providing domestic institution.
- Awards and degrees must have the same name and validity as those issued in the domestic institution.
- The study programmes are subject to evaluation, accreditation and inspection controls applicable to the domestic institutions.
- The studies offered in Spain must be effectively implemented in the overseas jurisdiction.

²¹ Environment for Transnational Education Partnerships: Challenges and Opportunities – Spain and UK, *British Council*, 2022
https://www.britishcouncil.es/sites/default/files/environment-for-transnational-education-partnerships_0.pdf

6 UK Cooperation

The UK's exit from the European Union and subsequent decision to withdraw from its participation in the Erasmus+ scheme are by far the greatest challenges faced by both Spanish and UK universities in continuing or initiating education mobilities, collaborations and transnational education partnerships in future. However, as a replacement to Erasmus, the UK began inviting applications for the Turing scheme in 2021, which will enable UK students to study in other countries around the world, including Spain.²² The new scheme will provide funding towards placements and exchanges of students and is open to university students as well as those in vocational training, apprentices and those retraining through a college or school.

The British Council plays an important role in promoting the UK education system through initiatives such as the Climate Connection in the framework of COP-26. It is also a member of the Spanish chapter of EUNIC (European Union National Institutes of Culture), a network of official centres of culture and institutions in Europe.

Despite the challenges presented by Brexit, Spain remains a high priority market for UK HEIs. According to a survey of 50 UK HEI international offices conducted by the British Council in July 2022, 82 per cent of respondents indicated that Spain was one of the EU markets where they would be prioritising their spending. This places Spain as the top-ranked country in the EU in terms of spending prioritisation and underlines the market's importance to the internationalisation plans of UK HEIs. Linked to this, 70 per cent of respondents indicated that they would be present at education fairs in Spain in 2022/23, with 50 per cent indicating that they would work with education agents in Spain. Again, Spain ranked top amongst all EU markets on both of these metrics, providing further evidence of its strategic importance for UK HEIs.

²² Turing Scheme: What is the Erasmus replacement? *BBC News*, 2021, <https://www.bbc.co.uk/news/education-47293927>