



Legitimizing Agency Recruiting in the USA: The Formation of the American International Recruitment Council

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American International Recruitment Council (AIRC)

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Limited Use of Agents in the USA

A quick scan of leading recruitment agents in India, China, Brazil and elsewhere reveals remarkably short lists, dominated by relatively obscure institutions.

This stands in stark contrast with Australians and British where many top universities engage agents.

Until very recently, virtually no major US research universities or competitive private liberal arts colleges were willing to engage agents directly.

A few pariah institutions utilized agents heavily, often with little regard to quality control or student quality, and virtually no understanding of emerging best practices.

Poor practice on the part of a few institutions has led to extreme hostility to the practice among many US educational leaders.

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Americans Refusal to Engage Agents Has Exacerbated a Bad Situation

Anecdotally, many students – as many as 50% of Chinese undergraduates – arrive to US institutions through the use of agents whom the students themselves paid, often at *extortionate rates*.

Student payments to agents of US \$5,000 or more are not unheard of.

These *agents do not necessarily have specific expertise in US education* and are operating in a totally unregulated space.

Desperate students and parents are vulnerable to *unscrupulous practices*.

American educational institutions exacerbated a bad situation by not engaging agents and professionalizing practice.

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Americans Have Been Slow Learners

American admissions officers have generally rejected the use of commission-based agents – despite their proven effectiveness elsewhere

Why? The reasons given vary, but most boil down to these three:

***“It’s illegal.** Title IV of the Higher Education Act (HEA) prohibits paying commissions to recruiters.”*

***“It’s Prohibited** by the National Association for College Admission Counseling (NACAC).”*

***“It’s unethical.** Agents do not work in the interest of the students.”*

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Not Illegal – Not Prohibited

Title IV of the HEA *Explicitly Permits* Commission-based Recruitment of Foreign Students

The “small print” from Title IV:

(b) By entering into a program participation agreement, an institution agrees that –

(22)(i) It will not provide any commission, bonus, or other incentive payment based directly or indirectly upon success in securing enrollments or financial aid to any person or entity engaged in any student recruiting or admission activities or in making decisions regarding the awarding of title IV, HEA program funds, except that ***this limitation does not apply to the recruitment of foreign students residing in foreign countries who are not eligible to receive title IV, HEA program funds.***

NACAC’s Statement of Principles of Good Practice (SPGP), which prohibits commission payments, *Does Not Apply to Recruitment of Foreign Students*

NACAC’s Director of Public Policy states “***our SPGP does not directly address commission payments for recruiters of foreign students. Part of that limitation is due to the fact that federal law, which bans ‘commissioned sales in admission’ domestically, specifically exempts recruiters of foreign students.***”

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Agents Are Not Necessarily Unethical

There is a long-standing tradition in business of using *trusted intermediaries* (agents and brokers) to facilitate business.

The US Commercial Service endorses the use of agents to facilitate many aspects of international trade.

Universities already utilize agents in many ways:

- **Headhunters** assist with presidential, provostal and decanal searches
- **Stock brokers** manage university endowments
- **Real estate agents** assist with sale and purchase of property holdings
- **Insurance brokers** assist university risk managers

These agents are not ethically suspect because their professional practice standards are well-established and familiar, and are supported by trusted regulatory frameworks.

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Standards Are Emerging

Professional practice standards, widely adopted within an industry, drive ethical practice.

A highly developed regulatory framework exists for Australian universities, and it has been hugely influential on the emerging practices of other countries. The framework is focused on ethical practices and consumer protection, and is comprised of the following:

- Education Services for Overseas Students Act (ESOS)
- The National Code
- The Australian Vice Chancellor's Committee (AVCC) Code of Practice
- And related sectoral Codes and Standards

Other countries have watched closely and developed approaches and standards closely modeled on Australian practice.

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Voluntary Standards vs. Legalistic Approaches

Although it is a significant innovation, the Australian ESOS Act has no extra-territorial teeth – there is no enforcement mechanism or sanction process that can extend to agents.

American institutions want assurance that agents are adhering to a very high standard of ethical practice. To achieve this, and to foster widespread adoption of the agency recruiting model, a new mechanism is required.

American educational institutions have a tradition of self-regulation (voluntary accreditation) which has evolved over more than a century. This system exists outside of legal frameworks. It is familiar. It works. It has provided effective quality assurance for the largest post-secondary education system in the world.

For agency recruitment to gain legitimacy in the US, a comparable system of quality assurance is required – one which is uniquely suited to the American educational culture and context.

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Creation of AIRC

- Incorporated as a Washington, DC, not-for-profit corporation in July 2008
- A membership organization with Bylaws that embrace foreign agents, but keep US educational institutions in a controlling position
- Will develop Standards of Best Practice as well as an Agent Certification framework
- Will likely apply to the US Department of Justice for status as an official Standard Development Organization (SDO)

Assisted by corporate sustaining members ICEF, i-graduate and Hobsons.

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Agent Certification

Certification looks something like “Accreditation Lite”

Process still under development, but will likely have 5-steps:

1. Apply for Certification (pay application fee)
2. Undertake prescribed AIRC-developed professional development (paid by applicant)
3. Perform a self-study
4. Undergo an external site visit (paid by applicant)
5. Certification Board Review (if approved, payment of membership fee)

After three years, re-certification

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Recourse and Consumer Protection

The AIRC Compliance Board will hear complaints and resolve disputes.

The Compliance Board will be able to apply sanctions upon certified agents up to, and including, revocation of certification – which would become part of the public record.

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Benefits of Certification

If AIRC succeeds in its objective...

- A “Seal of Approval” that will provide access to a large number of US institutions which have been awaiting a reliable quality assurance mechanism with “teeth”
- Improved acceptance by US government agencies that “touch” international students, i.e. consular offices, EducationUSA
- Greater access to sponsored events previously foreclosed to agents, i.e. IIE Fairs, EducationUSA fairs, etc.

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Aggressive Timeline

- July 2008 - Incorporation
- August 2008 – Bylaws Approved
- October 29th, 2008 – First General Membership Meeting
- By May 2009 – Annual meeting during NAFSA
Approval of Standards & Certification Process
- By September 2009 – Small Agent Group Pilots Standards
- By End 2010 – “Large numbers” of Agents Passing through
Process

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Institutional Membership

(as December 2, 2008)

Member is open to any US-based post-secondary educational institution, public or private, non-profit or for-profit.

AIRC began accepting institutional members in September 2008, and has seen remarkable growth with no effort

Membership anticipated to exceed 100 institutions by end of first year of operations

Characteristics of membership...

All Degree Levels Represented

1 Community College

1 Proprietary Institution

2 Intensive English Institutes

1 Pure Graduate Institution

Research Extensive / Research Intensive

Urban, Suburban and Rural

35 Institutions

18 States Represented

19 Public Institutions

24 Private Institutions

Secular & Parochial

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Institutional Membership Cost

<i>< 10,000 Total Enrollment</i>	<i>US \$500</i>
<i>10,000 or greater Total Enrollment</i>	<i>US \$1,000</i>

Agency Certification Cost

TBD, but scalable based on size of company

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Institutional Membership

(as of December 2, 2008)

Arkansas State University - Jonesboro
Bellarmino University
Boise State University
Cleveland State University
Drexel University
Duquesne University
ELS Language Centers
Franklin University
Golden Gate University
Keck Graduate Institute of Applied Life Sciences
– Claremont Colleges
Lorain County Community College
Montana State University
Murray State University
North Dakota State University
Northern Kentucky University
Northern Michigan University
Ohio Dominican University
Ohio University

Ohio Wesleyan University
Tiffin University
St. Louis University
St. Norbert College
Schiller University
Shawnee State University
University of Akron
University of Cincinnati
University of Colorado – Denver
University of Hartford
University of North Dakota
University of Tennessee – Knoxville
University of Texas at San Antonio – ESL
Upper Iowa University
Urbana University
West Virginia University
Wright State University

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