

In Search of Solutions for the Agent Debate

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The use of commissioned agents for recruiting international students had been a divisive debate, with some strong viewpoints and weak action points. The recent report by National Association of College Admissions Counseling (NACAC), on the practice of commission-based international student recruiters, attempted to bring clarity to this debate through a comprehensive and inclusive process. Although it has something for everyone to justify their arguments for or against the use of commission-based agents, it left most of us searching for solutions. At the same time, the report aptly addressed two critical pieces, often overlooked in the debate and have implications for future directions—diversity and transparency.

DIVERSITY OF INSTITUTIONS, STUDENTS, AND AGENTS

The NACAC report rightfully acknowledges that just because commission-based agents are used in other countries, they are suitable in the US context. In the

United States, international students are highly concentrated in research universities. Of nearly 4,500 postsecondary degree-granting institutions in the United States, just 108 universities classified as “Research Universities (very high research activity)” by Carnegie Classification, enrolled nearly two-fifth of all international students. Most of these universities are not engaged with the agent debate, as they have a strong brand visibility among prospective international students and also perceive the use of agents as a risk to delegate their brand presence with a third party. Granted, there are exceptions like the University of Cincinnati, which was an early adopter of the agent model.

The discourse on the use of agents in general and the NACAC report in particular, has implications primarily on institutions beyond these 108 research universities (very high research activity). Within this segment, public universities are increasingly interested in recruiting international undergraduate students. Diminishing state support renders undergraduate international student enrollment an important revenue stream, and agents are being positioned as a cost-effective measure for finding them. This is where some institutions have hastily started using agents without considering the fit with the type of students they want and how those students make choices.

A report by World Education Services—Not All International Students Are the Same—addressed this information gap to better understand students. The report identified four segments of international students—explorers, strivers, strugglers, and highfliers—based on financial resources and academic preparedness. These segments have diverse information needs; and this shapes not only whether or not they use agents but also why they use them. For example, only 24 percent of explorers (high financial resources and low academic

preparedness) reported use of agents as compared to 9 percent of strivers (low financial resources and high-academic preparedness).

The quality of agents, in terms of their reliability and ethical behavior, is equally diverse. A segment of students and institutions may still want to work with agents, due to a variety of constraints related to market intelligence, resources, and capacity. Any kind of outright ban from NACAC would have been impractical and unfair, as it would have ignored these diverse institutional needs. At the same time, claiming that commission-based agents are a good fit for all segments of institutions is an overstatement.

INSTITUTIONAL RESPONSIBILITY

Decisions of whether to use commission-based agents, or not, depend on the institutional context and needs. There is nothing *prima facie* unethical or illegal about such conclusions; however, based on autonomy professional responsibility must uphold the highest standards. This is where a commission-based agency model increases the risks and may result in actions by agents that are not in the best interest of students and even the institutions paying commission. At the end of the day, for agents, if there is no admission, there is no commission.

Consider the case of lack of transparency in an agent-student relationship. A forthcoming research report by World Education Services surveyed international students and asked them “Has your educational consultant shared with you whether he or she receives a commission from colleges/universities for each student recruited?” Only 14 percent of prospective international students who reported to use education consultants were informed that the agent would

receive commission from institutions, 43 percent were unaware, and 45 percent reported “don’t know/can’t say.”

The finding highlights that the issue of information asymmetry—where one party in the transaction has more information than the other—provides an unfair advantage to the commission-based agents, often at the expense of the institutional brand. At the same time, it is nearly impossible to manage or enforce the “code of conduct” on agents and their network of subagents in other countries.

This is where institutions’ responsibility of setting standards of transparency at their end becomes even more important. The NACAC report recommends “Providing clear and conspicuous disclosure of arrangements by agents with institutions for students and families.” Higher education institutions using commission-based agents should come forward and explicitly state on their Web sites if they work with agents, what commissions they pay, and make this information available to prospective students. For example, the University of Nottingham transparently offers this information to students and also publishes how much commission it pays to agents.

The acid test for institutions that are using commission-based agents is in their proactive enforcement of transparency in engagements between themselves, agents, and prospective students. If they are confident about their practices, what do they need to disclose? This emphasis on transparency will bridge the information asymmetry and will set the standard from institutions that there is nothing secretive about the use of commission-based agents.

CONCLUSION

Many are in search of guidelines, however, in the context of seeking solutions to their increasing problems in recruiting international students proactively and quickly. This is where a global industry of agent networks has positioned itself as the panacea for all institutions. The fact remains that the quick-fix solution of using commission-based agents to ramp up international student numbers may increase the risk to the institutional brand, admissions standards, and even the quality of students admitted.

In this context, the NACAC report attempted to investigate and highlight several issues related to the use of agents—including, institutional accountability, transparency, and integrity. At the same time, it did not resolve the core issues related to incentive payments as “the Commission was unable to achieve unanimous consensus.”

This puts even more onus on universities using or considering the use of commission-based agents to assess the segments of students they wish to recruit, their decision-making processes, and institutional readiness to retain them. In addition, institutions need to take proactive steps in setting standards of transparency to break the ills of secretive practices and information asymmetry.