

OPPORTUNITY COSTS OF EDUCATION ABROAD
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Abstract: *the article analyzes opportunity costs of education abroad. Opportunity costs could represent all pro and contra of almost every choice, especially such important one. If we talk about education we mean that enrollee has at least four alternatives: to start work without studying, to start work and study at the same time; to study only; not to study or work. In case of studying enrollee has to choose between different universities. Due to studying opportunity costs in such case it is possible to strengthen competitive positions in the framework of the education market and realize the mechanism of decision-making process.*

Keywords: *opportunity costs, decision-making process, push/pull factors, education abroad.*

АЛЬТЕРНАТИВНЫЕ ИЗДЕРЖКИ ОБРАЗОВАНИЯ ЗА ГРАНИЦЕЙ
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Аннотация: *в статье анализируются альтернативные издержки образования за границей. Альтернативные издержки помогают отразить все за и против касательно практически любого типа выбора, и особенно – выбора подобного масштаба. У студента как минимум четыре альтернативы: работать и не учиться; работать и учиться; только учиться; не делать ничего из вышеперечисленного. В случае если абитуриент выбирает учебу, он сталкивается с необходимостью выбора между несколькими университетами. Благодаря изучению данного типа издержек образовательные учреждения будут иметь возможность усилить свои конкурентные позиции на рынке образовательных услуг и проследить механизм процесса принятия решений абитуриента.*

Ключевые слова: *альтернативные издержки, процесс принятия решения, выталкивающие и притягивающие факторы, образование за границей.*

Introduction

“For everything you have missed, you have gained something else, and for everything you gain, you lose something else”. Ralph Waldo Emerson

We always need to choose between different opportunities. We face with the decision-making process of choosing one or another alternative in every sphere of our life almost every hour (not even a day). The educational sphere is not an exception: choosing between studying and the whole range of other possibilities is a defining thing in our lives we can't ignore. The point is that we can't choose anything without losing something else. During reflecting about the things we lost after taking one or another decision we meet the opportunity cost problem.

The term opportunity cost, also called the cost of choice, reflects, at the cost level, a fundamental economic law: the law of rarity [12]. In short, this law expresses the “relationship of interdependence between the volume, structure and intensity of needs, on the one hand, and the quantity, quality and structure of resources, on the other hand, translating a “constant tension, but with degrees of different intensity the unlimited needs and resources (including economic goods) under specified conditions of place and time”.

In a more direct way, opportunity cost shows “how much would I have won if I had chosen another option and, therefore, how much I lost on choosing it” [12].

Choosing between “to study” or “not to study”, potential students have a wide range of things they lose in case of preferring any possible variant. Every additional condition should be taken into account that makes the decision-making process more complicated. Possibility of studying abroad is one of the things that makes problem of choice many-sided and composite.

This question is a question of current interest for all the groups of stakeholders: for students because they are decision-making process actors and for studying process organizers because they are the people, who should take all the motivational factors, opportunity costs and risks of students into account during organization of studying process and process of applying.

Theoretical framework

In terms of globalization process the international education issue becomes more and more topical nowadays. In this context the problem of students' motivation for studying abroad (which is closely interconnected with the opportunity cost problem) has a very important place not only in theoretical science but in wide ranges of practical applications as well.

Different authors focused on this problem from rather different sides. Suh Li Phang considers that in terms of "the growing international competition between countries for international students, it has become increasingly important to gain a better understanding of the factors that influence international students' decision on study destination" [11]. Cant marks that for being successful in the present global environment, students must develop some key global cultural skills [1]. Diana Oliveira and Ana Maria Soares state the importance of students' motivation for studying abroad research according to "social, demographic and economic changes, as well as reduction in the number of students and of available funding making HEIs to consider strategies in order to attract more students and more funding resources [10].

Consequently, the problem can be examined from different sides of relevance and importance. The point is that the problem of motivation is like a coin with two sides. The first side of the coin is motivation and the other one – things inhibiting the person to do this or that. We mean opportunity costs here.

The opportunity cost does not involve only the losses expressed in physical units or values (goods, money), but may include psychological costs, subjectively experienced in terms of satisfaction or dissatisfaction. Therefore, the decision for one option or another can not be explained by reasons of physical or financial bill, but by the issues, the nature of motivation, aspirations, interests and choices, maybe the "philosophy of life" of the individual or of the community [12].

Furthermore, the word "international" before education appends additional conditions that must be considered in the decision-making process. In this relation it becomes important to understand "the motivations leading a student to leave his home country and select a certain foreign institution, the information sources consulted during the selection process, as well as the decision factors for his decision" [10].

Strictly speaking, there are two types of factors having influence on student during the process of decision-making: **push/pull factors** [3, 4, 5, 6, 9].

The push factors refer to economic or political issues occurring in the country of origin, influencing firstly the choice of a destination country; the pull factors influence directly the choice of a certain institution and are related to the attraction factors of the destination country, the reputation and quality of the destination HEI, the international recognition of the education and to issues regarding the location of the destination institution [5, 6, 9]. The push factors may be positive or negative, considering repulsive characteristics of the origin country (negative) and attraction factors of the destination country (positive); the pull factors are usually positive and tend to work as attraction factors towards the chosen HEI.

But still student loses something in any case and because of it opportunity costs have to be taken into account. Under normal conditions, the opportunity cost should be recovered from revenues brought by the option chosen (if the choice was well done), which means that these revenues are higher or at least the same with the opportunity cost [12]. However, sometimes it is not so in each case.

Therefore, investment in education is the result of choice, both at the levels of society, the state and the individual, a choice which is necessarily accompanied by giving up something else, is a choice with an opportunity cost [12].

Despite the fact that this topic is the topic of current interest, it's rather hard to find articles and other kinds of literature combined both motivation and decision-making process of students and opportunity costs they take making decision.

Thus, the aim of the research is to examine what opportunity costs students exactly bear and how it can be used for practical issues like organization of educational process for international students.

Research question

According to the literature review and examining of the interviewing opportunities the following research question was formulated:

How opportunity costs of education abroad could be interpreted by students and organizers of the educational process?

In order to answer the research question, the following sub questions were set:

1. How students are exactly motivated for getting a degree abroad?
2. How students could describe opportunity costs they take?
3. How organizer of the educational process figure out opportunity costs which are taken by students?

Methodology

The philosophy of science

Nothing could be done without choosing the way of action. Before doing the research it had to be stated: which way of thinking should be selected as a framework of the whole process?

So far as **Methodology** “is a combination of techniques used to inquire into a specific situation” [2], suitable set of techniques should be used for the purpose of achieving success.

In the paper **Relativism ontology** was chosen as a starting point because the main thing studied was the human’s behavior. This is the issue which is very subjective and anything depends from person to person in it. So, the position of **Relativism ontology** that “goes in suggesting that scientific laws are not simply out to be discovered but they are created by people” [2] is very close to all the things connected with human behavior.

As for the paradigm, the most suitable one for the case is **Social Constructionism paradigm**, because it’s main idea is that the paradigm is focused on “the view that “reality” is not objective and exterior, but socially constructed and given meaning by people” [2]. It’s about behavior as well and about all the things which are connected with subjective perception of the world and its parts.

Research design

Research design is about organizing research activity, including the collection of data, in ways that are most likely to achieve the research aims [2].

So, in other words it’s a further development of the plan after choosing suitable paradigm.

Because of working with people and their behavior it should be taken into account that “there is no absolute truth, and the job of the researcher should be to illuminate different truths and to establish how various claims for truth and reality become constructed in everyday life” [2]. Researches in this case are those people who register wide range of different possible “answers”.

As for this paper, the design was the following: respondents told about themselves; about their own experience in relation to the decision-making process had taken place in the real life; and then some kind of reflection about their decision. So, the **Narrative Method** was used here. It’s about involving researchers into a process of constructing and transmitting stories [2].

This method is quite suitable for the case because of the thing that it was able to be “inside” and have affects humans constraint: it was possible to set the right direction for the conversation, be completely open to the information from respondent and thereby inspire his confidence; help respondent to take part in the survey by self-involvement.

Data-collection methods

For making comprehensive survey both primary and secondary data were used.

As for the secondary one, it was in the very beginning: the literature that is correlated with the topic was searched for.

After detecting relevant literature the question with primary data was solved: the in-depth interview was chosen. The most important question was about respondents: it should be decided which group of respondents would be representative for the research study and of whom this group should be consisted of.

For studying the research question it was decided to involve into the survey both students and organizers of educational process in purpose to get a view from each group of stakeholders to observe the whole picture of the case.

To achieve this goal two interview guides for two different groups of respondents were developed: one for students and one for educational process organizers. The first interview guide has 8 questions; the second has 5 questions. Students’ group has representatives from Bangladesh, Germany and Russia in the age from 21 to 27 (3 women and 2 men). Organizers’ group – representatives from Norway and Russia in the age of 25. Student’s group consists of both those students who took the opportunity to study abroad and those who didn’t take it. Organizer’s group consists of people working with students in international and joint educational programs.

All the ethical issues were respected. Respondents took part in the survey only after obtaining of the consent from them. Interviews were recorded only after asking about the possibility of this action.

During the process of interviewing it became clear that it’s not possible to conduct all the interviews in semi-structured way. Additional questions and explanations were necessary for establishing the contact with a respondent and getting all the required information. It had been kept in mind that the interviewer needs to listen to what the person wants to say, and what doesn’t want to say, without helping [8].

Validity

“Validity encompasses the entire experimental concept and establishes whether the results obtained meet all of the requirements of the scientific research method” [7].

As for interview guide in the paper: it was designed in the form of open questions mostly. It was helpful for setting up the contact with the respondent and making him or her feel free about the form of expressing thoughts. Further it allowed examining the topic deep from different points of view to create the volumetric picture of the phenomena both from sides of students and their coordinators.

Some questions weren't about getting something new but took place to be because of necessity of checking respondents' answers: the sense of such questions was quite same but ways of representing differs from one to another. Due to this it was possible to control the information flow and made received data more valuable.

Analysis

As it was already mentioned above, the point is that human behavior and way of thinking are very subjective and depends from person to person.

In the paper there were collected and analyzed seven interviews from two different groups of respondents. Every respondent had his own point of view and it depended on each difference in features they had.

First of all, students and organizers of the educational process had rather different points of view because of being on different sides of the fence.

As for organizers, the "opportunity costs" category became topical for them only after mentioning it – organizers of the educational process hadn't been thinking about this during their routine work with students. There were more relevant criteria for them to think about while working. Both of the respondents from the group mentioned, that the most important thing for them is the progress in studies, the next one is motivation and only after it they could start to think about opportunity costs which students take. This point of view was stated in the following manner:

- "I think that if you don't have the specific course you have to have certain background from other courses, you have to have your high school education. But I also know that there are programs where it is competition between. It ranges who has the best grades. I think those are most important points" – respondent from Norway;

- "First, you always anyway pay attention on the education of a person, on the high grades. Then, you may have high grades but the level of your English can not correspond to our request. May be it corresponds. Then you are asking weird questions like: "Why did you come here?"

Furthermore, the respondent from Norway stated that the questions related to opportunity costs for student are rather philosophical:

- "That's more philosophical question I think. It's something you can philosophize about..." – respondent from Norway.

But after the offering to think about possible opportunity costs for students, respondents mentioned:

1. Losing in possibilities related to career;
2. Being separate from current issues in your home country ("Alternative costs could be that when you are here in your home country something happens. And first, you are not the part of what happens" – respondent from Russia);
3. Possibility of choosing the thing that is different from you really want and need ("If you choose to go natural sciences, then you might end up going down in different path in natural sciences and maybe you interests change later in life" – respondent from Norway).

So, it could be said that opportunity costs are interpreted by organizers as a thing that exists and could be thought over in case of asking particular question, for example. But it is not a thing with essential meaning for the organization of educational process that should be considered during work.

As for students, they had rather different points of view according to their final choice: to study abroad or not to study abroad. In the survey both types of representatives were interviewed.

Thus, opportunity costs mentioned by students could be divided according to the final decision they made. For those who chose studying abroad (3 respondents: man in the age of 27 and two women in the age of 21 and 22) opportunity costs were:

1. Career prospects;
2. Scholarships in other Universities (for those respondents, who chose particular University because of specialization or location and didn't get scholarship in it while having a possibility to get scholarship in other ones);
3. Possibility of studying in the home country;
4. Possibility of making study period shorter (for some respondents studying on the international program was not included but added to the whole amount of studying years);
5. Possibility of the divergence between expectations and reality.

Thereby students who chose studying abroad interpret opportunity costs as possible things they could lose being in one place and not in other one. Not so many of them have real opportunity costs (for example, only one respondent had real opportunity cost in the form of real work he had to refuse of). One more real opportunity cost is a possibility of studying less years. Other ones are possible ones and these opportunity costs represent subjective relation of the students to the studying abroad and other possible alternatives in which he or she could use his or her own skills. Summing up it could be said that opportunity costs here are interpreted as possible but in the most of cases not exactly real opportunities missed by students.

As for those who stayed in their home country (2 respondents: man in the age of 22 and woman in the age of 24) opportunity costs were:

1. Chance to live in a foreign country;

2. Enjoy life without working;
3. Opportunity to get a foreign sample diploma;
4. Language practice;
5. Possibility of travelling a lot.

Respondent-woman mentioned one more interesting thing: “Also I had relationships and didn’t want to separate with my boyfriend”. It could be considered as an opportunity cost for students who choose to study abroad because it’s quite natural for people as for emotional human beings to make a decisions influenced by feelings and emotions.

Hereby it could be said that opportunity costs in this case are interpreted as common things people think about during making decision about possibility of living in a foreign country. But still there were some “real” opportunity costs. For example, respondent woman knew Norwegian language and she lost an opportunity to practice the language she already knew.

Conclusion

It became clear that interpretation of opportunity costs depends on person, his or her decision and his or her position in the framework of educational process. Different people consider different factors during decision-making process according to their age, gender, financial opportunities, career, outlook on life, etc.

As for organizers, opportunity costs are interpreted by them as a thing that exists and could be thought over in case of asking particular question, for example. But it is not a thing with essential meaning for the organization of educational process that should be considered during work. Opportunity costs for students they could mention are:

1. Losing in possibilities related to career;
2. Being separate from current issues in your home country;
3. Possibility of choosing the thing that is different from you really want and need.

Students have rather different way of interpretation. Students who chose studying abroad interpret opportunity costs as possible but in the most of cases not exactly real opportunities missed by them. This group mentioned the following opportunity costs:

1. Career prospects;
2. Scholarships in other Universities;
3. Possibility of studying in the home country;
4. Possibility of making study period shorter;
5. Possibility of the divergence between expectations and reality.

Concerning those students who hadn’t chose studying abroad, opportunity costs in this case are interpreted as common things people think about during making decision about possibility of living in a foreign country. In this case respondents mentioned the following opportunity costs:

1. Chance to live in a foreign country;
2. Enjoy life without working;
3. Opportunity to get a foreign sample diploma;
4. Language practice;
5. Possibility of travelling a lot.

Summing up it could be noted that interpretation of opportunity costs depends on person, his or her decision and his or her position in the framework of educational process. Interpretations of organizers of educational process are different from interpretations of students; interpretations of students who chose to study abroad are different from interpretations of students who decided to stay in home country; even interpretations of each student from these two groups differ from one to another and almost every person has his personal view on the question: “What are opportunity costs for you?”.

The topic of the research can be developed further. It would be interesting to know exactly how opportunity costs could be interpreted. For organizers of the international programs it can be useful for modifying interview guide when accepting students. For students it is important as well because knowing other people opinion they would be able to get the whole picture and carry out decision-making process more circumstantially.

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